

**Vision Lithium Inc.**  
(Formerly ABE Resources Inc.)

***Unaudited Interim Financial Statements***

***May 31, 2018***

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

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

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

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

# Vision Lithium Inc.

## Statements of Financial Position

(in Canadian dollars)

	Notes	May 31, 2018 (Unaudited) \$	August 31, 2017 (Audited) \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	3	1,030,348	1,990,128
Guaranteed investment certificate, 0.90 %, expiring in July 2018		50,000	50,000
Consumption taxes receivable		59,042	6,326
Receivables		300,000	-
Tax credits receivable		173,711	6,271
Prepaid expenses		30,010	31,797
Marketable securities in quoted mining exploration companies		2,449	1,735
		<u>1,645,560</u>	<u>2,086,257</u>
<b>Non-current</b>			
Property and equipment		7,471	3,783
Exploration and evaluation assets	7	12,356,617	2,357,245
		<u>12,364,088</u>	<u>2,361,028</u>
<b>Total assets</b>		<u><b>14,009,648</b></u>	<u>4,447,285</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		111,646	122,765
Provision for compensation	9	568,858	568,858
<b>Total liabilities</b>		<u>680,504</u>	<u>691,623</u>
<b>EQUITY</b>			
Share capital	10.1	47,105,496	36,736,195
Contributed surplus		7,335,838	6,640,744
Accumulated other comprehensive loss		(120,280)	(120,994)
Deficit		(40,991,910)	(39,500,283)
<b>Total equity</b>		<u>13,329,144</u>	<u>3,755,662</u>
<b>Total liabilities and equity</b>		<u><b>14,009,648</b></u>	<u>4,447,285</u>

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

These financial statements were approved and authorized for issue by the Board of Directors on July 19, 2018

Approved on behalf of the Board of Directors

(signed) Yves Rougerie, Director

( signed) Victor Cantore, Director

# Vision Lithium Inc.

## Statements of Comprehensive Loss

(in Canadian dollars)

	Notes	Three-month period ended		Nine-month period ended	
		May 31,	May 31,	May 31,	May 31,
		2018	2017	2018	2017
		\$	\$	\$	\$
<b>Expenses</b>					
Employee benefits expense	11.1	286,440	162,234	717,376	194,306
Consultants		-	-	3,240	-
Insurance, taxes and permits		4,671	1,846	12,889	8,745
Professional fees		146,078	(10,854)	482,606	35,337
Rent and maintenance		1,128	3,001	6,863	9,276
Business development		46,857	12,189	134,008	28,498
Stationery and office expenses		6,713	2,848	13,055	7,334
Advertising and sponsoring		689	500	1,008	500
Travel, board and lodging		7,083	3,269	17,676	5,233
Registration fees		3,280	13,580	16,284	33,546
Exploration costs other properties		(190)	2,675	19,888	6,753
Bank charges		763	718	3,100	2,300
Amortization of property and equipment		(185)	-	206	-
Loss on settlement of debts		-	933,783	-	933,783
<b>Operating loss</b>		<b>503,327</b>	<b>1,125,789</b>	<b>1,428,200</b>	<b>1,265,611</b>
<b>Other (income) expenses</b>					
Finance income	13	(3,368)	-	(3,369)	-
Finance cost	13	-	62,071	-	214,286
		<u>(3,368)</u>	<u>62,071</u>	<u>(3,369)</u>	<u>214,286</u>
<b>Loss before income taxes and loss for the period</b>		<b><u>(499,960)</u></b>	<b><u>(1,187,860)</u></b>	<b><u>(1,424,831)</u></b>	<b><u>(1,479,897)</u></b>
<b>Other comprehensive loss</b>					
Items that will be reclassified subsequently to profit or loss					
Available-for-sale financial assets					
Net change in fair value for the period		(91)	172	714	(15,605)
Reclassification to profit or loss		-	62,071	-	214,286
		<u>(91)</u>	<u>62,243</u>	<u>714</u>	<u>198,681</u>
<b>Other comprehensive loss for the period, net of tax</b>		<b><u>(91)</u></b>	<b><u>62,243</u></b>	<b><u>714</u></b>	<b><u>198,681</u></b>
<b>Total comprehensive loss for the period</b>		<b><u>(500,051)</u></b>	<b><u>(1,125,617)</u></b>	<b><u>(1,424,117)</u></b>	<b><u>(1,281,216)</u></b>
<b>Loss per share</b>					
Basic and diluted net loss per share <sup>(1)</sup>	14	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.02)</u>	<u>(0.02)</u>

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

<sup>(1)</sup> Amounts per share, including comparative balances, have been adjusted to reflect the two-for-one stock consolidation completed during the quarter ended May 31, 2017.

**Vision Lithium Inc.**  
**Statements of Changes in Equity**  
for the periods ended February 28  
(in Canadian dollars)

	Notes	Share capital		Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity
		Number <sup>(1)</sup>	Amount				
			\$				
<b>Balance, September 1<sup>st</sup>, 2016</b>		<u>5,755,490</u>	<u>32,238,978</u>	<u>5,262,220</u>	<u>(317,450)</u>	<u>(37,568,195)</u>	<u>(384,447)</u>
Units issued by private placement	10.1	45,000,000	1,197,336	1,052,664	-	-	2,250,000
Share and warrants issue cost		-	-	-	-	(45,630)	(45,630)
Shares issued for the acquisition of equity of Pioneer	2	5,500,000	2,035,000	-	-	-	2,035,000
Shares issued for debt settlement	10.1	2,918,080	1,079,690	-	-	-	1,079,690
Warrants issued		270,000	66,582	(12,582)	-	-	54,000
Share options issued		300,000	59,459	(17,209)	-	-	42,250
Share-based payments	11.2	-	-	144,834	-	-	144,834
Transactions with owners		<u>53,988,080</u>	<u>4,438,067</u>	<u>1,167,707</u>	<u>-</u>	<u>(45,630)</u>	<u>5,560,144</u>
Net loss for the period		-	-	-	-	(1,479,897)	(1,479,897)
<b>Other comprehensive loss</b>							
Available-for-sale financial assets							
Net change in fair value for the period		-	-	-	(15,605)	-	(15,605)
Reclassification to profit or loss		-	-	-	214,286	-	214,286
Total comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>198,681</u>	<u>(1,479,897)</u>	<u>(1,281,216)</u>
<b>Balance as at May 31, 2017</b>		<u>59,743,570</u>	<u>36,677,045</u>	<u>6,429,927</u>	<u>(118,769)</u>	<u>(39,093,722)</u>	<u>3,894,481</u>
Warrants issued		75,000	18,495	(3,495)	-	-	15,000
Share options issued		87,500	40,655	(26,905)	-	-	13,750
Share-based payments	11.2	-	-	241,217	-	-	241,217
Transactions with owners		<u>162,500</u>	<u>59,150</u>	<u>210,817</u>	<u>-</u>	<u>-</u>	<u>269,967</u>
Net loss for the period		-	-	-	-	(406,561)	(406,561)
<b>Other comprehensive loss</b>							
Available-for-sale financial assets							
Net change in fair value for the period		-	-	-	(2,225)	-	(2,225)
Total comprehensive loss for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,225)</u>	<u>(406,561)</u>	<u>(408,786)</u>
<b>Balance as at August 31, 2017</b>		<u>59,906,070</u>	<u>36,736,195</u>	<u>6,640,744</u>	<u>(120,994)</u>	<u>(39,500,283)</u>	<u>3,755,662</u>
Warrants issue cost		-	-	-	-	(43,296)	(43,296)
Shares issued for the acquisition of equity of a property	10.1	15,000,000	9,300,000	-	-	(23,500)	9,276,500
Warrants issued	10.2	5,954,600	1,033,641	(107,701)	-	-	925,940
Share options issued	11.2	100,000	35,660	(16,660)	-	-	19,000
Share-based payments	11.2	-	-	819,455	-	-	819,455
Transactions with owners		<u>21,054,600</u>	<u>10,369,301</u>	<u>695,094</u>	<u>-</u>	<u>(66,796)</u>	<u>10,997,599</u>
Net loss for the period		-	-	-	-	(1,424,831)	(1,424,831)
<b>Other comprehensive loss</b>							
Available-for-sale financial assets							
Net change in fair value for the period		-	-	-	714	-	714
Total comprehensive loss for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>714</u>	<u>(1,424,831)</u>	<u>(1,424,117)</u>
<b>Balance as at May 31, 2018</b>		<u>80,960,670</u>	<u>47,105,496</u>	<u>7,335,838</u>	<u>(120,280)</u>	<u>(40,991,910)</u>	<u>13,329,144</u>

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

<sup>(1)</sup> All disclosures, including comparative balances, have been adjusted and presented on a consolidated basis.

# Vision Lithium Inc.

## Statements of Cash Flows

(in Canadian dollars)

	Notes	Nine-month period ended	
		May 31, 2018	May 31, 2017
		\$	\$
<b>Operating activities</b>			
Net loss		(1,424,831)	(1,479,897)
Adjustments			
Amortization of property and equipment		206	-
Loss on settlement of debts		-	933,783
Share-based payments		819,455	144,834
Fair value fluctuation on available-for-sale financial assets reclassified to profit or loss		-	214,286
Changes in working capital items	15	(529,488)	34,747
Cash flows used in operating activities		<u>(1,134,658)</u>	<u>(152,247)</u>
<b>Investing activities</b>			
Acquisition		(3,894)	3,906
Additions to exploration and evaluation assets		(699,372)	(45,665)
Mining property costs		(23,500)	-
Disposal of marketable securities in quoted mining exploration companies		-	124,194
Cash flows (used in) from investing activities		<u>(726,766)</u>	<u>82,435</u>
<b>Financing activities</b>			
Issuance of shares by private placement		-	2,250,000
Issuance of shares by flow-through private placement		-	(45,630)
Warrants issue costs		(43,296)	-
Warrants exercised	10.2	925,940	44,000
Share options exercised	11.2	19,000	42,250
Cash flows from financing activities		<u>901,644</u>	<u>2,290,620</u>
<b>Net change in cash</b>		<b>(959,780)</b>	<b>2,220,808</b>
<b>Cash and cash equivalents, beginning of the period</b>		<b>1,990,128</b>	<b>41,908</b>
<b>Cash and cash equivalents, end of the period</b>		<b>1,030,348</b>	<b>2,262,716</b>
<b>Additional information - Cash flows (Note 15)</b>			

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

# Vision Lithium Inc.

## Notes to Financial Statements

### May 31, 2018

(in Canadian dollars)

#### 1. NATURE OF OPERATIONS

On March 22, 2018, the Company changed its name from Resources ABE Inc. to Vision Lithium Inc.

Vision Lithium Inc. (the "Company"), is an exploration company with activities in Canada.

On April 20, 2017, the Company's shareholders passed a special resolution approving the consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every 2 pre-consolidation shares.

On April 20 2017, the Company obtained the approval of the TSX-Venture to proceed to the consolidation and the Company's shares began trading on a consolidated basis on April 26, 2017. To this date, the outstanding common shares were reduced from 11,510,944 to 5,755,490 to reflect the impact of the common share consolidation.

#### 2. ACQUISITION

On May 11, 2017, Vision Lithium Inc. completed the acquisition of all of the issued and outstanding shares of Pioneer Resources Inc. ("Pioneer"), which operates primarily in Québec.

The acquisition of Pioneer was effected through an exchange of shares pursuant to which ABE Resources Inc. issued 5,500,000 post-consolidation shares in exchange for all issued and outstanding shares of Pioneer whose fair value at the acquisition date is \$2,035,000. Transaction fees of \$45,664 have been added to this amount for a total of \$2,080,664.

The fair value of the shares issued as consideration has been determined on the basis of the market price of the shares. This acquisition does not represent a business combination as described in IFRS 3.

The following table details the fair value of the total consideration transferred and the fair value of identifiable assets acquired and identifiable liabilities assumed at the date of acquisition of Pioneer :

Fair value of consideration for acquisition	
Equity consideration	<b>\$2,080,664</b>
<hr/>	
<b>Fair value of assets acquired and liabilities assumed</b>	<b>\$</b>
Cash	<b>3,906</b>
Exploration and evaluation assets	<b>2,310,043</b>
Trade and other payables	<b>(86,492)</b>
Due to related parties <sup>(1)</sup>	<b>(146,793)</b>
<b>Total identifiable net assets at fair value and counterparty</b>	<b><u>2,080,664</u></b>

<sup>(1)</sup> Following the acquisition of Pioneer, certain amounts due to related parties were settled for shares (note 10.1).

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

**3. CASH AND CASH EQUIVALENTS**

As at May 31, 2018, the cash and the cash equivalents include an account bearing a high interest rate and an account without interest, as follows:

	May 31, 2018		August 31, 2017	
	\$	Taux d'intérêt	\$	Taux d'intérêt
1) Account bearing interest	<b>703,199</b>	<b>1,10 %</b>	-	-
2) Account without interest	<b>327,149</b>	-	1,990,128	-
<b>Total</b>	<b>1,030,348</b>		1,990,128	

Cash and cash equivalents do not include any amount to be expensed in exploration expenses.

**4. GOING CONCERN ASSUMPTION**

The 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 May 31, 2018 the Company has a cumulated deficit of \$40,991,910 (\$39,093,722 as at August 31, 2017). 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 consolidated 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.

**5. BASIS OF PRESENTATION**

These interim consolidated financial statements of the Company as at May 31, 2018 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 consolidated financial statements were prepared using the same basis of presentation, accounting policies and methods of computations outlined in Note 6, SIGNIFICANT ACCOUNTING POLICIES as described in our financial statements for the year ended August 31, 2017. The interim consolidated financial statements do not include all of the notes required in annual financial statements.

**Vision Lithium Inc.**  
Notes to Financial Statements  
May 31, 2018

---

(in Canadian dollars)

**6. 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.

**6.1 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 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.

**6.2 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.

**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 recover 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.

**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 share, 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 11.2).

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

**6.2 Estimation uncertainty (continued)**

**Provisions and contingent liabilities**

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability and provisions involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are source of estimation uncertainty (see Note 9).

**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 have 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 and refundable tax credit, exploration and evaluation assets, and income tax expense in future periods.

**7. EXPLORATION AND EVALUATION ASSETS**

The carrying amount can be analyzed as follows:

**MINING RIGHTS**

	Balance as at September 1, 2017	Additions	Tax credits and credit on duties	Impairment	Balance as at May 31, 2018
	\$	\$	\$	\$	\$
Dôme Lemieux (Qc)	2,310,043	-	-	-	2,310,043
La Corne (Qc)	-	10,141	-	-	10,141
Broadback (Qc)	-	1,666	-	-	1,666
Sirmac (Qc)	-	9,590,764	-	-	9,590,764
Case (On)	-	68,441	-	-	68,441
	<u>2,310,043</u>	<u>9,671,012</u>	<u>-</u>	<u>-</u>	<u>11,981,055</u>

**EXPLORATION AND EVALUATION EXPENSES**

Dôme Lemieux (Qc)	43,489	33,362	(10,275)	-	66,576
Epsilon (Qc)	3,713	288	-	-	4,001
La Corne (Qc)	-	5,546	(1,693)	-	3,853
Broadback (Qc)	-	4,594	(1,551)	-	3,043
Sirmac (Qc)	-	447,932	(149,843)	-	298,089
	<u>47,202</u>	<u>491,722</u>	<u>(163,362)</u>	<u>-</u>	<u>375,562</u>
<b>TOTAL</b>	<u>2,357,245</u>	<u>10,162,734</u>	<u>(163,362)</u>	<u>-</u>	<u>12,356,617</u>

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

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

**MINING RIGHTS**

	Balance as at September 1, 2016	Additions	Tax credits and credit on duties	Impairment	Balance as at August 31, 2017
	\$	\$	\$	\$	\$
Dôme Lemieux (Qc)	-	2,310,043	-	-	2,310,043
St-Stephen (NB)	-	2,675	-	(2,675)	-
	-	2,312,718	-	(2,675)	2,310,043

**EXPLORATION AND EVALUATION EXPENSES**

Dôme Lemieux (Qc)	-	43,489	-	-	43,489
Epsilon (Qc)	-	5,787	(2,074)	-	3,713
	-	49,276	(2,074)	-	47,202
<b>TOTAL</b>	-	2,361,994	(2,074)	(2,675)	2,357,245

**Dôme Lemieux**

On May 11, 2017, the Company acquired this property following the acquisition of all of the issued and outstanding shares of Pioneer, which operates principally in Québec (note 2).

The Dôme Lemieux property is made up of 217 map-designated claims totalling 11,599.84 ha or roughly 115.99 km<sup>2</sup>. The property is located in the Gaspésie region of eastern Québec, approximately 32 km SSE of the town of Sainte-Anne-des-Monts, Québec. Pursuant to the terms and conditions of a share exchange agreement entered into between ABE, Pioneer, and the shareholders of Pioneer, dated May 11, 2017, an aggregate of 5,500,000 Shares were issued to the Pioneer shareholders, at a deemed price of \$0.05 per Share, in exchange for all of the issued and outstanding common shares in the share capital of Pioneer (the "Pioneer Shares"). The Dôme Lemieux property was the main asset of Pioneer Resources.

**Sirmac Lithium**

On February 2, 2018, the Company acquired the Sirmac Lithium property which comprises 24 mineral claims covering a total area of approximately 1,100 hectares located approximately 180 kilometers northwest of Chibougamau, in the province of Quebec. The Company paid \$250,000 in cash and issued 15,000,000 common shares to Nemaska Lithium at a price of \$0.62 per share for a total of \$9,300,000. The Company will pay a net smelter return royalty of 1% on some of the claims on the Sirmac Lithium property.

**St-Stephen**

The St. Stephen property comprises 189 claims located near the town of St. Stephen in the southwest corner of New Brunswick. ABE staked the property in 2004 and 2005 and there are no underlying royalties. Indiana Resources (previously IMX Resources) has acquired an initial 50% interest in the property following a 4-year, million-dollar expenditure on the claims. During the year 2015, the property was written off.

**Vision Lithium Inc.**  
Notes to Financial Statements  
May 31, 2018

(in Canadian dollars)

---

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

**Case Twp**

The Case Twp property comprises 1,145 claims covering 24,045 hectares and is located in Township in Northeastern Ontario, east of Cochrane and just North of Lake Abitibi.

**La Corne**

The La Corne property is comprised of 17 cell claims covering 909 hectares and is located approx. 40 km Northwest of Val d'Or, Québec. The property covers prospective ground for lithium bearing pegmatites of the same type as the Quebec Lithium Mine 20 km to the NE.

**Broadback**

The Broadback property is comprised of 26 cell claims covering 1422 hectares and is located approx. 180 km NW of Chibougamau, Québec. The property was staked to cover a prominent pegmatite body which may be prospective for lithium exploration.

**Epsilon**

The Epsilon property comprises 51 claims covering 2,693.51 hectares and is located approx. 300 km northeast of Chibougamau, Québec. The Company completed the acquisition of an undivided interest in the property in April 2009.

**8. LEASES**

The Company's future minimum operating lease payments are as follows:

	Minimum lease payments due		
	Within 1 year	1 to 5 years	Total
	\$	\$	\$
May 31, 2018	18,000	1,500	19,500
August 31, 2017	18,000	15,000	33,000

The Company leases its offices under a lease expiring in June 2019.

Lease payments recognized as an expense during the reporting period amount to \$13,500. These amounts consist of minimum lease payments.

**Vision Lithium Inc.**  
Notes to Financial Statements  
May 31, 2018

---

(in Canadian dollars)

**9. PROVISION FOR COMPENSATION**

Provisions relate to various taxation claims. The Company is not eligible for any reimbursement by third parties in this regard. Usually, these claims are settled between three and eighteen months from initiation, depending on the procedures used for negotiating the claims. As the timing of settlement of these claims is to a large extent dependent on the pace of negotiation with various counterparties and governmental authorities, the Company cannot reliably estimate the amounts that will eventually be paid in settlement after more than twelve months from reporting date. Therefore, the amount was classified as current. During the period ending May 31, 2018, no amount was paid to its shareholders (\$133 as at August 31, 2017).

Management, on the advice of counsel, does not expect that the outcome of any of the remaining cases will give rise to any significant loss beyond the amounts actually recognized. None of the provisions will be discussed here in further detail so as to not seriously prejudice the Company's position.

**10. EQUITY**

**10.1 Share capital**

The share capital issued 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**

On February 2, 2018, the Company acquired the Sirmac Lithium property for \$250,000 in cash and 15,000,000 common shares from Nemaska Lithium at a price of \$0.62 per share for a total of \$9,300,000. Share issue expenses totalling \$23,500 were also applied against the share capital.

In May 2017, the Company completed a private placement for a total amount of \$2,250,000. The Company issued 45,000,000 units after consolidation, with each unit consists of one ordinary share and one warrant. Each warrant entitles the holder to subscribe to an equivalent number of ordinary shares of the Company at a price of \$0.15 per share, expiring 24 months following the closing of the placement. An amount of \$1,052,664 related to issued warrants was recorded to Contributed surplus. Share issue expenses totalling \$46,591 were also applied against the share capital.

Pursuant to the terms of a share exchange agreement dated May 11, 2017, the Company issued a total of 5,500,000 common shares after consolidation at a deemed price of \$0.37 per share for a total of \$2,035,000 in favor of the Pionnier shareholders in exchange for all the outstanding shares of Pioneer's share capital issued and curculation (note 2).

**10.2 Warrants**

In addition, in connection with the acquisition, the Company issued an additional 2,918,080 common shares after a combination at a deemed price of \$0.37 per share for a total of \$ 1,079,690 to settle outstanding debt Pioneer owed to some of its officers, directors and shareholders. An amount of \$933,783 was recorded in net income as a loss on settlement of debts following this transaction.

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

**10.2 Warrants (continued)**

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

	May 31, 2018	
	Number	Weighted average exercise price
		\$
Balance, beginning of reporting period	45,655,000	0.15
Exercised	(5,954,600)	0.15
Balance, end of reporting period	39,700,400	0.15

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

	May 31, 2018	
Expiration date	Number	Exercise price
		\$
May 10, 2019	39,700,400	0.15

**11. EMPLOYEE REMUNERATION**

**11.1 Employee benefits expense**

Employee benefits expense recognized is analyzed below:

	Three-month period ended		Nine-month period ended	
	May 31, 2018	May 31, 2017	May 31, 2018	May 31, 2017
	\$	\$	\$	\$
Salaries and benefits	<b>160,123</b>	19,595	<b>391,071</b>	49,472
Share-based payments	<b>172,152</b>	142,639	<b>440,736</b>	144,834
	<b>332,275</b>	162,234	<b>831,807</b>	194,306
Less: salaries capitalized in exploration and evaluation assets	<b>(45,833)</b>	-	<b>(114,431)</b>	-
Less: salaries reclassified to Exploration costs other properties in profit or loss	-	-	-	-
Employee benefits expense	<b>286,442</b>	162,234	<b>717,376</b>	194,306

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

**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 (8,096,067 shares after consolidation as at May 31, 2018).

The most important 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 services supplier, 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. Moreover, the options granted will vest gradually on a 12-month period after the grant, 25% on grant, 25% 6 months from the date of grant and 50% 12 months from the date of grant.;
- 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 1/4 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 10 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.

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

	<u>May 31, 2018</u>		<u>August 31, 2017</u>	
	<u>Number</u>	<u>Weighted average exercise price</u>	<u>Number</u>	<u>Weighted average exercise price</u>
		\$		\$
Outstanding, beginning of the reporting period	2,887,500	0.26	550,000	0.15
Granted	1,900,000	0.43	2,725,000	0.27
Exercised	(100,000)	0.19	(387,500)	0.14
Outstanding, end of the reporting period	<u>4,687,500</u>	<u>0.33</u>	<u>2,887,500</u>	<u>0.26</u>
Exercisable, end of the reporting period	<u>3,112,500</u>	<u>0.29</u>	<u>862,500</u>	<u>0.25</u>

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

**11.2 Share-based payments (continued)**

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

<u>Range of exercise price</u>	<u>May 31, 2018</u>		<u>August 31, 2017</u>	
	<u>Number</u>	<u>Weighted average remaining contractual life (years)</u>	<u>Number</u>	<u>Weighted average remaining contractual life (years)</u>
\$0.10 to \$0.25	<b>112,500</b>	<b>1.15</b>	187,500	1.92
\$0.26 to \$0.40	<b>2,675,000</b>	<b>4.33</b>	2,700,000	7.74
\$0.41 to \$0.55	<b>1,900,000</b>	<b>4.62</b>	-	-
	<b>4,687,500</b>	<b>4.37</b>	2,887,500	7.36

The underlying expected volatility was determined by reference to historical data of Company's shares over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

In total, \$819,455 of share-based payments (\$386,051 as at August 31, 2017. All of which related to equity-settled share-based payment transactions) which \$5,323 is capitalised in exploration and evaluation assets (\$7,649 as at August 31, 2017), \$378,718 were included in professional fees and \$435,414 were included in employee benefits and reported in profit or loss for the period ended May 31, 2018 (\$183,181 were included in professional fees and \$195,221 were included in employee benefits expense and reported in profit or loss for the year ended August 31, 2017) 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 May 31, 2018 and August 31, 2017, and are classified in Level 1.

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

**12.2 Financial instruments measured at amortized cost for which the fair value is disclosed**

The carrying value of cash and cash equivalents, other receivables, trade and other payables is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

**13. FINANCE INCOME AND FINANCE COST**

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

	Three-month period ended		Nine-month period ended	
	May 31, 2017	May 31, 2016	May 31, 2017	May 31, 2016
	\$	\$	\$	\$
Interest income from cash	<b>3,368</b>	-	<b>3,369</b>	-
Finance income	<b>3,368</b>	-	<b>3,369</b>	-

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

	Three-month period ended		Nine-month period ended	
	May 31, 2018	May 31, 2017	May 31, 2018	May 31, 2017
	\$	\$	\$	\$
Net change in fair value of available-for-sale financial assets reclassified in profit or loss	-	62,071	-	214,286
Finance cost	-	62,071	-	214,286

**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 in 2018 and 2017.

	Three-month period ended		Nine-month period ended	
	May 31, 2018	May 31, 2017	May 31, 2018	May 31, 2017
Net loss	<b>(499,960) \$</b>	(1,187,860) \$	<b>(1,424,831) \$</b>	(1,479,897) \$
Weighted average number of shares	<b>68,518,409 \$</b>	59,743,558	<b>68,518,409</b>	59,743,558
Basic and diluted loss per share	<b>(0.01) \$</b>	(0.02)	<b>(0.02) \$</b>	(0.00)

All information presented in the table above, including comparative balances, has been adjusted and presented on a consolidated basis.

There have been no other transactions involving ordinary shares between the reporting date and the date of authorization of these financial statements.

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

**15. ADDITIONAL INFORMATIONS - CASH FLOWS**

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

	Nine-month period ended	
	May 31, 2018	May 31, 2017
	\$	\$
Other receivables	(352,716)	(20,365)
Tax credits receivable <sup>(1)</sup>	(167,439)	3,440
Prepaid expenses and deposits	1,787	(1,845)
Trade and other payables	(11,120)	53,624
Provision for compensation	-	(107)
	<u>(529,488)</u>	<u>34,747</u>

<sup>(1)</sup> tax credit accounted in profit or loss in reduction of Exploration costs other properties.

**16. RELATED PARTY TRANSACTIONS**

The Company's related parties include key management and two companies with common directors 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.

**16.1 Transactions with key management personnel**

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

	Three-month period ended		Nine-month period ended	
	May 31, 2018	May 31, 2017	May 31, 2018	May 31, 2017
	\$	\$	\$	\$
Short-term employee benefits	115,532	34,353	271,404	58,640
Share-based payments	171,088	78,625	435,414	78,680
Total remuneration	<u>286,620</u>	<u>112,978</u>	<u>706,818</u>	<u>137,320</u>

A significant part of the remuneration of the President has been allocated to Exploration and evaluation assets and/or to Exploration costs other properties in profit or loss.

In 2017, three of the key management personnel exercised 142,500 options for a total amount of \$19,250. This amount was recorded as share capital in the consolidated statement of changes in equity.

**Vision Lithium Inc.**  
Notes to Financial Statements  
May 31, 2018

---

(in Canadian dollars)

**16.2 Transactions with other related parties**

During the quarter ending May 31, 2018, the Company paid any amount of \$12,850 to a company with common director. As at May 31, 2018, those amounts were accounted as exploration and evaluation assets. No amount is included in trade and other payables.

**17. 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.

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.

**18. 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.

**18.1 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 following type of market risk: other price risk.

**Other price risk sensitivity**

The Company is exposed to fluctuations in the market prices of its marketable securities in quoted mining exploration companies. The fair value of the marketable securities represents the maximum exposure to price risk.

If the market price of these securities had fluctuated from + or - 20% as at May 31, 2018 and August 31, 2017, the other comprehensive loss and the equity would not have varied significantly.

**Vision Lithium Inc.**  
**Notes to Financial Statements**  
**May 31, 2018**

(in Canadian dollars)

**18.2 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:

	<b>May 31, 2018</b>	August 31, 2017
	\$	\$
Cash and cash equivalents	<b>1,030,348</b>	1,990,128
Guaranteed investment certificate	<b>50,000</b>	50,000
Carrying amounts	<b><u>1,080,348</u></b>	<u>2,040,128</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.

**18.3 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.

Over the past period, the Company has financed its exploration and evaluation programs, its working capital requirements and acquisitions of mining properties through the sale of investments and also through the sale of exploration and evaluation assets.

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

	Current
	Less than 6 months
	\$
May 31, 2018	
Account payables	<b><u>52,117</u></b>
August 31, 2017	
Account payables	<u>23,320</u>