

Vision Lithium Inc.

Audited Financial Statements

As at August 31, 2024 and 2023



Independent Auditor's Report

Raymond Chabot
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To the Shareholders of
Vision Lithium Inc.

Opinion

We have audited the financial statements of Vision Lithium Inc. (hereafter "the Company"), which comprise the statements of financial position as at August 31, 2024 and 2023, and the statements of net loss and comprehensive loss, the statements of changes in equity and the statements of cash flows for the years then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting 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 2 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material uncertainty related to going concern" section, we have, we have determined that the matter described below is the key audit matter to be communicated in our auditor's report.

Assessment for impairment of exploration and evaluation assets relating to the Godslith property

As described in Note 4 to the financial statements, exploration and evaluation assets shall be assessed for an impairment test when facts and circumstances suggest that their carrying amount may exceed recoverable amount. We have identified the assessment for impairment of exploration and evaluation assets relating to the Godslith property as a key audit matter.

Why the matter was determined to be a key audit matter

The assessment for impairment of exploration and evaluation assets relating to the Godslith property is significant to our audit, because the amount of depreciation of this property of \$1,211,778 as at August 31, 2024 is material for the financial statements. In addition, management's assessment process is subjective and requires the use of judgments and assumptions, in particular, but not limited to:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

How the matter was addressed in the audit

Our audit procedures related to the assessment for impairment of exploration and evaluation assets relating to the Godslith property included, among others, the following:

- We assessed management's assessment of the facts and circumstances to determine whether an indication of impairment was present by:
 - o inspecting the Corporation's communications, including minutes and press releases;
 - o making requests for information from management; and
 - o obtaining external confirmations.
- We inspected government records to determine the validity of mining rights to this property.

Information other than the financial statements and the auditor's report thereon

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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 IFRS Accounting 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.

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

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

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

*Raymond Chabot Grant Thornton LLP*¹

Rouyn-Noranda
December 17, 2024

¹ CPA auditor, public accountancy permit no. A119351

Vision Lithium Inc.

Statements of Financial Position

(in Canadian dollars)

	Notes	August 31, 2024	August 31, 2023
		\$	\$
ASSETS			
Current			
Cash		78,057	90,705
Guaranteed investment certificates (2.25% - 3.4% - 4% in 2023), expiring in May and July 2025		77,171	77,673
Accounts receivable		1,375	-
Sales taxes receivable		18,842	13,363
Tax credits receivable		116,929	173,970
Prepaid expenses		31,187	46,442
Marketable securities in quoted mining exploration companies		340,990	649
		<u>664,551</u>	<u>402,802</u>
Non-current			
Property and equipment		5,236	9,588
Right-of-use assets	6	46,920	44,376
Exploration and evaluation assets	7	16,516,722	19,787,362
		<u>16,568,878</u>	<u>19,841,326</u>
Total assets		<u>17,233,429</u>	<u>20,244,128</u>
LIABILITIES			
Current			
Trade and other payables		592,808	438,421
Current portion of lease obligations	8	27,525	31,667
Current portion of loan	9	-	40,000
		<u>620,333</u>	<u>510,088</u>
Non-current			
Lease obligations	8	20,931	12,030
Total liabilities		<u>641,264</u>	<u>522,118</u>
EQUITY			
Share capital	10.1	57,353,736	56,961,696
Contributed surplus		5,117,538	6,092,552
Deficit		(45,879,109)	(43,332,238)
Total equity		<u>16,592,165</u>	<u>19,722,010</u>
Total liabilities and equity		<u>17,233,429</u>	<u>20,244,128</u>

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

These financial statements were approved and authorized for issue by the Board of Directors on December 17, 2024.

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

For the years ended August 31

(in Canadian dollars)

	Notes	2024	2023
		\$	\$
Expenses			
Employee benefits expense	11.1	380,458	1,177,582
Insurance, taxes and permits		37,247	24,931
Consulting fees		275,000	368,488
Professional fees		99,118	150,748
Rent and maintenance		28,876	25,594
Business development		144,220	249,107
Advertising and sponsorship		625	12,427
Stationery and office expenses		19,551	17,948
Travel, board and lodging		6,455	9,540
Registration fees		30,010	31,420
Write-off of exploration and evaluation assets		1,374,602	2,683
Bank charges		4,188	3,818
Loss on disposal of rights-of-use assets	6	1,138	-
Part XII.6 tax related to flow-through shares		-	(3,095)
Amortization of property and equipment		1,195	1,453
Amortization of right-of-use assets		24,822	10,610
Operating loss		2,427,505	2,083,254
Other (income) expenses			
Finance income	13	(4,198)	(5,760)
Finance cost	13	2,879	621
Net change in fair value of marketable securities in quoted mining exploration companies		1,034,659	109
Other revenues		(1,000)	-
		1,032,340	(5,030)
Net loss and total of comprehensive loss for the year		(3,459,845)	(2,078,224)
Net loss per share			
Basic and diluted net loss per share	14	(0.01)	(0.01)

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

Vision Lithium Inc.
Statements of Changes in Equity
For the years ended August 31

(in Canadian dollars)

		Share capital		Contributed surplus	Deficit	Total equity
		Number	Amount			
			\$	\$	\$	\$
Balance as at September 1st, 2022		<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	11.2	-	-	905,340	-	905,340
Warrants exercised	10.2	<u>22,100,000</u>	<u>1,312,740</u>	<u>(207,740)</u>	<u>-</u>	<u>1,105,000</u>
		<u>22,100,000</u>	<u>1,312,740</u>	<u>697,600</u>	<u>-</u>	<u>2,010,340</u>
Net loss and total of comprehensive loss for the year		-	-	-	(2,078,224)	(2,078,224)
Balance as at August 31, 2023		<u>255,752,485</u>	<u>56,961,696</u>	<u>6,092,552</u>	<u>(43,332,238)</u>	<u>19,722,010</u>
Warrants expired	10.2	-	-	(912,974)	912,974	-
Warrants exercised	10.2	<u>6,600,000</u>	<u>392,040</u>	<u>(62,040)</u>	<u>-</u>	<u>330,000</u>
		<u>6,600,000</u>	<u>392,040</u>	<u>(975,014)</u>	<u>912,974</u>	<u>330,000</u>
Net loss and total of comprehensive loss for the year		-	-	-	(3,459,845)	(3,459,845)
Balance as at August 31, 2024		<u>262,352,485</u>	<u>57,353,736</u>	<u>5,117,538</u>	<u>(45,879,109)</u>	<u>16,592,165</u>

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

Vision Lithium Inc.
Statements of Cash Flows
For the years ended August 31

(in Canadian dollars)

	Notes	2024	2023
		\$	\$
Operating activities			
Net loss		(3,459,845)	(2,078,224)
Adjustments			
Amortization of property and equipment		1,195	1,453
Amortization of right-of-use assets	6	24,822	10,610
Finance income not cashed	13	-	(502)
Finance cost not cashed	13	2,879	621
Net change in fair value of marketable securities in quoted mining exploration companies		1,034,659	109
Share-based payments		-	872,970
Loss on disposal of right-of-use assets		1,138	-
Write-off of exploration and evaluation assets		1,374,602	2,683
Changes in working capital items	16	193,488	106,071
Cash flows used in operating activities		(827,062)	(1,084,209)
Investing activities			
Acquisition of guaranteed investment certificates		(77,171)	(77,171)
Disposal of guaranteed investment certificate		77,673	779,942
Additions to exploration and evaluation assets	7	(491,336)	(1,638,336)
Disposal of option's property	7	1,025,000	-
Tax credits received		177,525	-
Cash flows from (used in) investing activities		711,691	(935,565)
Financing activities			
Net change in due to directors		(145,323)	295,000
Warrants exercised	10.2	330,000	1,105,000
Reimbursement of provision for compensation	9	(40,000)	-
Payments on lease obligations	8	(41,954)	(34,126)
Cash flows from financing activities		102,723	1,365,874
Net change in cash		(12,648)	(653,900)
Cash, beginning of the year		90,705	744,605
Cash, end of the year		78,057	90,705
Additional information - Cash flows (Note 16)			
Additional information			
Interest received from operating activities		4,198	5,760

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

Vision Lithium Inc.

Notes to Financial Statements

August 31, 2024 and 2023

(in Canadian dollars)

1. NATURE OF OPERATIONS

Vision Lithium Inc. (the "Company") is exploration companies with activities in Canada.

2. GOING CONCERN ASSUMPTION, GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS

The 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 August 31, 2024 the Company has an accumulated deficit of \$45,879,109 (\$43,332,238 as at August 31, 2023). 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 financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

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. STANDARDS AND NEW OR REVISED INTERPRETATIONS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of newly defined management-defined performance measures in a single note, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest.

Vision Lithium Inc.
Notes to Financial Statements
August 31, 2024 and 2023

(in Canadian dollars)

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company (continued)

IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 will apply retrospectively with specific transition provisions.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

4. SIGNIFIANT ACCOUNTING POLICIES

4.1 Overall considerations

The significant accounting policies and measurement basis that have been applied in the preparation of these financial statements are summarized below.

4.2 Functional and presentation currency

The financial statements are presented in Canadian currency, which is also the functional currency.

4.3 Financial instruments

Measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a part to the contractual provisions of the financial instrument. Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs, where appropriate.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

The classification of financial instruments under IFRS 9 is based on the entity's business model and the characteristics of the contractual cash flows of the financial asset or liability.

Classification and initial measurement of financial assets

Financial assets of the Company are classified into one of the following categories:

- At amortized cost;
- At fair value through profit or loss (FVTPL).

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance cost or finance income.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet the following conditions:

- they are held according to an economic model whose purpose is to hold financial assets in order to collect the contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that correspond solely to repayments of principal and interest payments on the principal outstanding.

Vision Lithium Inc.
Notes to Financial Statements
August 31, 2024 and 2023

(in Canadian dollars)

4.3 Financial instruments (continued)

After initial recognition, they are measured at amortized cost using the effective interest rate method. Discounting is omitted if effect is not significant. Cash, guaranteed investment certificates and accounts receivable are included in this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held in a different economic model than "holding for the purpose of collection" or "holding for the purpose of collection and sale" are classified in the FVTPL category.

This category includes marketable securities in quoted mining exploration companies. The Company accounts for the investment at FVTPL and has not made an irrevocable election to account for its investment in the marketable securities in quoted mining exploration companies at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value and gains or losses are recognized in net income. The fair value of financial assets in this category is determined based on transactions in an active market or by applying a valuation technique when there is no active market.

Depreciation of financial assets

The impairment provisions in IFRS 9 use forward-looking information, the expected credit loss model.

The recognition of credit losses is not dependent on the identification of a credit loss event by the Company. Rather, it must take into account an expanded range of information for assessing credit risk and assessing expected credit losses, including: past events, current circumstances, reasonable and justifiable forecasts that affect expected recoverability of future cash flows of the financial instrument.

The estimate of expected credit losses is determined at each reporting date to reflect changes in credit risk since the initial recognition of the related financial asset.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade and other payables (except deductions at source, salaries and vacation payables) and the loan.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All interest-related charges are reported in profit or loss within finance costs, if applicable.

4.4 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting loss attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares which include options and warrants. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the average market price at the beginning of the exercise or, if later, at the date of issue of the potential ordinary shares.

Vision Lithium Inc.
Notes to Financial Statements
August 31, 2024 and 2023

(in Canadian dollars)

4.5 Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and a refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments as well that the Company will comply with the conditions associated to them.

4.6 Exploration and evaluation expenditures, and exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of initial search of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement), expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets. Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No amortization expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is no longer considered viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts (see Note 4.8); the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment (see Note 4.8) and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor commercial viability of extracting a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash and share consideration received directly from the acquirer is credited against the carrying amount of costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in profit or loss.

Vision Lithium Inc.
Notes to Financial Statements
August 31, 2024 and 2023

(in Canadian dollars)

4.7 Lease agreements

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option. Lease terms, range from 2 to 3 years for automotive equipment. In addition, the right-of-use asset is reduced by the cumulative loss of value, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Rent payments relating to leases with a lease term of 12 months or less are recognized on a straight-line basis as an expense in profit or loss.

4.8 Impairment of exploration and evaluation assets and the right-of-use assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Vision Lithium Inc.
Notes to Financial Statements
August 31, 2024 and 2023

(in Canadian dollars)

4.8 Impairment of exploration and evaluation assets and the right-of-use assets (continued)

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.9 Provisions and contingent liabilities

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow August still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.10 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

However, since the Company is in exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprised only of deferred tax.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

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4.10 Income taxes (continued)

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

4.11 Equity

Share capital

Share capital represents the amount received on the issue of shares. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they were measured at their fair value according to the quoted price on the day of the Company takes possession of the assets.

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using their relative fair value. Black-Scholes model is used to determine the fair value of the warrants and the market price at the time of issuance is used for shares.

Flow-through placements

The issuance of flow-through shares or units represents in substance an issue of ordinary shares, warrants if applicable and the sale of the right to tax deductions to the investors. When the flow-through shares or units are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position. The proceeds received from flow-through units are allocated between share capital, warrants if applicable and other liabilities using the residual method. Proceeds are first allocated to shares based on the market price according to the quoted price of shares at the time of issuance then to warrants if applicable based on their fair value on the date of issue. The fair value of warrants is determined using the Black-Scholes valuation model and the residual proceeds are allocated to the other liabilities. When eligible expenses are incurred and the Company has waived its right to tax deductions, the amount recognized in other liabilities is reversed and recognized in profit or loss as a deduction from deferred tax expense and a deferred tax liability is recognized for the temporary taxable difference resulting from the fact that the book value of eligible expenditures recorded as assets in the statement of financial position differs from their tax base.

Other elements of equity

Contributed surplus includes charges related to share options not exercised and expired and warrants not exercised.

Deficit includes all current and prior year retained profits or losses and share issue costs net of tax benefits related to these issue costs from current and prior year and the warrants expired.

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4.12 Equity-settled share-based payments

The Company operates an equity-settled share-based payment plan for its eligible directors, employees and consultants. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

Equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to Contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if the number of share options ultimately exercised is different from that estimated on vesting.

4.13 Segment reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker i.e. the Chairman and the Board of Directors.

The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

5. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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5.1 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 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 (see Note 15).

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).

5.2 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 (see Note 4.8).

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.

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 \$1,374,602 for the year ended August 31, 2024 (\$2,683 for the year ended August 31, 2023). 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 plans on having 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.

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5.2 Estimation uncertainty (continued)

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 11.2).

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 (see Note 4.5 for more information).

6. RIGHT-OF-USE ASSETS

	Total Automotive equipment
	\$
Gross carrying amount	
Balance as at September 1, 2022	85,110
Addition	30,384
Balance as at August 31, 2023	115,494
Addition	47,369
Disposal	(85,109)
Balance as at August 31, 2024	77,754
Accumulated amortization and disposal	
Balance as at September 1, 2022	(38,072)
Amortization	(33,046)
Balance as at August 31, 2023	(71,118)
Amortization	(39,522)
Disposal	79,806
Balance as at August 31, 2024	(30,834)
Carrying amount as at August 31, 2023	44,376
Carrying amount as at August, 2024	46,920

The Company leases automotive equipment under leases expiring between May 2025 and December 2026. The depreciation of right-of-use assets totals \$39,522 which \$24,822 is recognized as an expense and \$14,700 is recognized as exploration and evaluation assets (\$33,046 which \$10,610 is recognized as an expense and \$22,436 is recognized as exploration and evaluation assets as at August 31, 2023).

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7. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be detailed as follows:

MINING RIGHTS

	Balance as at September 1, 2023	Additions	Disposal of option	Tax credits and credit on duties	Write-off	Balance as at August 31, 2024
	\$	\$		\$	\$	\$
Sirmac Lithium (Qc)	9,691,373	(788)	-	-	-	9,690,585
Dôme Lemieux (Qc)	2,336,226	13,533	-	-	-	2,349,759
Red Brook (NB)	527,755	4,800	-	-	-	532,555
Godslith (MB)	1,111,755	-	-	-	(1,111,755)	-
Cadillac (Qc)	1,105,768	2,598	(699,896)	-	-	408,470
Décelles (Qc)	52,507	-	-	-	(52,507)	-
Epsilon (Qc)	-	325	-	-	(325)	-
St-Stephen (NB)	-	1,375	-	-	(1,375)	-
TOTAL	14,825,384	21,843	(699,896)	-	(1,165,962)	12,981,369

EXPLORATION AND EVALUATION EXPENSES

	Balance as at September 1, 2023	Additions	Disposal of option	Tax credits and credit on duties	Write-off	Balance as at August 31, 2024
	\$	\$		\$	\$	\$
Sirmac Lithium (Qc)	1,547,196	575,069	-	(111,539)	-	2,010,726
Dôme Lemieux (Qc)	680,619	4,609	-	(1,549)	-	683,679
Red Brook (NB)	840,333	615	-	-	-	840,948
Godslith (MB)	100,023	-	-	-	(100,023)	-
Cadillac (Qc)	1,699,883	357	(1,700,104)	(136)	-	-
Décelles (Qc)	93,924	21,953	-	(7,260)	(108,617)	-
	4,961,978	602,603	(1,700,104)	(120,484)	(208,640)	3,535,353
TOTAL	19,787,362	624,446	(2,400,000)	(120,484)	(1,374,602)	16,516,722

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7. EXPLORATION AND EVALUATION ASSETS (continued)

The carrying amount can be detailed as follows:

MINING RIGHTS

	Balance as at September 1, 2022	Additions	Disposal of option	Tax credits and credit on duties	Write-off	Balance as at August 31, 2023
	\$	\$		\$	\$	\$
Sirmac Lithium (Qc)	9,584,522	106,851	-	-	-	9,691,373
Dôme Lemieux (Qc)	2,335,383	843	-	-	-	2,336,226
Red Brook (NB)	522,935	4,820	-	-	-	527,755
Godslith (MB)	1,111,755	-	-	-	-	1,111,755
Cadillac (Qc)	1,097,562	8,206	-	-	-	1,105,768
Decelles (Qc)	52,507	-	-	-	-	52,507
Epsilon (Qc)	-	363	-	-	(363)	-
St-Stephen (NB)	-	2,220	-	-	(2,220)	-
TOTAL	14,704,664	123,303	-	-	(2,583)	14,825,384

EXPLORATION AND EVALUATION EXPENSES

	Balance as at September 1, 2022	Additions	Disposal of option	Tax credits and credit on duties	Write-off	Balance as at August 31, 2023
	\$	\$		\$	\$	\$
Sirmac Lithium (Qc)	1,159,677	514,748	-	(127,229)	-	1,547,196
Dôme Lemieux (Qc)	672,521	8,989	-	(891)	-	680,619
Red Brook (NB)	415,681	424,652	-	-	-	840,333
Godslith (MB)	61,294	38,729	-	-	-	100,023
Cadillac (Qc)	1,439,886	298,763	-	(38,766)	-	1,699,883
Decelles (Qc)	61,131	37,693	-	(4,900)	-	93,924
St-Stephen (NB)	-	100	-	-	(100)	-
TOTAL	18,514,854	1,446,977	-	(171,786)	(2,683)	19,787,362

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

During the year ended August 31, 2024, the Company wrote off the mining rights and exploration expenses capitalized on the Epsilon, Decelles, Godslith and St-Stephen properties 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, 2023).

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 repurchased the entire NSR 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 230 claims covering 12,693 hectares. The property is explored for porphyry-type copper-zinc-silver-gold deposits.

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7. EXPLORATION AND EVALUATION ASSETS (continued)

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 240 claims covering an area of 5,816 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 year ended August 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. The property is explored for porphyry and skarn type copper-zinc-silver-gold deposits.

Godslith Lithium

On March 19, 2021, the Company acquired the Godslith Lithium 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. The property was written off during the year 2024.

Cadillac Lithium

On August 1, 2023, the Company signed an option agreement with Olympio Metals ("Olympio") which allows it to acquire a 100% undivided interest in the Cadillac Lithium property, over a period of one year from the signature. Olympio agrees to pay upon signing an amount of \$500,000 in cash, to issue 10,000,000 common shares within 5 business days of receipt of approvals and to pay an additional amount of \$500,000 in cash within 30 days from the date of approval. Within one year, Olympio agrees to pay \$1,000,000 in cash to the Company and to spend \$500,000 on the property in exploration costs.

As at August 31, 2024, the Company had received a total of \$1,025,000 and 10,000,000 common shares of Olympio, with a fair value of \$1,375,000. These amounts were recorded as a reduction in the cost of the asset. An amendment to this agreement was signed on December 11, 2023. With this amendment, Olympio acquire 1% of the right of the Cadillac Lithium property upon the signature and the remaining 99% of the right upon execution of the option. The Company retains a right of redemption of \$1 for the 1% right in the event that the option is not executed. Olympio had until October 31, 2024, to execute the option, which was not done. As of the date of approval of the financial statement, the Company did not execute its redemption right.

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 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.

The Company has acquired by staking 6 claims in 2024 and 119 claims in 2022 for a total of 340 claims on the Cadillac property, covering an area of 19,094 hectares.

Decelles Lithium

On February 3, 2022, the Company acquired by staking the 100% owned Decelles Lithium property, which is located approximately 45 km south of Val d'Or along Chemin de la Baie Carrière. The Decelles Lithium 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 Lithium 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.

The property was written off during the year 2024.

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7. EXPLORATION AND EVALUATION ASSETS (continued)

Epsilon

This 100% owned property is located in the Otish Mountains region of Quebec. The Epsilon Uranium-Gold 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 2024 and 2023.

St-Stephen

This property is owned 50% by the Company and 50% by Indiana Inc. ("Indiana") and is located near the border town of St-Stephen in the southwest corner of the province of New Brunswick (NB), near the Canada-US border. The property was written off during the year 2024 and 2023. The property hosts numerous magmatic nickel-copper-cobalt occurrences at or near surface.

8. LEASE OBLIGATIONS

Lease obligations included in the statement of financial position:

	<u>2024</u>	<u>2023</u>
	\$	\$
Beginning balance	43,697	45,504
Addition of a lease obligation	47,369	30,384
Disposal of a lease obligation	(4,165)	-
Interests on lease obligations	3,509	1,935
Payments on lease obligations	(41,954)	(34,126)
	48,456	43,697
Current portion of lease obligations	(27,525)	(31,667)
	20,931	12,030
Lease obligations	20,931	12,030
Maturity analysis – contractual undiscounted cash flows		
Less than one year	30,005	33,633
One to five years	21,907	12,480
	51,912	46,113
Total undiscounted lease obligations	51,912	46,113

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 \$26,420 as at August 31, 2024 (\$25,570 in 2023).

Total cash outflow for leases for the year ended August 31, 2024 amounted to \$68,374 (\$59,696 in 2023).

9. LOAN

The Company received a loan totalling \$60,000 under the Canada Emergency Business Account program. As the Company repaid a total of \$40,000 of the loan before January 18, 2024, no further amounts will be repayable. Since the government assistance of \$20,000 was not repayable if the Company repaid the \$40,000 before January 18, 2024, this amount was recognized in income at the time it was granted as government assistance.

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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.

Share issuance

During the year ended August 31, 2024, 6,600,000 warrants were exercised. An amount of \$330,000 was received and an amount of \$62,040 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, 2023, 22,100,000 warrants were exercised. An amount of \$1,105,000 was received and an amount of \$207,740 representing the fair value of the warrants at the time of issuance was recorded as an increase in share capital.

10.2 Warrants

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

	2024		2023	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Balance, beginning of the period	30,025,000	0.05	61,698,024	0.09
Exercised	(6,600,000)	0.05	(22,100,000)	0.05
Expired	(23,425,000)	0.05	(9,573,024)	0.29
Balance, end of the period	-	-	30,025,000	0.05

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

Expiration date	2024		2023	
	Number	Exercise price \$	Number	Exercise price \$
December 23, 2023	-	-	22,525,000	0.05
January 5, 2024	-	-	7,500,000	0.05
	-	-	30,025,000	

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11. EMPLOYEE REMUNERATION

11.1 Employee benefits expense

Employee benefits expense recognized is analyzed below:

	<u>2024</u>	<u>2023</u>
	\$	\$
Salaries and benefits	479,830	710,191
Share-based payments	-	785,107
	<u>479,830</u>	<u>1,495,298</u>
Less: salaries and share-based payments capitalized to exploration and evaluation assets	<u>(99,372)</u>	<u>(317,716)</u>
Employee benefits expense	<u>380,458</u>	<u>1,177,582</u>

11.2 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 (26,235,249 shares as at August 31, 2024 and 25,575,249 as at August 31, 2023).

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.

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11.2 Share-based payments (continued)

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

	2024		2023	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of the reporting period	16,250,000	\$ 0.13	8,600,000	\$ 0.23
Granted	-	-	9,550,000	0.10
Expired	(250,000)	0.14	(1,900,000)	0.44
Outstanding, end of the reporting period	<u>16,000,000</u>	<u>0.13</u>	<u>16,250,000</u>	<u>0.13</u>
Exercisable, end of the reporting period	<u>16,000,000</u>	<u>0.13</u>	<u>16,250,000</u>	<u>0.13</u>

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

<u>Range of exercise price</u>	2024		2023	
	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
\$0.10 to \$0.21	<u>16,000,000</u>	<u>2.55</u>	<u>16,250,000</u>	<u>3.56</u>

As at August 31, 2024, there is no amount of share-based payments (\$905,340 in 2023, all of which related to equity-settled share-based payment transactions which \$32,370 was capitalized in exploration and evaluation assets, \$785,107 were included in employee benefits expenses and reported in profit or loss and \$87,863 were included in consulting fees and reported in profit or loss and credited to contributed surplus).

12. FAIR VALUE MEASUREMENT

12.1 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 August 31, 2024 and 2023 and are classified in Level 1.

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

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13. FINANCE INCOME AND FINANCE COST

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

	<u>2024</u>	<u>2023</u>
	\$	\$
Interest income from cash and guaranteed investment certificates	4,198	5,760

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

	<u>2024</u>	<u>2023</u>
	\$	\$
Interests on lease obligations	2,879	621

14. 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 11.2.

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 years ended August 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Net loss	\$(3,459,845)	\$(2,078,224)
Weighted average number of shares	260,345,792	248,580,292
Basic and diluted loss per share	\$(0.01)	\$(0.01)

15. INCOME TAX

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statement of comprehensive loss can be reconciled as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Expected tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5% (26.5% in 2023)	(916,859)	(550,729)
Adjustments for the following items:		
Tax effect of temporary differences not recognized	748,202	(235,249)
Adjustment of prior deferred taxes	-	378,962
Tax effect of issuing flow-through shares	-	168,477
Share-based payments	-	231,337
Variation of non-taxable fair value	137,092	14
Other non-deductible expenses	31,565	7,188
Deferred income tax income	-	-

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15. INCOME TAX (continued)

Major components of tax income

The major components of tax income are outlined below:

	<u>2024</u>	<u>2023</u>
	\$	\$
Deferred tax income		
Origination and reversal of temporary differences	(885,294)	66,758
Tax effect of issuing flow-through shares	-	168,477
Variation of temporary	748,202	(235,249)
Variation of non-taxable fair value	137,092	14
Total deferred tax income	<u>-</u>	<u>-</u>

As at August 31, 2024 and 2023, the following unrecognized timing differences for which the Company did not recognize deferred income tax are outlined below :

	<u>2024</u>		<u>2023</u>	
	<u>Federal</u>	<u>Provincial</u>	Federal	Provincial
	\$	\$	\$	\$
Unrecognized deductible temporary differences and unused tax losses				
Property and equipment	1,445,108	1,447,313	1,185,613	1,187,818
Intangible asset	250,000	250,000	250,000	250,000
Investments	1,518,859	1,518,859	71,262	71,262
Issuance costs of shares and units	92,266	92,266	193,052	193,052
Unused losses carry-forward	7,005,279	10,294,644	4,472,074	8,061,590
Capital losses	1,822,196	1,822,196	911,098	911,098
	<u>12,133,708</u>	<u>15,425,278</u>	<u>7,083,099</u>	<u>10,674,820</u>

Deferred tax assets and liabilities and variation of recognized amounts during the period

The following differences between the carrying amounts and tax bases from timing differences, unused tax losses and unused tax credits give rise to the following recognized deferred income tax assets and liabilities, and the following unrecognized timing differences, unused tax losses and unused tax credits:

	<u>Balance as at</u>	<u>Recognized</u>	<u>Balance as at</u>
	August 31, 2023	in profit or loss	August 31, 2024
	\$	\$	\$
Recognized deferred income tax assets and liabilities			
Exploration and evaluation assets	(2,303,399)	280,608	(2,022,791)
Exploration tax credit receivable	(17,928)	6,048	(11,880)
Unused tax losses	2,321,327	(286,656)	2,034,671
Recognized deferred income tax assets and liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Reversal of flow-through share liability		-	
Deferred tax recovery		-	

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15. INCOME TAX (continued)

	Balance as at August 31, 2022	Recognized in profit or loss	Balance as at August 31, 2023
	\$	\$	\$
Recognized deferred income tax assets and liabilities			
Exploration and evaluation assets	(1,535,377)	(768,022)	(2,303,399)
Unused tax credits	-	(17,928)	(17,928)
Unused tax losses	<u>1,535,377</u>	<u>785,950</u>	<u>2,321,327</u>
Recognized deferred income tax assets and liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Reversal of flow-through share liability		-	
Deferred tax recovery		<u>-</u>	

The Company has non-capital losses which are available to reduce income taxes in future years, for which no deferred tax asset has been recorded in the statement of financial position, that can be carried over the following years:

	Federal	Provincial
	\$	\$
2031	-	259,222
2032	-	989,343
2033	-	595,914
2034	-	479,827
2035	-	298,591
2036	-	423,002
2037	318,955	565,821
2038	744,977	744,375
2039	601,379	600,917
2040	541,175	541,176
2041	791,160	791,160
2042	1,252,768	1,251,600
2043	1,291,450	1,290,587
2044	<u>1,463,415</u>	<u>1,463,109</u>
	<u>7,005,279</u>	<u>10,294,644</u>

As at August 31, 2024, capital losses for which no deferred tax asset were accounted represent \$1,822,196 (\$1,822,196 in 2023). These losses may be carried forward indefinitely.

The Company has available investment tax credits of \$196,055 (\$196,055 as at August 31, 2023) that can be used to reduce future taxable income. Those investment tax credits have maturity dates between 2032 and 2043.

16. ADDITIONAL INFORMATION - CASH FLOWS

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

	2024	2023
	\$	\$
Accounts receivable	(1,375)	-
Sales taxes receivable	(5,479)	79,368
Prepaid expenses	15,255	(11,009)
Trade and other payables	<u>185,087</u>	<u>37,712</u>
	<u>193,488</u>	<u>106,071</u>

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16. ADDITIONAL INFORMATION - CASH FLOWS (continued)

Non-cash financial position transactions are detailed as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Amortization of property and	3,157	5,229
Amortization of right-of-use assets included in exploration and evaluation assets	14,700	22,436
Share-based payments included in exploration and evaluation assets	-	32,370
Interest on lease obligations included in exploration and evaluation assets	630	1,314
Disposal of option's property	1,375,000	-
Trade and other payables included in exploration and evaluation assets	129,168	14,545
Tax credits receivable credited to exploration and evaluation assets	116,929	171,786
Right-of-use assets in return	47,369	30,384

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:

	<u>2024</u>	<u>2023</u>
	\$	\$
Short-term employee benefits	322,022	311,418
Share-based payments	-	724,991
Total remuneration	<u>322,022</u>	<u>1,036,409</u>

As at August 31, 2024 and 2023, no key management personnel exercised options.

Between April 4, 2024 and June 26, 2024, directors made advances to the Company totalling of \$149,677, without interest (\$295,000 in 2023). This amount has been recorded in trade and other payables in the statements of financial position. An amount of \$149,677 is include in trade and other payables (\$nil as at August 31, 2023).

As at August 31, 2024, there are salaries payable to a management personnel for an amount of \$130,688, included in trade and other payables (\$12,690 as at August 31, 2023).

As at August 31, 2024, there are salaries payable to directors for an amount of \$12,000, included in trade and other payables (\$nil as at August 31, 2023).

17.2 Transactions with other related parties

As at August 31, 2024, the Company paid an amount of \$227,000 (\$227,000 in 2023) to a company with common directors. This amount was recognized as consultants and salaries in the statements of net loss and comprehensive loss. An amount of \$128,333 is include in trade and other payables (\$nil as at August 31, 2023).

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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 20.

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.

19. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, 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 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to the other price risk.

Sensitivity to other price risk

The company is exposed to fluctuations in the market price of its shares in listed companies. The maximum risk to which securities are exposed is equal to their fair value.

If the published price of these securities had varied by +/- 75% at August 31, 2024, comprehensive income and shareholders' equity would have varied by \$255,742.

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19.2 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>2024</u>	<u>2023</u>
	\$	\$
Cash	78,057	90,705
Guaranteed investment certificates	77,171	77,673
Accounts receivable	1,375	-
	<u>156,603</u>	<u>168,378</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. The Company's management considers that the credit risk is not significant.

19.3 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 year ended August 31, 2024, the Company has financed its exploration and evaluation programs, its working capital requirements.

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

	<u>2024</u>	<u>2023</u>
	\$	\$
Less than 6 months:		
Trade and other payables	432,681	381,168
From 6 months to 1 year:		
Loan	-	40,000
Total	<u>432,681</u>	<u>421,168</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.

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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 years ended August 31, 2024 and 2023, the Company received no amount from flow-through placements for which the Company renounced to the tax deductions, for the benefit of investors. Management is required to fulfill its commitments within the stipulated period of one year from the renunciation date.

As at August 31, 2024 and 2023, the balance of the unspent funding related to flow-through financing amount totals \$nil.

21. SUBSEQUENT EVENT

On December 12 2024, a director advanced the Company a total of \$10,000, without interest.

On October 3, 2024, a director advanced the Company a total of \$100,000, without interest.