

**Vision Lithium Inc.**

***Unaudited Interim Financial Statements***

***As at February 28, 2022***

#### **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.

## Consolidated Statements of Financial Position

(in Canadian dollars)

	Notes	February 28, 2022 (Unaudited) \$	August 31, 2021 (Audited) \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	5	1,239,667	1,235,956
Guaranteed investment certificates (0.10% - 0.49%; 0.55% in 2020), expiring between May and July 2022		2,077,323	2,577,287
Accounts receivable		777	-
Sales taxes receivable		61,479	101,840
Tax credits receivable		2,184	-
Prepaid expenses		77,233	18,034
Marketable securities in quoted mining exploration companies		890	971
		<u>3,459,553</u>	<u>3,934,088</u>
<b>Non-current</b>			
Property and equipment		14,139	18,658
Right-of-use assets	6	62,979	78,919
Advances on exploration and evaluation assets		-	50,000
Exploration and evaluation assets	7	17,022,980	15,152,947
		<u>17,100,098</u>	<u>15,300,524</u>
<b>Total assets</b>		<u><u>20,559,651</u></u>	<u><u>19,234,612</u></u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		263,589	178,322
Liability related to flow-through shares		-	122,557
Current portion of lease obligations	8	35,752	36,057
		<u>299,341</u>	<u>336,936</u>
<b>Non-current</b>			
Lease obligations	8	27,351	40,599
Loan	9	40,000	40,000
		<u>67,351</u>	<u>80,599</u>
<b>Total liabilities</b>		<u><u>366,692</u></u>	<u><u>417,535</u></u>
<b>EQUITY</b>			
Share capital	10.1	55,518,276	53,521,536
Contributed surplus		5,142,073	4,755,693
Deficit		(40,467,390)	(39,460,152)
<b>Total equity</b>		<u><u>20,192,959</u></u>	<u><u>18,817,077</u></u>
<b>Total liabilities and equity</b>		<u><u>20,559,651</u></u>	<u><u>19,234,612</u></u>

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

These interim consolidated financial statements were approved and authorized for issue by the Board of Directors on April 27, 2022.

Approved on behalf of the Board of Directors

(signed) Yves Rougerie, Director

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(signed) Victor Cantore, Director

# Vision Lithium Inc.

## Consolidated Statements of Net Loss and Comprehensive Loss

(in Canadian dollars)

	Notes	Three-month period ended		Six-month period ended	
		February 28,	February 28,	February 28,	February 28,
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Expenses</b>					
Employee benefits expense	12.1	670,951	126,452	738,013	249,061
Insurance, taxes and permits		9,029	4,864	17,227	9,226
Consulting fees		104,914	-	149,914	-
Professional fees		43,252	36,629	79,552	66,214
Rent and maintenance		6,240	-	12,480	-
Business development		57,449	23,121	80,616	26,423
Stationery and office expenses		8,381	3,390	13,316	6,071
Travel, board and lodging		774	210	4,637	695
Registration fees		26,662	11,201	30,847	15,207
Write-off of exploration and evaluation assets		-	(7,565)	350	(2,065)
Exploration costs of other properties <sup>(1)</sup>		-	25,966	149	25,966
Bank charges		651	604	1,477	1,561
Part III.14 tax		-	(47,050)	-	(47,050)
Part XII.6 tax related to flow-through shares		2,609	-	2,609	-
Amortization of property and equipment		991	453	1,981	907
Amortization of right-of-use assets		652	7,837	1,969	15,674
<b>Operating loss</b>		<b>932,555</b>	<b>186,112</b>	<b>1,135,137</b>	<b>367,890</b>
<b>Other (income) expenses</b>					
Finance income	14	(676)	(70)	(1,650)	(141)
Finance cost	14	45	486	283	1,024
Government assistance	9-11	-	-	-	(10,000)
Net change in fair value of marketable securities in quoted mining exploration		251	(269)	81	(518)
Other revenues		(2,028)	(1,950)	(4,056)	(3,900)
		<b>(2,408)</b>	<b>(1,803)</b>	<b>(5,343)</b>	<b>(13,535)</b>
<b>Loss before income taxes</b>		<b>(930,147)</b>	<b>(184,309)</b>	<b>(1,129,795)</b>	<b>(354,355)</b>
Deferred income tax		43,802	12,913	122,557	21,943
<b>Net loss and total of comprehensive loss for the period</b>		<b>(886,345)</b>	<b>(171,396)</b>	<b>(1,007,238)</b>	<b>(332,412)</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>

<sup>(1)</sup> For the three and six-month periods ended February 28, 2022 and 2021, no amount was recorded for tax credits as a reduction of exploration costs of other properties.

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

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

(in Canadian dollars)

Notes

		Share capital		Contributed	Deficit	Total
		Number	Amount	surplus		equity
			\$	\$	\$	\$
<b>Balance as at September 1<sup>st</sup>, 2019</b>		<u>101,254,986</u>	<u>48,003,635</u>	<u>3,362,769</u>	<u>(38,086,617)</u>	<u>13,279,787</u>
Issuance of flow-through units and shares	10.1	400,000	14,000	-	-	14,000
Issuance of units	10.1	79,400,000	841,640	746,360	-	1,588,000
Shares issue costs	10.1	-	-	-	(135,042)	(135,042)
Share-based payments	12.2	-	-	28,750	-	28,750
		<u>79,800,000</u>	<u>855,640</u>	<u>775,110</u>	<u>(135,042)</u>	<u>1,495,708</u>
Net loss and total of comprehensive loss for the period		-	-	-	(332,412)	(332,412)
<b>Balance as at February 28, 2021</b>		<u>181,054,986</u>	<u>48,859,275</u>	<u>4,137,879</u>	<u>(38,554,071)</u>	<u>14,443,083</u>
Issuance of flow-through units and shares	10.1	15,097,499	2,944,013	377,437	-	3,321,450
Issuance of units	10.1	1,675,000	204,533	96,967	-	301,500
Issuance of shares for the acquisition of mining rights	10.1	4,000,000	1,040,000	-	-	1,040,000
Shares issue costs	10.1	-	-	218,375	(545,934)	(327,559)
Warrants exercised	10.2	7,975,000	473,715	(74,965)	-	398,750
		<u>28,747,499</u>	<u>4,662,261</u>	<u>617,814</u>	<u>(545,934)</u>	<u>4,734,141</u>
Net loss and total of comprehensive loss for the period		-	-	-	(360,147)	(360,147)
<b>Balance as at August 31, 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	12.1	4,550,000	981,000	-	-	981,000
Share-based payments	14.2	-	-	547,120	-	547,120
Warrants exercised	10.2	17,100,000	1,015,740	(160,740)	-	855,000
		<u>21,650,000</u>	<u>1,996,740</u>	<u>386,380</u>	<u>-</u>	<u>2,383,120</u>
Net loss and total of comprehensive loss for the period		-	-	-	(1,007,238)	(1,007,238)
<b>Balance as at February 28, 2022</b>		<u>231,452,485</u>	<u>55,518,276</u>	<u>5,142,073</u>	<u>(40,467,390)</u>	<u>20,192,959</u>

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

# Vision Lithium Inc.

## Consolidated Statements of Cash Flows

(in Canadian dollars)

	Notes	Six-month period ended	
		February 28,	February 28,
		2022	2021
		\$	\$
<b>Operating activities</b>			
Net loss		(1,007,238)	(332,412)
Adjustments			
Amortization of property and equipment		1,981	907
Amortization of property and equipment included in exploration costs of other properties		-	422
Amortization of right-of-use assets		1,969	15,674
Amortization of right-of-use assets included in exploration costs of other properties		149	-
Interests of a guaranteed investment certificate		(35)	(141)
Interests on lease obligations		283	1,024
Net change in fair value of marketable securities in quoted mining exploration companies		81	(518)
Share-based payments		521,067	26,450
Write-off of exploration and evaluation assets		350	(2,065)
Deferred income tax		(122,557)	(21,943)
Part III.14 tax		-	(47,050)
Changes in working capital items	16	56,427	4,245
Cash flows used in operating activities		(547,523)	(355,407)
<b>Investing activities</b>			
Disposal of a guaranteed investment certificate		500,000	-
Additions to advances on exploration and evaluation assets		50,000	-
Additions to exploration and evaluation assets	7	(838,843)	(36,625)
Cash flows used in investing activities		(288,843)	(36,625)
<b>Financing activities</b>			
Issuance of shares by private placements	10.1	-	1,608,000
Loan	9	-	10,000
Units and share issue costs	10.1	-	(135,042)
Warrants exercised	10.2	855,000	-
Payments on lease obligations	8	(14,923)	(16,283)
Cash flows from financing activities		840,077	1,466,675
<b>Net change in cash and cash equivalents</b>		<b>3,711</b>	<b>1,074,643</b>
<b>Cash and cash equivalents, beginning of the period</b>		<b>1,235,956</b>	<b>453,474</b>
<b>Cash and cash equivalents, end of the period</b>		<b>1,239,667</b>	<b>1,528,117</b>

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

<sup>(1)</sup> Tax credits recognized in net income as a reduction of exploration costs of other properties.

### Additional information

Interest received from operating activities	1,650	720
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The accompanying notes are an integral part of these interim consolidated financial statements.

# **Vision Lithium Inc.**

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

**For the three and six-month periods ended February 28, 2022 and 2021 (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.

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

The interim consolidated 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 February 28, 2022 the Company has a cumulated deficit of \$40,467,390 (\$39,460,152 as at August 31, 2021). 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 consolidated financial statements and the classification used in the interim consolidated statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

The interim consolidated 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 February 28, 2022 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 financial statements for the year ended August 31, 2021. 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 consolidated 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 Consolidated Financial Statements**

**For the three and six-month periods ended February 28, 2022 and 2021 (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 consolidated 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 Consolidated Financial Statements

For the three and six-month periods ended February 28, 2022 and 2021 (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 \$350 for the period ended February 28, 2022 (\$37,198 for the year ended August 31, 2021). No reversal of impairment losses has been recognized for 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 for 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 Note 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

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	<b>February 28, 2022</b>	August 31, 2021
Cash	\$ 236,274	\$ 233,404
Monetary funds	<b>1,003,393</b>	1,002,552
Cash and cash equivalents	<b><u>1,239,667</u></b>	<u>1,235,956</u>

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

For the three and six-month periods ended February 28, 2022 and 2021 (unaudited)

(in Canadian dollars)

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

	<b>Total Automotive equipment \$</b>
<b>Gross carrying amount</b>	
Balance as at September 1, 2021	<b>100,591</b>
Disposal	<b>(15,481)</b>
Balance as at February 28, 2022	<b>85,110</b>
<b>Accumulated amortization and disposal</b>	
Balance as at September 1, 2021	<b>21,672</b>
Amortization	<b>15,940</b>
Disposal	<b>(15,481)</b>
Balance as at February 28, 2022	<b>22,131</b>
<b>Carrying amount as at February 28, 2022</b>	<b>62,979</b>

The Company leases automotive equipment under leases expiring in April 2023 and June 2024. The depreciation of right-of-use assets totals \$15,940 which \$2,118 is recognized as an expense and \$13,822 is recognized as exploration and evaluation assets (\$34,224 which \$30,377 is recognized as an expense and \$3,847 is recognized as exploration and evaluation assets as at August 31, 2021).

#### 7. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be detailed as follows:

##### MINING RIGHTS

	Balance as at September 1, 2021	Additions	Tax credits and credit on duties	Write-off	Balance as at February 28, 2022
	\$	\$	\$	\$	\$
Sirmac Lithium (Qc)	9,583,002	1,520	-	-	<b>9,584,522</b>
Dôme Lemieux (Qc)	2,332,357	100	-	-	<b>2,332,457</b>
Red Brook (NB)	405,090	20	-	-	<b>405,110</b>
Benjamin (NB)	113,005	100	-	-	<b>113,105</b>
Godslith (MB)	1,105,271	6,483	-	-	<b>1,111,754</b>
Cadillac (Qc)	2,680	1,094,219	-	-	<b>1,096,899</b>
Décelles (Qc)	-	49,096	-	-	<b>49,096</b>
<b>TOTAL</b>	<b>13,541,405</b>	<b>1,151,538</b>	<b>-</b>	<b>-</b>	<b>14,692,943</b>

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

For the three and six-month periods ended February 28, 2022 and 2021 (unaudited)

(in Canadian dollars)

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

##### EXPLORATION AND EVALUATION EXPENSES

	Balance as at September 1, 2021	Additions	Tax credits and credit on duties	Write-off	Balance as at February 28, 2022
	\$	\$	\$	\$	\$
Sirmac Lithium (Qc)	684,206	18,797	-	-	703,003
Dôme Lemieux (Qc)	532,123	138,858	-	-	670,981
Red Brook (NB)	390,658	23,878	-	-	414,536
Godslith (MB)	3,643	1,103	-	-	4,746
Cadillac (Qc)	912	538,043	(2,184)	-	536,771
Epsilon (Qc)	-	350	-	(350)	-
	<u>1,611,542</u>	<u>721,029</u>	<u>(2,184)</u>	<u>(350)</u>	<u>2,330,037</u>
<b>TOTAL</b>	<u>15,152,947</u>	<u>1,872,567</u>	<u>(2,184)</u>	<u>(350)</u>	<u>17,022,980</u>

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

##### Sirmac Lithium

The Company owns 100% of the Sirmac Lithium property which comprises 155 mineral claims covering a total area of approximately 1,108 hectares located approximately 180 kilometers northwest of Chibougamau, in the province of Quebec. The Company will pay a net smelter return royalty of 1% on some of the claims and can be redeemed at any time for \$1,000,000.

##### Dôme Lemieux

This 100% owned property is located near the town of Ste-Anne-des-Monts in the province of Quebec and comprises 243 claims covering 12,881 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 3,018 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 2020, the Company combined the Red Brook and Epithermal properties. The balance of mining rights and exploration and evaluation expenses as at September 1, 2020, reflects this change.

##### Benjamin

On June 12, 2020, the Company acquired the Benjamin property, 100% owned, which is located approximately 60 km West of the mining center of Bathurst, in Northern New Brunswick. The Benjamin property consists of 33 claims covering 715 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.

In June 2020, 20 claims were redistributed from the Benjamin property to the Red Brook property.

## **Vision Lithium Inc.**

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

**For the three and six-month periods ended February 28, 2022 and 2021 (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 1 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. The Cadillac property comprises 40 claims covering an area of 2,301 hectares.

On December 1, 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 total of \$946,000 and will grant each group of sellers a 2% net smelter income royalty.

As of February 28, 2022, the Company has acquired by staking 117 claims for a total of 332 claims of the Cadillac property covering an area of 19,0170 hectares.

##### **Décelles**

On February 3, 2022, the Company acquired by staking the 100%, owned Decelles property, which is located approximately 25 km south of Val d'Or along Chemin de la Baie Carrière. The Decelles property comprises 40 claims covering an area of 1,889.55 hectares.

On February 28, 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 2,315.5 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 total of \$ 35,000 and will grant the sellers a 2% net smelter income royalty.

##### **Epsilon**

This 100% owned property is located in the Otish Mountains region of Quebec. The Epsilon property consists of 38 claims covering 1,107 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 2021.

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

For the three and six-month periods ended February 28, 2022 and 2021 (unaudited)

(in Canadian dollars)

#### 8. LEASE OBLIGATIONS

Lease obligations included in the consolidated statement of financial position:

	<b>February 28, 2022</b>	August 31, 2021
	\$	\$
Balance as at beginning of the year	<b>76,656</b>	73,382
Addition of a lease obligation	-	85,110
Gain on disposal of a lease obligation	-	(47,834)
Interests on lease obligations	<b>1,370</b>	2,455
Payments on lease obligations	<b>(14,923)</b>	(36,457)
	<b>63,103</b>	76,656
Current portion of lease obligations	<b>(35,752)</b>	(36,057)
<b>Lease obligations</b>	<b>27,351</b>	40,599
Maturity analysis – contractual undiscounted cash flows		
Less than one year	<b>33,621</b>	33,621
One to five years	<b>30,148</b>	46,959
<b>Total undiscounted lease obligations</b>	<b>63,769</b>	80,580

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.

#### 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, 2022, no other amount will be payable. Otherwise, the loan balance will bear interest at 5% and may either be repaid in 36 monthly instalments of capital and interest or 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.

#### 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 period ending February 28, 2022, 17,100,000 warrants were exercised. An amount of \$855,000 was received and an amount of \$160,740 representing the fair value of the warrants at the time of issuance were recorded as an increase in share capital.

## **Vision Lithium Inc.**

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

**For the three and six-month periods ended February 28, 2022 and 2021 (unaudited)**

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#### **10.1 Share capital (continued)**

On February 28, 2022, the Company acquired the Cadillac property Décelles, in consideration for \$10,000 in cash and 250,000 common shares at a price of \$0.14 each for a grand total of \$45,000.

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

During the year ended August 31, 2021, 7,975,000 warrants were exercised. An amount of \$398,750 was received and an amount of \$74,965 representing the fair value of the warrants at the time of issuance were recorded as an increase in share capital.

On April 20, 2021, the Company closed a non-brokered private placement for gross proceeds of \$3,622,950. The placement consisted of the issuance of: i) 15,097,499 flow-through units of the Company at a price of \$0.22 each of which an amount of \$2,944,013 has been allocated to share capital; and ii) 1,675,000 common units of the Company at a price of \$0.18 each of which an amount of \$204,533 has been allocated to share capital. Each flow-through unit consists of one common share of the Company and one-half warrant, each warrant entitling its holder to purchase one common share of the Company at a price of \$0.30 per share over a period of 2 years from the issuance date. Each common unit consists of one common share of the Company and one-half warrant, each warrant conferring on its holder the right to purchase one common share of the Company at a price of \$0.25 per share over a period of 2 years from the issuance date. An amount of \$474,404 related to warrants issued was recorded as an increase in contributed surplus.

In connection with this placement, the Company paid certain finders acting at arm's length to the Company: i) cash commissions totaling \$260,690, representing 8% of the proceeds collected from subscribers introduced to the Company by such finders; and (ii) a total of 1,186,774 non-transferable compensation warrants, representing 8% of the number of flow-through units and common units sold to such subscribers, each can be exercised to purchase one common share of the Company over a period of 2 years following the issuance date at the same exercise price of the warrants comprising the flow-through and common units for which the compensation warrants were issued. An amount of \$218,375 related to the warrants issued was recorded as an increase in contributed surplus. Under this placement, finder's fees totaling \$260,690 were paid. In addition, share issue expenses of \$285,244 were also applied against the deficit.

On March 22, 2021, the Company finalized the acquisition of the Godslith property for a consideration of 4,000,000 common shares at a price of \$0.26 each for a total of \$1,040,000.

On January 5, 2021, the Company closed the second and final tranche of its non-intermediary private placement. The second tranche consisted of 40,250,000 common units of the Company at a price of \$0.02 for aggregate gross proceeds of \$805,000. Each common unit consists of one common share of the company and one warrant. Each warrant entitles its holder to purchase one share at a price of \$0.05 per share for a period of 3 years following the closing of the first tranche. An amount of \$378,350 related to warrants issued was recorded as an increase in contributed surplus. Under the second tranche, finder's fees totaling \$32,775 were paid. In addition, share issue expenses of \$25,084 were also applied against the deficit.

On December 31, 2020, the Company closed a non-intermediary private placement. The placement consisted of 400,000 flow-through shares of the Company at a price of \$0.05 for aggregate gross proceeds of \$20,000. Finder's fees totaling \$1,400 were paid. In addition, share issue expenses of \$713 were also applied against the deficit.

The Company renounced to the tax deduction related to flow-through shares, which reduced share capital by \$6,000, and the counterparty is presented as liability related to flow-through shares.

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

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(in Canadian dollars)

#### 10.1 Share capital (continued)

On December 23, 2020, the Company closed the first tranche of its non-intermediary private placement. The first tranche consisted of 39,150,000 common units of the Company at a price of \$0.02 per unit for aggregate gross proceeds of \$783,000. Each common unit consists of one common share of the company and one warrant. Each warrant entitles its holder to purchase one share at a price of \$0.05 per share for a period of 3 years following the closing of the first tranche. An amount of \$368,010 related to warrants issued was recorded as an increase in contributed surplus. Under the first tranche, finder's fees totaling \$51,932 were paid. In addition, share issue expenses of \$23,138 were also applied against the deficit.

#### 10.2 Warrants

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

	February 28, 2022		August 31, 2021	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Balance, beginning of the year	80,998,024	0.08	-	-
Granted	-	-	88,973,024	0.08
Exercised	(17,100,000)	0.05	(7,975,000)	0.05
Balance, end of the year	<u>63,898,024</u>	<u>0.09</u>	<u>80,998,024</u>	<u>0.08</u>

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

	February 28, 2022	
Expiration date	Number	Exercise price \$
April 20, 2023	847,500	0.25
April 20, 2023	8,725,524	0.30
December 23, 2023	32,575,000	0.05
January 5, 2024	21,750,000	0.05
	<u>63,898,024</u>	

#### 11. GOVERNMENT ASSISTANCE

On May 18, 2021, the Company signed a contract with the province of New Brunswick to obtain a grant totaling \$30,000, 40% (\$12,000) of which has already been received and recorded in the consolidated statement of net loss and comprehensive loss and the other 60% (\$18,000) may be requested upon presentation of supporting documents for an amount of at least \$30,000 which must be spent on the Red Brook property before February 28, 2022.

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

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## 12. EMPLOYEE REMUNERATION

### 12.1 Employee benefits expense

Employee benefits expense recognized is analyzed below:

	Three-month period ended		Six-month period ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
	\$	\$	\$	\$
Salaries and benefits	262,558	145,233	350,927	264,616
Share-based payments	508,040	-	508,040	28,750
	<b>770,598</b>	145,233	<b>858,967</b>	293,366
Less: salaries and share-based payments capitalized to exploration and evaluation assets	(99,647)	(14,640)	(120,954)	(37,864)
Less: salaries reclassified to exploration costs of other properties in profit or loss	-	(4,141)	-	(6,441)
Employee benefits expense	<b>670,951</b>	126,452	<b>738,013</b>	249,061

### 12.2 Share-based payments

The Company has adopted a share-based payment plan under which members of the Board of Directors August 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 (23,120,249 shares as at February 28, 2022 and 20,980,249 as at August 31, 2021).

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 Consolidated Financial Statements

For the three and six-month periods ended February 28, 2022 and 2021 (unaudited)

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

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

	February 28, 2022		August 31, 2021	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding, beginning of the reporting period	7,050,000	0.26	7,050,000	0.26
Granted	4,200,000	0.21	-	-
Outstanding, end of the reporting period	<u>11,250,000</u>	<u>0.24</u>	<u>7,050,000</u>	<u>0.26</u>
Exercisable, end of the reporting period	<u>9,150,000</u>	<u>0.25</u>	<u>7,050,000</u>	<u>0.26</u>

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 :

	February 28, 2022		August 31, 2021	
Range of exercise price	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
\$0.10 to \$0.25	6,700,000	4.26	2,500,000	3.76
\$0.26 to \$0.41	2,650,000	0.58	2,650,000	0.74
\$0.42 to \$0.55	1,900,000	0.87	1,900,000	1.37
	<u>11,250,000</u>	<u>2.82</u>	<u>7,050,000</u>	<u>1.98</u>

As at February 28, 2022, there is an amount of \$547,120 of share-based payments (\$28,780 as at February 28, 2021), all of which related to equity-settled share-based payment transactions which \$26,053 (\$2,300 as at February 28, 2021) was capitalized in exploration and evaluation assets, \$481,987 (\$26,450 as at February 28, 2021) were included in employee benefits expenses and reported in profit or loss and credited to contributed surplus.

#### 13. FAIR VALUE MEASUREMENT

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

Financial assets and liabilities measured at fair value in the consolidated 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:

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

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#### 13.1 Financial instruments measured at fair value (continued)

- 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 consolidated statement of financial position as at February 28, 2022 and August 31, 2021 and are classified in Level 1.

The fair value of the loan is \$40,000 as at February 28, 2022 (\$40,000 as at August 31, 2021) 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		Six-month period ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Interest income from cash and cash equivalents and guaranteed investment certificates	\$ 676	\$ 70	\$ 1,650	\$ 141

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

	Three-month period ended		Six-month period ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Interests on lease obligations	\$ 45	\$ 486	\$ 283	\$ 1,024

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

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#### 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-month periods ended February 28, 2022 and 2021.

	Three-month period ended		Six-month period ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Net loss	<b>\$(886,342)</b>	\$(171,396)	<b>\$(1,007,238)</b>	\$(331,412)
Weighted average number of shares	<b>231,006,929</b>	154,936,652	<b>222,396,723</b>	127,947,527
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:

	Six-month period ended	
	February 28, 2022	February 28, 2021
Accounts receivable	\$ (777)	\$ -
Sales taxes receivable	<b>40,361</b>	(10,393)
Prepaid expenses	<b>(59,199)</b>	(156,787)
Trade and other payables	<b>76,042</b>	171,425
	<b>56,427</b>	<b>4,245</b>

Non-cash consolidated financial position transactions are detailed as follows:

	Six-month period ended	
	February 28, 2022	February 28, 2021
Amortization of property and equipment included in exploration and evaluation assets	<b>2,537</b>	(1,619)
Amortization of right-of-use assets included in exploration and evaluation assets	<b>13,822</b>	-
Share-based payments included in exploration and evaluation assets	<b>26,053</b>	2,300
Issuance of shares for the acquisition of mining rights	<b>981,000</b>	-
Trade and other payables included in exploration and evaluation assets	<b>126,462</b>	1,585
Tax credits receivable credited to exploration and evaluation assets	<b>2,184</b>	-

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

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(in Canadian dollars)

#### 17. RELATED PARTY TRANSACTIONS

The Company's related parties include key management and a company with common director as describe 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		Six-month period ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
	\$	\$	\$	\$
Short-term employee benefits	259,397	90,948	317,471	170,711
Share-based payments	442,906	-	442,906	26,450
Total remuneration	702,303	90,948	760,377	197,161

As at February 28, 2022 and 2021, no key management personnel exercised options.

As as February 28, 2022, no salary payable to key executives included in trade and other payables (\$227,500 as at February 28, 2021).

##### 17.2 Transactions with other related parties

As at February 28, 2022, the Company paid an amount of \$95,833 (nil as at February 28, 2021) to a company with a common director. This amount was recognized as consultants in the consolidated statements of net and comprehensive income.

#### 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.

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

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(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:

	<b>February 28,</b> <b>2022</b>	August 31, 2021
	\$	\$
Cash and cash equivalents	<b>1,239,667</b>	1,235,956
Guaranteed investment certificates	<b>2,077,323</b>	2,577,287
Accounts receivable	<b>777</b>	-
	<b>3,317,767</b>	3,813,243

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 February 28, 2022, the Company has financed its exploration and evaluation programs, its working capital requirements and acquisitions of mining properties by used of private placements, flow-through private placements and the receipt of tax credits.

## Vision Lithium Inc.

### Notes to Interim Consolidated Financial Statements

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(in Canadian dollars)

#### 19.2 Liquidity risk (continued)

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

	<b>February 28, 2022</b>	August 31, 2021
	\$	\$
Less than 6 months:		
Trade and other payables	<b>215,483</b>	150,440
From 6 months to 1 year:		
Loan	<b>40,000</b>	40,000
Total	<b>255,483</b>	190,440

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 and cash equivalents, 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, exceptionally for this year, with the federal budget, the Company is entitled to a two-year-delay.

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 February 28, 2022, the Company received no amount from flow-through placements (\$3,341,450 as at August 31, 2021 for which the Company renounced to the tax deductions, for the benefit of investors, on December 31, 2021 and 2022). Management is required to fulfill its commitments within the stipulated period of one year

As at February 28, 2022, the balance of the unspent funding related to flow-through financing amount totals \$2,250,466 (\$2,927,761 as at August 31, 2021).

## **Vision Lithium Inc.**

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

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#### **21. SUBSEQUENT EVENTS**

- 1) 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.
- 2) On March 25, 2022, 2,000,000 warrants were exercised. An amount of \$100,000 was received and an amount of \$18,800 representing the fair value of the warrants at the time of issuance were recorded as an increase in share capital.