

**Vision Lithium Inc.**

***Unaudited Interim Financial Statements***

***As at May 31, 2023***

#### **NOTICE OF DISCLOSURE OF NON-AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

# Vision Lithium Inc.

## Statements of Financial Position

(in Canadian dollars)

	Notes	May 31, 2023 (Unaudited) \$	August 31, 2022 (Audited) \$
<b>ASSETS</b>			
<b>Current</b>			
Cash	5	85,283	744,605
Guaranteed investment certificates, 1.70% - 4 %, expiring between July 2023 and May 2024		77,171	779,942
Sales taxes receivable		9,826	92,731
Tax credits receivable		151,717	2,184
Prepaid expenses		45,939	35,433
Marketable securities in quoted mining exploration companies		758	758
		<u>370,694</u>	<u>1,655,653</u>
<b>Non-current</b>			
Property and equipment		10,948	16,270
Right-of-use assets	6	23,128	47,038
Exploration and evaluation assets	7	19,704,718	18,514,854
		<u>19,738,794</u>	<u>18,578,162</u>
<b>Total assets</b>		<u><u>20,109,488</u></u>	<u><u>20,233,815</u></u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		143,072	358,417
Current portion of lease obligations	8	21,357	31,252
Current portion of loan	9	40,000	-
		<u>204,429</u>	<u>389,669</u>
<b>Non-current</b>			
Lease obligations	8	-	14,252
	9	-	40,000
		-	<u>54,252</u>
<b>Total liabilities</b>		<u>204,429</u>	<u>443,921</u>
<b>EQUITY</b>			
Share capital	10.1	56,890,416	55,648,956
Contributed surplus		6,081,742	5,394,952
Deficit		(43,067,099)	(41,254,014)
<b>Total equity</b>		<u>19,905,059</u>	<u>19,789,894</u>
<b>Total liabilities and equity</b>		<u><u>20,109,488</u></u>	<u><u>20,233,815</u></u>

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

These interim financial statements were approved and authorized for issue by the Board of Directors on July 20, 2023.

Approved on behalf of the Board of Directors

(signed) Yves Rougerie, Director

(signed) Victor Cantore, Director

# Vision Lithium Inc.

## Statements of Net Loss and Comprehensive Loss

(in Canadian dollars)

	Notes	Three-month period ended		Nine-month period ended	
		May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
		\$	\$	\$	\$
<b>Expenses</b>					
Employee benefits expense	12.1	159,290	281,180	1,051,894	1,019,193
Insurance, taxes and permits		6,265	8,385	19,102	25,611
Consulting fees		76,072	87,905	294,113	237,819
Professional fees		5,571	25,576	139,409	105,128
Rent and maintenance		6,360	6,240	19,104	18,720
Business development		29,174	50,576	222,814	131,191
Advertising and sponsorship		550	14,315	12,202	14,315
Stationery and office expenses		3,180	4,830	13,768	18,147
Travel, board and lodging		2,723	5,585	7,066	10,223
Registration fees		4,567	4,567	25,101	35,414
Write-off of exploration and evaluation assets		-	-	363	350
Exploration costs of other properties		-	-	-	149
Bank charges		893	731	2,525	2,208
Part III.14 tax		76	-	-	-
Part XII.6 tax related to flow-through shares		330	6,542	595	9,151
Amortization of property and equipment		299	991	1,154	2,972
Amortization of right-of-use assets		4,028	1,105	8,337	3,074
<b>Operating loss</b>		<b>299,378</b>	<b>498,528</b>	<b>1,817,547</b>	<b>1,633,665</b>
<b>Other (income) expenses</b>					
Finance income	14	(203)	(6,914)	(4,867)	(8,564)
Finance cost	14	123	171	405	454
Government assistance	11	-	(18,000)	-	(18,000)
Net change in fair value of marketable securities in quoted mining exploration companies		-	-	-	81
Other revenues		-	(676)	-	(4,732)
		<b>(80)</b>	<b>(25,419)</b>	<b>(4,462)</b>	<b>(30,761)</b>
<b>Loss before income taxes</b>		<b>(299,298)</b>	<b>(473,109)</b>	<b>(1,813,085)</b>	<b>(1,602,904)</b>
Deferred income tax		-	-	-	122,557
<b>Net loss and total of comprehensive loss for the period</b>		<b>(299,298)</b>	<b>(473,109)</b>	<b>(1,813,085)</b>	<b>(1,480,347)</b>
<b>Loss per share</b>					
Basic and diluted net loss per share	15	<b>0.00</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>

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

**Vision Lithium Inc.**  
**Statements of Changes in Equity**

(in Canadian dollars)

		Share capital		Contributed surplus	Deficit	Total equity
		Number	Amount			
			\$	\$	\$	\$
<b>Balance as at September 1<sup>st</sup>, 2021</b>		<u>209,802,485</u>	<u>53,521,536</u>	<u>4,755,693</u>	<u>(39,460,152)</u>	<u>18,817,077</u>
Issuance of shares for the acquisition of mining rights	10.1	4,550,000	981,000	-	-	981,000
Share-based payments	12.2	-	-	752,290	-	752,290
Warrants exercised	10.2	19,300,000	1,146,420	(181,420)	-	965,000
		<u>23,850,000</u>	<u>2,127,420</u>	<u>570,870</u>	<u>-</u>	<u>2,698,290</u>
Net loss and total of comprehensive loss for the period		-	-	-	(1,480,347)	(1,480,347)
<b>Balance as at May 31, 2022</b>		<u>233,652,485</u>	<u>55,648,956</u>	<u>5,326,563</u>	<u>(40,940,499)</u>	<u>20,035,020</u>
Share-based payments	12.2	-	-	68,389	-	68,389
		<u>-</u>	<u>-</u>	<u>68,389</u>	<u>-</u>	<u>68,389</u>
Net loss and total of comprehensive loss for the period		-	-	-	(313,515)	(313,515)
<b>Balance as at August 31, 2022</b>		<u>233,652,485</u>	<u>55,648,956</u>	<u>5,394,952</u>	<u>(41,254,014)</u>	<u>19,789,894</u>
Share-based payments	12.2	-	-	883,250	-	883,250
Warrants exercised	10.2	20,900,000	1,241,460	(196,460)	-	1,045,000
		<u>20,900,000</u>	<u>1,241,460</u>	<u>686,790</u>	<u>-</u>	<u>1,928,250</u>
Net loss and total of comprehensive loss for the period		-	-	-	(1,813,085)	(1,813,085)
<b>Balance as at May 31, 2023</b>		<u>254,552,485</u>	<u>56,890,416</u>	<u>6,081,742</u>	<u>(43,067,099)</u>	<u>19,905,059</u>

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

# Vision Lithium Inc.

## Statements of Cash Flows

(in Canadian dollars)

	Notes	Nine-month period ended	
		May 31, 2023	May 31, 2022
		\$	\$
<b>Operating activities</b>			
Net loss		(1,813,085)	(1,480,347)
Adjustments			
Amortization of property and equipment		1,154	2,972
Amortization of right-of-use assets		8,337	3,074
Amortization of right-of-use assets included in exploration costs of other properties		-	149
Interests of a guaranteed investment certificate		-	(35)
Interests on lease obligations		405	454
Net change in fair value of marketable securities in quoted mining exploration companies		-	81
Share-based payments		850,880	716,467
Write-off of exploration and evaluation assets		363	350
Deferred income tax		-	(122,557)
Changes in working capital items	16	110,500	16,084
Cash flows used in operating activities		(841,446)	(863,308)
<b>Investing activities</b>			
Disposal of guaranteed investment certificate		702,771	1,750,000
Acquisition of property and equipment		-	(3,767)
Additions to exploration and evaluation assets	7	(1,540,431)	(1,273,254)
Cash flows (used in) from investing activities		(837,660)	472,979
<b>Financing activities</b>			
Warrants exercised	10.2	1,045,000	965,000
Payments on lease obligations	8	(25,216)	(23,328)
Cash flows from financing activities		1,019,784	941,672
<b>Net change in cash</b>		(659,322)	551,343
<b>Cash beginning of the period</b>		744,605	1,235,956
<b>Cash end of the period</b>		85,283	1,787,299

### Additional information - Cash flows (Note 16)

#### Additional information

Interest received from operating activities	4,867	8,564
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The accompanying notes are an integral part of these interim financial statements.

# **Vision Lithium Inc.**

## **Notes to Interim Financial Statements**

**For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)**

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(in Canadian dollars)

### **1. NATURE OF OPERATIONS**

Vision Lithium Inc. and its subsidiary Pioneer Resources Inc. (the “Company”) are exploration companies with activities in Canada.

On December 13, 2022, the Company dissolved its subsidiary Pioneer Ressources Inc., following its liquidation on October 26, 2022.

### **2. GOING CONCERN ASSUMPTION, GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS**

The interim financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at May 31, 2023 the Company has a cumulated deficit of \$43,067,099 (\$41,254,014 as at August 31, 2022). These material uncertainties cast significant doubt regarding the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the interim financial statements and the classification used in the interim statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Vision Lithium Inc. is incorporated under the *Canada Business Corporations Act*. The address of the Company's registered office and its principal place of business is 1019 boulevard des Pins, Val-d'Or, Quebec, Canada. Vision Lithium Inc.'s shares are listed on the TSX Venture Exchange under the symbol “VLI”.

### **3. BASIS OF PRESENTATION**

These interim financial statements of the Company as at May 31, 2023 were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) under International Accounting Standard (IAS) 34 - Interim Financial Reporting. These interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computations outlined in Note 4, SIGNIFICANT ACCOUNTING POLICIES as described in our consolidated financial statements for the year ended August 31, 2022. The interim financial statements do not include all of the notes required in annual financial statements.

### **4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

When preparing the interim financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

# **Vision Lithium Inc.**

## **Notes to Interim Financial Statements**

**For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)**

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(in Canadian dollars)

### **4.1 Significant management judgment**

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the interim financial statements.

#### **Recognition of deferred income tax assets and measurement of income tax expense**

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

#### **Going concern**

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

### **4.2 Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### **Lease obligations**

Accounting for lease obligations involves judgment and requires the establishment of a number of estimates and assumptions. Judgment is used to determine whether there is reasonable certainty that an option to extend or terminate the rental agreement will be exercised. In addition, management has made estimates to determine the term of the leases and the appropriate interest rate to value the lease obligation (see Note 8).

#### **Impairment of exploration and evaluation assets**

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or cash-generating unit must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.



# Vision Lithium Inc.

## Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

### 4.2 Estimation uncertainty (continued)

#### Impairment of exploration and evaluation assets (continued)

See Note 7 for the exploration and evaluation assets impairment analysis.

The total impairment loss of the exploration and evaluation assets recognized in profit or loss amounts to \$363 for the period ended May 31, 2023 (\$4,755 for the year ended August 31, 2022). No reversal of impairment losses has been recognized or the reporting periods.

Other properties have not been tested for impairment as the Company has the ability to retain these properties as it has sufficient financial resources to meet its short-term obligations. In general, the rights to prospect these properties will not expire in the near future or are expected to be renewed, work has been completed on these properties over the past three years and / or results promising results were obtained.

#### Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options and warrants granted and the time of exercise of those share options and warrants, if applicable. The model used by the Company is the Black-Scholes valuation model (see Notes 10.2 and 12.2).

#### Tax credits receivable

The calculation of the Company's refundable tax credit on qualified exploration expenditure incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been issued from the relevant taxation authority and a payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit, exploration and evaluation assets, and income tax expense in future periods.

## 5. CASH

Cash include the following components:

	<b>May 31, 2022</b>	August 31, 2021
Cash	\$ <b>85,283</b>	\$ 537,794
Monetary funds	-	206,811
Cash	<b>85,283</b>	744,605

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

#### 6. RIGHT-OF-USE ASSETS

	<b>Total Automotive equipment \$</b>
<b>Gross carrying amount</b>	
Balance as at September 1, 2022 and May 31, 2023	<u>85,110</u>
<b>Accumulated amortization and disposal</b>	
Balance as at September 1, 2022	(38,072)
Amortization	<u>(23,910)</u>
Balance as at May 31, 2023	<u>(61,982)</u>
<b>Carrying amount as at May, 2023</b>	<u><b>23,128</b></u>

The Company leases automotive equipment under leases expiring in April 2023 and June 2024. The depreciation of right-of-use assets totals \$23,910 which \$8,337 is recognized as an expense and \$15,573 is recognized as exploration and evaluation assets (\$31,881 which \$5,559 is recognized as an expense and \$26,322 is recognized as exploration and evaluation assets as at August 31, 2022).

#### 7. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be detailed as follows:

##### MINING RIGHTS

	Balance as at September 1, 2022	Additions	Tax credits and credit on duties	Write-off	Balance as at May 31, 2023
	\$	\$	\$	\$	\$
Sirmac Lithium (Qc)	9,584,522	106,485	-	-	<b>9,691,007</b>
Dôme Lemieux (Qc)	2,335,383	-	-	-	<b>2,335,383</b>
Red Brook (NB)	522,935	20	-	-	<b>522,955</b>
Godslith (MB)	1,111,755	-	-	-	<b>1,111,755</b>
Cadillac (Qc)	1,097,562	440	-	-	<b>1,098,002</b>
Décelles (Qc)	52,507	-	-	-	<b>52,507</b>
Epsilon (Qc)	-	363	-	(363)	-
<b>TOTAL</b>	<u>14,704,664</u>	<u>107,308</u>	<u>-</u>	<u>(363)</u>	<u><b>14,811,609</b></u>

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

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

##### EXPLORATION AND EVALUATION EXPENSES

	Balance as at September 1, 2022	Additions	Tax credits and credit on duties	Write-off	Balance as at May 31, 2023
	\$	\$	\$	\$	\$
Sirmac Lithium (Qc)	1,159,677	479,511	(76,504)	-	<b>1,562,684</b>
Dôme Lemieux (Qc)	672,521	5,570	(984)	-	<b>677,107</b>
Red Brook (NB)	415,681	424,844	-	-	<b>840,525</b>
Godslith (MB)	61,294	30,642	-	-	<b>91,936</b>
Cadillac (Qc)	1,439,886	259,664	(62,087)	-	<b>1,637,463</b>
Décelles (Qc)	61,131	32,221	(9,958)	-	<b>83,394</b>
	<u>3,810,190</u>	<u>1,232,452</u>	<u>(149,533)</u>	<u>-</u>	<u><b>4,893,109</b></u>
<b>TOTAL</b>	<u>18,514,854</u>	<u>1,339,760</u>	<u>(149,533)</u>	<u>(363)</u>	<u><b>19,704,718</b></u>

All write-off charges are presented in profit or loss under Write-off of Exploration and evaluation assets.

During the period ended May 31, 2023, the Company wrote off the mining rights and exploration expenses capitalized on the Epsilon property for the following reasons: abandonment of claims and/or no exploration work planned (the Epsilon and St-Stephen properties were written off during the year ended August 31, 2022).

##### Sirmac Lithium

The Company owns 100% of the Sirmac Lithium property which comprises 155 mineral claims covering a total area of approximately 7,670 hectares located approximately 180 km northwest of Chibougamau, in the province of Quebec.

On February 12, 2023, the Society redeemed the entire royalty for a total of \$100,000 in cash.

##### Dôme Lemieux

This 100% owned property is located near the town of Ste-Anne-des-Monts in the province of Quebec and comprises 237 claims covering 12,693 hectares.

##### Red Brook

On June 12, 2020, the Company acquired the Red Brook property, 100% owned, which is located approximately 60 km West of the mining center of Bathurst, in Northern New Brunswick. The Red Brook property consists of 235 claims covering an area of 5,101 hectares. This property is subject to 2% NSR royalties on all mineral production. The Company can buy back up to 50% of each of the NSR interests for \$1,000,000.

During the nine-month period ended May 31, 2023, the Company combined the Red Brook and Benjamain properties. The balance of mining rights and exploration and evaluation expenses as at September 1, 2022, reflects this change.

## **Vision Lithium Inc.**

### **Notes to Interim Financial Statements**

**For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)**

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(in Canadian dollars)

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

##### **Godslith**

On March 19, 2021, the Company acquired the Godslith property, 100% owned, which is located less than 5 km Northwest of Gods River, in Manitoba (MB). The Godslith property consists of one claim covering 5,560 hectares. This property is subject to 3% NSR royalties on all mineral production. The Company can buy back 1% of the NSR interests for \$1,000,000 and another 1% of the NSR interests for \$2,000,000.

##### **Cadillac**

On August 30, 2021, the Company acquired by staking the 100%, owned Cadillac property, which is located approximately 25 km south of Rivière Héva along Chemin du Rapide-Deux.

On December 2, 2021, the Company acquired a 100% interest in the Cadillac lithium property, including a total of 215 contiguous mining claims in the province of Quebec, from four separate groups of sellers. The claims acquired from the sellers cover 12,331 hectares. The Company paid \$102,428 in cash and issued a total of 4,300,000 common shares at a price of \$0.22 each for a grand total of \$1,048,428 and will grant each group of sellers a 2% NSR. The Company may repurchase up to 50% of certain of the NSR royalties at an individual price of \$500,000.

In 2022, the Company has acquired by staking 119 claims for a total of 334 claims of the Cadillac property covering an area of 19,036 hectares.

##### **Décelles**

On February 3, 2022, the Company acquired by staking the 100% owned Decelles property, which is located approximately 45 km south of Val d'Or along Chemin de la Baie Carrière. The Decelles property comprises 33 claims covering an area of 1,890 hectares.

On March 4, 2022, the Company acquired a 100% interest in a total of 40 mining claims contiguous to those of the Decelles property from a group of sellers. The claims acquired from the sellers cover 2,316 hectares. The Company paid \$10,000 in cash and issued a total of 250,000 common shares at a price of \$0.14 each for a grand total of \$45,000 and will grant the sellers a 2% NSR. The Company may repurchase up to 50% of each of the NSR royalties at an individual price of \$250,000.

In total, the property comprises 73 claims covering 4,206 hectares.

##### **Epsilon**

This 100% owned property is located in the Otish Mountains region of Quebec. The Epsilon property consists of 38 claims covering 2,006 hectares. This property is subject to two NSR royalties of 2% on all mineral production. The Company can buy back up to 50% of each of the NSR interests for \$1,000,000 each. The property was written off during the year 2022.

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

#### 8. LEASE OBLIGATIONS

Lease obligations included in the statement of financial position:

	<b>May 31, 2023</b>	August 31, 2022
	\$	\$
Balance as at beginning	<b>45,504</b>	76,656
Interests on lease obligations	<b>1,069</b>	2,470
Payments on lease obligations	<b>(25,216)</b>	(33,622)
	<b>21,357</b>	45,504
Current portion of lease obligations	<b>(21,357)</b>	(31,252)
<b>Lease obligations</b>	<b>-</b>	14,252
Maturity analysis – contractual undiscounted cash flows		
Less than one year	<b>22,657</b>	29,966
One to five years	<b>-</b>	16,993
<b>Total undiscounted lease obligations</b>	<b>22,657</b>	46,959

The Company has chosen not to recognize lease obligations under short-term leases (leases with a term of 12 months or less). Payments made under these leases are recognized on a straight-line basis is \$19,080 as at May 31, 2023 (\$21,200 as at August 31, 2022).

Total cash outflow for leases for the period ended May 31, 2023 amounted to \$44,296 (\$54,821 as at August 31, 2022).

#### 9. LOAN

The Company received a loan totalling \$60,000 under the Canada Emergency Business Account program. If the Company repays an amount totaling \$40,000 of the loan by December 31, 2023, no other amount will be payable. Otherwise, the loan balance will bear interest at 5% and will be repaid on maturity on December 31, 2025. Since \$20,000 of the government assistance is forgivable if the Company repays \$40,000 by December 31, 2023, the amount was recognized in profit or loss at the time the government assistance was granted. The estimated payments to be made over the next years amount to \$40,000 in 2024.

#### 10. EQUITY

##### 10.1 Share capital

The issued share capital of the Company consists only of fully paid common shares.

##### Share capital authorized

Unlimited number of common shares without par value.

Unlimited number of preferred shares class "A" and "B", without par value.

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

#### 10.1 Share capital (continued)

##### Share issuance

During the period ended May 31, 2023, 20,900,000 warrants were exercised. An amount of \$1,045,000 was received and an amount of \$196,460 representing the fair value of the warrants at the time of issuance was recorded as an increase in share capital.

During the year ended August 31, 2022, 19,300,000 warrants were exercised. An amount of \$965,000 was received and an amount of \$181,420 representing the fair value of the warrants at the time of issuance was recorded as an increase in share capital.

On March 4, 2022, the Company acquired the Cadillac property Decelles, in consideration for \$10,000 in cash and 250,000 common shares at a price of \$0.14 each totalling of \$35,000.

On December 2, 2021, the Company acquired the Cadillac property, in consideration for \$102,428 in cash and 4,300,000 common shares at a price of \$0.22 each totalling of \$946,000.

#### 10.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	May 31, 2023		August 31, 2022	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Balance, beginning of the period	61,698,024	0.09	80,998,024	0.08
Exercised	(20,900,000)	0.05	(19,300,000)	0.05
Expired	(9,573,024)	0.29	-	-
Balance, end of the period	<u>31,225,000</u>	<u>0.09</u>	<u>61,698,024</u>	<u>0.09</u>

Outlined below are the outstanding warrants which could be exercised for an equivalent number of common shares:

	May 31, 2023	
Expiration date	Number	Exercise price \$
December 23, 2023	23,725,000	0.05
January 5, 2024	7,500,000	0.05
	<u>31,225,000</u>	

#### 11. GOVERNMENT ASSISTANCE

On April 1, 2022, the Company received \$18,000 from the Province of New Brunswick as a second and final installment for an NBJMAP grant totaling \$30,000, of which 40% (\$12,000) had already been received and recorded in the consolidated statement of net and comprehensive income, upon presentation of supporting documentation for an amount of at least \$30,000 that was spent on the Red Brook property before February 28, 2022. The contract with the province of New Brunswick to obtain a grant totaling \$30,000 was signed on May 18, 2021.

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

## 12. EMPLOYEE REMUNERATION

### 12.1 Employee benefits expense

Employee benefits expense recognized is analyzed below:

	Three-month period ended		Nine-month period ended	
	May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
	\$	\$	\$	\$
Salaries and benefits	163,257	174,387	507,554	525,314
Share-based payments	66,281	190,515	795,387	698,555
	229,538	364,902	1,302,941	1,223,869
Less: salaries and share-based payments capitalized to exploration and evaluation assets	(70,248)	(83,722)	(251,047)	(204,676)
Employee benefits expense	159,290	281,180	1,051,894	1,019,193

### 12.2 Share-based payments

The Company has adopted a share-based payment plan under which members of the Board of Directors may award to directors, employees and consultants, options entitling its holder to purchase common shares of the Company. The maximum number of shares issuable under the plan is 10% of the outstanding shares (25,455,249 shares as at May 31, 2023 and 23,365,249 as at August 31, 2022).

The material terms of the plan are as follows:

- The maximum number of common shares that can be granted for a beneficiary, other than a consultant or investor relations services, is limited to 5% of issued and outstanding shares;
- The maximum number of common shares that can be granted for a consultant during any 12-month period is limited to 2% of issued and outstanding shares;
- The maximum number of common shares that can be granted for a supplier of investors' relation services during any 12-month period is limited to 2% of issued and outstanding shares.
- The Board shall determine the manner in which an option shall vest and become exercisable to staff members. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 25% of such options vesting in any 3-month period.

The exercise price per common share for an option shall not be less than the "Discounted Market Price", as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required by the Exchange. Every option shall have a term not exceeding and shall therefore expire no later than eight years after the date of grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

#### 12.2 Share-based payments (continued)

The Company share options are as follows for the reporting periods presented:

	May 31, 2023		August 31, 2022	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding, beginning of the reporting period	8,600,000	0.23	7,050,000	0.26
Granted	9,550,000	0.10	4,200,000	0.21
Expired	(1,900,000)	0.44	(2,650,000)	0.27
Outstanding, end of the reporting period	<b>16,250,000</b>	<b>0.13</b>	8,600,000	0.23
Exercisable, end of the reporting period	<b>16,250,000</b>	<b>0.13</b>	8,600,000	0.23

On October 14, 2022, the Company granted 9,550,000 options to directors, officers, employees and consultants at an exercise price of \$0.10 per share, expiring on October 14, 2027. The options have a contractual life of 5 years from the date of grant. 50% of the options are exercisable immediately and 50% are exercisable 6 months after the date of the grant. The estimated fair value of these options is \$0.094 per option. The fair value of options granted was estimated using the Black-Scholes model based on the following assumptions: share price at grant date of \$0.10, expected volatility of 194.4%, life expected 5-year options, 3.37% risk-free interest rate and no dividend per share.

On January 3, 2022, the Company granted 4,200,000 options to directors, officers, employees and consultants at an exercise price of \$0.21 per share, expiring on January 3, 2027. The options have a contractual life of 5 years from the date of grant. 50% of the options are exercisable immediately and 50% are exercisable 6 months after the date of the grant.

The table below summarizes the information related to outstanding share options as at :

Range of exercise price	May 31, 2023		August 31, 2022	
	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
\$0.10 to \$0.25	16,250,000	3.81	6,700,000	3.75
\$0.42 to \$0.55	-	-	1,900,000	0.37
	<b>16,250,000</b>	<b>3.81</b>	8,600,000	3.01

As at May 31, 2023, there is an amount of \$883,250 of share-based payments (\$547,120 as at May 31, 2022), all of which related to equity-settled share-based payment transactions which \$32,370 (\$26,053 as at May 31, 2022) was capitalized in exploration and evaluation assets, \$850,880 (\$481,987 as at May 31, 2022) were included in employee benefits expenses and reported in profit or loss and credited to contributed surplus.



## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

#### 13. FAIR VALUE MEASUREMENT

##### 13.1 Financial instruments measured at fair value

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly ; and
- Level 3: unobservable inputs for the assets or liabilities.

The fair value of the marketable securities in quoted mining exploration companies have been estimated by reference to their quoted prices at the reporting date.

Marketable securities in quoted mining exploration companies are measured at fair value in the statement of financial position as at May 31, 2023 and August 31, 2022 and are classified in Level 1.

The fair value of the loan is \$40,000 as at May 31, 2023 (\$40,000 as at August 31, 2022) and is determined using the estimated market rate that the Company would have obtained for similar financing and is classified in the level 2.

#### 14. FINANCE INCOME AND FINANCE COST

Finance income may be analyzed as follows for the reporting periods presented:

	Three-month period ended		Nine-month period ended	
	May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
	\$	\$	\$	\$
Interest income from cash and guaranteed investment certificates	<b>203</b>	6,914	<b>4,867</b>	8,564

Finance cost may be analyzed as follows for the reporting periods presented:

	Three-month period ended		Nine-month period ended	
	May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
	\$	\$	\$	\$
Interests on lease obligations	<b>123</b>	171	<b>405</b>	454

## Vision Lithium Inc.

### Notes to Interim Financial Statements

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(in Canadian dollars)

#### 15. LOSS PER SHARE

In calculating the diluted loss per share, dilutive potential common shares such as options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 10.2 and 12.2.

Both the basic and diluted loss per share have been calculated using the net loss as the numerator, i.e. no adjustment to the net loss was necessary for the three and nine-month periods ended May 31, 2023 and 2022.

	Three-month period ended		Nine-month period ended	
	May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
Net loss	<b>\$(299,298)</b>	\$(473,109)	<b>\$(1,813,085)</b>	\$(1,480,347)
Weighted average number of shares	<b>254,187,268</b>	233,032,920	<b>246,238,750</b>	225,981,083
Basic and diluted loss per share	<b>\$(0.00)</b>	\$(0.00)	<b>\$(0.00)</b>	\$(0.00)

#### 16. ADDITIONAL INFORMATION - CASH FLOWS

The changes in the working capital items are detailed as follows:

	Nine-month period ended	
	May 31, 2023	May 31, 2022
Accounts receivable	\$	\$
Sales taxes receivable	-	(4,405)
Prepaid expenses	<b>82,905</b>	20,859
Trade and other payables	<b>(10,506)</b>	(30,263)
	<b>38,101</b>	29,893
	<b>110,500</b>	16,084

Non-cash financial position transactions are detailed as follows:

	Nine-month period ended	
	May 31, 2023	May 31, 2022
Amortization of property and equipment included in exploration and evaluation assets	\$	\$
	<b>4,168</b>	3,869
Amortization of right-of-use assets included in exploration and evaluation assets	<b>15,573</b>	18,030
Share-based payments included in exploration and evaluation assets	<b>32,370</b>	35,823
Interest on lease obligations included in exploration and evaluation assets	<b>664</b>	-
Issuance of shares for the acquisition of mining rights	-	981,000
Trade and other payables included in exploration and evaluation assets	<b>13,807</b>	119,728
Tax credits receivable credited to exploration and evaluation assets	<b>149,533</b>	2,184

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

#### 17. RELATED PARTY TRANSACTIONS

The Company's related parties include key management and a company with common director as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balance are usually settled in cash.

##### 17.1 Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors and also the President and the CFO. Key management personnel remuneration includes the following expenses:

	Three-month period ended		Nine-month period ended	
	May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
	\$	\$	\$	\$
Short-term employee benefits	76,465	86,982	239,511	308,620
Share-based payments	58,574	166,090	702,900	608,996
Total remuneration	135,039	253,072	942,411	917,616

As at May 31, 2023 and 2022, no key management personnel exercised options.

On May 19, 2023, a director made an advance to the Company for an amount of \$100,000, without interest (nil as at May 31, 2022). This amount has been recorded in trade and other payables in the statements of financial position.

##### 17.2 Transactions with other related parties

As at May 31, 2023, the Company paid an amount of \$170,250 (\$154,583 as at May 31, 2022) to a company with common directors. This amount was recognized as consultants and salaries in the statements of net loss and comprehensive loss.

#### 18. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern, to increase the value of the assets of the business, and to provide an adequate return to shareholders of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work, details provided in Notes 10 and 19.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings.

When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve.

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

#### 19. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk.

The Company focuses on actively securing short to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below.

##### 19.1 Credit risk

Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	<u>May 31,</u> <u>2023</u>	<u>August 31,</u> <u>2022</u>
	\$	\$
Cash	<b>85,283</b>	744,605
Guaranteed investment certificates	<b>77,171</b>	779,942
	<b><u>162,454</u></b>	<u>1,524,547</u>

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

##### 19.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

During the period ended May 31, 2023, the Company has financed its exploration and evaluation programs, its working capital requirements and acquisitions of mining properties by use of private placements, flow-through private placements and the receipt of tax credits.

## Vision Lithium Inc.

### Notes to Interim Financial Statements

For the three and nine-month periods ended May 31, 2023 and 2022 (unaudited)

(in Canadian dollars)

#### 19.2 Liquidity risk (continued)

The following table presents contractual maturities (including interest payments where applicable) of the Company's liabilities:

	<u>May 31, 2023</u>	<u>August 31, 2022</u>
	\$	\$
Less than 6 months:		
Trade and other payables	10,151	295,092
From 6 months to 1 year:		
Loan	40,000	-
From 1 to 5 years:		
Loan	-	40,000
	<u>50,151</u>	<u>335,092</u>

The Company considers the cash flows that it expects to derive from financial assets in its assessment and management of liquidity risk, in particular, cash, guaranteed investment certificates and sales taxes receivable.

#### 20. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through shares and, under the tax rules relating to this type of financing, the Company is committed to carrying out exploration and evaluation expenses.

These tax rules also set deadlines for carrying out exploration work no later than the first of the following dates:

- Two years following flow-through placements;
- One year after the Company waived tax deductions relating to exploration work.

However, there is no guarantee that these exploration expenses will qualify as exploration expenses in Canada, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

During the period ended May 31, 2023, the Company received no amount from flow-through placements (\$nil as at August 31, 2022) for which the Company renounced to the tax deductions, for the benefit of investors, on December 31, 2022. Management is required to fulfill its commitments within the stipulated period of one year from the renunciation date.

As at May 31, 2023, the balance of the unspent funding related to flow-through financing amount totals \$nil (\$818,801 as at August 31, 2022).

#### 21. SUBSEQUENT EVENTS

On July 17, 2023, a director made an advance to the Company for an amount of \$100,000, without interest.