

Vision Lithium Inc.

Unaudited Interim Financial Statements

As at May 31, 2021

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	May 31, 2021 (Unaudited) \$	August 31, 2020 (Audited) \$
ASSETS			
Current			
Cash	18	4,574,036	453,474
Guaranteed investment certificates, 0.55%, expiring in July 2021		77,287	51,844
Sales taxes receivable		29,283	2,268
Tax credits receivable		2,682	20,318
Prepaid expenses		49,301	7,050
Marketable securities in quoted mining exploration companies		1,035	715
		<u>4,733,624</u>	<u>535,669</u>
Non-current			
Property and equipment		18,589	18,116
Right-of-use assets	5	69,487	71,935
Exploration and evaluation assets	6	14,516,309	13,167,739
		<u>14,604,385</u>	<u>13,257,790</u>
Total assets		<u>19,338,009</u>	<u>13,793,459</u>
LIABILITIES			
Current			
Trade and other payables		111,638	230,130
Liability related to flow-through shares		534,681	180,160
Current portion of lease obligations	7	40,397	26,340
		<u>686,716</u>	<u>436,630</u>
Non-current			
Lease obligations	7	30,236	47,042
Loan	8	40,000	30,000
		<u>70,236</u>	<u>77,042</u>
Total liabilities		<u>756,952</u>	<u>513,672</u>
EQUITY			
Share capital	9.1	52,207,755	48,003,635
Contributed surplus		5,644,012	3,362,769
Deficit		(39,270,710)	(38,086,617)
Total equity		<u>18,581,057</u>	<u>13,279,787</u>
Total liabilities and equity		<u>19,338,009</u>	<u>13,793,459</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 July 22, 2021.

Approved on behalf of the Board of Directors

(signed) Yves Rougerie, Director

(signed) Victor Cantore, Director

Vision Lithium Inc.

Consolidated Statements of Net Loss and Comprehensive Loss (unaudited)

(in Canadian dollars)

	Notes	Three-month period ended		Nine-month period ended	
		May 31,	May 31,	May 31,	May 31,
		2021	2020	2021	2020
		\$	\$	\$	\$
Expenses					
Employee benefits expense	10.1	105,268	83,130	354,329	224,009
Insurance, taxes and permits		5,377	7,360	14,603	16,232
Consulting fees		15,000	-	15,000	-
Professional fees		19,459	19,080	85,673	73,383
Rent and maintenance		-	-	-	1,121
Business development		28,428	11,865	54,851	29,720
Advertising and sponsorship		5,569	-	5,569	-
Stationery and office expenses		2,365	3,082	8,438	8,290
Travel, board and lodging		1,394	186	2,088	2,086
Registration fees		3,994	9,213	19,201	17,235
Provision for compensation		-	(345,768)	-	(345,768)
Write-off of exploration and evaluation assets		7,057	3,661	4,992	5,233
Exploration costs of other properties ⁽¹⁾		22	(287)	25,988	15,986
Bank charges		1,020	611	2,580	2,825
Part III.14 tax		-	-	(47,050)	-
Amortization of property and equipment		453	453	1,360	1,360
Depreciation of right-of-use assets		7,837	7,837	23,511	22,844
Operating loss		203,243	(199,577)	571,133	74,556
Other (income) expenses					
Finance income	12	(1,291)	(187)	(1,432)	(597)
Finance cost	12	503	641	1,527	2,073
Government assistance	8	-	-	(10,000)	-
Net change in fair value of marketable securities in quoted mining exploration companies		198	137	(321)	775
Other revenues		(1,950)	(1,950)	(5,850)	(5,850)
		(2,540)	(1,359)	(16,076)	(3,599)
Loss before income taxes		(200,703)	200,936	(555,057)	(70,957)
Deferred income tax		6,973	7,437	28,916	13,287
Net loss and total of comprehensive loss for the period		(193,730)	208,373	(526,141)	(57,670)
Loss per share					
Basic and diluted net loss per share	13	0.00	(0.00)	(0.00)	(0.00)

(1) For the nine-month periods ended May 31, 2021, no amount was recorded for tax credits as a reduction of exploration costs of other properties (\$6,674 as at May 31, 2020) .

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

Vision Lithium Inc.
Consolidated Statements of Changes in Equity (unaudited)

(in Canadian dollars)

		Share capital		Contributed	Deficit	Total
		Number	Amount	surplus		equity
			\$	\$	\$	\$
Balance as at September 1st, 2019		<u>81,194,986</u>	<u>47,201,835</u>	<u>3,276,520</u>	<u>(37,657,922)</u>	<u>12,820,433</u>
	Shares and warrants issue costs					-
	Issuance of flow-through shares	9.1	10,060,000	305,800	-	305,800
	Shares issue costs	9.1			(40,167)	(40,167)
	Expired warrants					-
	Share-based payments					-
	Transactions with owners		<u>10,060,000</u>	<u>305,800</u>	<u>(40,167)</u>	<u>265,633</u>
	Net loss and total of comprehensive loss for the period		-	-	(57,670)	(57,670)
Balance as at May 31, 2020		<u>91,254,986</u>	<u>47,507,635</u>	<u>3,276,520</u>	<u>(37,755,759)</u>	<u>13,028,396</u>
	Issuance of flow-through shares	9.1		(4,000)	-	(4,000)
	Issuance of shares for the acquisition of mining rights	9.1	10,000,000	500,000	-	500,000
	Share-based payments	10.2	-	-	86,249	86,249
	Transactions with owners		<u>10,000,000</u>	<u>496,000</u>	<u>86,249</u>	<u>582,249</u>
	Net loss and total of comprehensive loss for the period		-	-	(330,858)	(330,858)
Balance as at August 31, 2020		<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 shares	9.1	15,497,499	1,715,488	1,436,221	3,151,709
	Issuance of shares	9.1	85,075,000	2,044,617	886,537	2,931,154
	Shares issue costs	9.1	-	-	-	(657,952)
	Share-based payments	10.2	-	-	28,750	28,750
	Warrants exercised	9.2	7,475,000	444,015	(70,265)	373,750
	Transactions with owners		<u>108,047,499</u>	<u>4,204,120</u>	<u>2,281,243</u>	<u>(657,952)</u>
	Net loss and total of comprehensive loss for the period		-	-	(526,141)	(526,141)
Balance as at May 31, 2021		<u>209,302,485</u>	<u>52,207,755</u>	<u>5,644,012</u>	<u>(39,270,710)</u>	<u>18,581,057</u>

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

Vision Lithium Inc.

Consolidated Statements of Cash Flows (unaudited)

(in Canadian dollars)

	Notes	Nine-month period ended	
		May 31,	May 31,
		2021	2020
		\$	\$
Operating activities			
Net loss		(526,141)	(57,670)
Adjustments			
Amortization of property and equipment		1,360	1,360
Depreciation of right-use assets included in exploration and evaluation assets		272	-
Depreciation of right-of-use assets		23,511	22,844
Interests of a guaranteed investment certificate		(213)	(556)
Interests on lease obligations		1,527	2,074
Net change in fair value of marketable securities in quoted mining exploration companies		(321)	775
Share-based payments		26,450	-
Gain on disposal of exploration and evaluation assets		-	(345,768)
Write-off of exploration and evaluation assets		4,992	5,233
Deferred income tax		(28,916)	(16,481)
Part III.14 tax		(47,050)	3,194
Changes in working capital items	14	(144,468)	62,806
Cash flows used in operating activities		(688,997)	(322,189)
Investing activities			
Acquisition of a guaranteed investment certificate		(25,230)	-
Acquisition of property and equipment		(4,966)	(5,975)
Additions to exploration and evaluation assets	6	(304,641)	(79,353)
Tax credits received		17,636	140,428
Cash flows (used in) from investing activities		(317,201)	55,100
Financing activities			
Issuance of shares by private placement	9.1	5,230,950	503,000
Loan	8	10,000	-
Share issue costs	9.1	(462,601)	(40,167)
Warrants exercised	9.2	373,750	-
Payments on lease obligations	7	(25,339)	(24,425)
Cash flows from financing activities		5,126,760	438,408
Net change in cash		4,120,562	171,319
Cash, beginning of the period		453,474	329,170
Cash, end of the period		4,574,036	500,489

Additional information - Cash flows (Note 14)

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

Additional information

Interest received from operating activities	1,432	225
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The accompanying notes are an integral part of these interim consolidated financial statements.

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(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, COVID-19, 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 May 31, 2021 the Company has a cumulated deficit of \$39,270,710 (\$38,086,617 as at August 31, 2020). 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.

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

3. BASIS OF PRESENTATION

These interim financial statements of the Company as at May 31, 2021 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, 2020. 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 Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(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, meets 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 leases 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 5).

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.

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

4.2 Estimation uncertainty (continued)

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

See Note 6 for the exploration and evaluation assets impairment analysis.

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 10.2).

Tax credits receivable

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

5. RIGHT-OF-USE ASSETS

	Premises	Automotive equipment	Total
	\$	\$	\$
Impact of the application of IFRS 16	87,804	15,481	103,285
Depreciation	(22,906)	(8,444)	(31,350)
Balance as at August 31, 2020	64,898	7,037	71,935
Addition	-	21,063	21,063
Depreciation	(17,178)	(6,333)	(23,511)
Balance as at May 31, 2021	47,720	21,767	69,487

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

5. RIGHT-OF-USE ASSETS (continued)

The Company rents its offices under a lease expiring in June 2022. This lease has been renewed for an additional 12 months. The Company also leases mobile equipment under leases expiring in June 2021 and April 2023. For the nine-month period ended May 31, 2021, the depreciation of right-of-use assets totals \$23,511 is recognized as an expense (\$23,512 as of May 31, 2020 which \$22,844 is recognized as an expense and \$668 is recognized as exploration and evaluation assets).

6. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be detailed as follows:

MINING RIGHTS

	Balance as at September 1, 2020	Additions	Tax credits and credit on duties	Write-off	Balance as at May 31, 2021
	\$	\$	\$	\$	\$
Sirmac Lithium (Qc)	9,577,103	5,899	-	-	9,583,002
Dôme Lemieux (Qc)	2,327,668	1,673	-	-	2,329,341
Broadback North (Qc)	1,731	-	-	-	1,731
Wabouchi (Qc)	641	-	-	-	641
Red Brook (NB)	300,340	1,690	-	-	302,030
Epithermal (NB)	103,060	-	-	-	103,060
Benjamin (NB)	113,695	(690)	-	-	113,005
Epsilon (Qc)	-	2,999	-	(2,999)	-
St-Stephen (NB)	-	4,405	-	(4,405)	-
Godslith (MB)	-	1,105,271	-	-	1,105,271
TOTAL	12,424,238	1,121,247	-	(7,404)	13,538,081

EXPLORATION AND EVALUATION EXPENSES

	Balance as at September 1, 2020	Additions	Tax credits and credit on duties	Write-off	Balance as at May 31, 2021
	\$	\$	\$	\$	\$
Sirmac Lithium (Qc)	646,136	32,280	-	-	678,416
Dôme Lemieux (Qc)	77,501	21,335	-	-	98,836
Broadback North (Qc)	17,240	9,123	-	-	26,363
Wabouchi (Qc)	195	-	-	-	195
Red Brook (NB)	2,429	168,346	-	-	170,775
Epsilon (Qc)	-	6,863	-	(6,863)	-
St-Stephen (NB)	-	(9,275)	-	9,275	-
Godslith (MB)	-	3,643	-	-	3,643
	743,501	232,315	-	2,412	978,228
TOTAL	13,167,739	1,353,562	-	(4,992)	14,516,309

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Sirmac Lithium

The Company owned 100% the Sirmac Lithium property which comprises 25 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 238 claims covering 11,599.84 hectares.

Broadback North

The Broadback North property, owned 100%, is comprised of 27 claims covering 1,414 hectares and are located approximately 10 km west of the Sirmac property and 180 km NW of Chibougamau, Québec. The properties were staked to cover a prominent pegmatite body which may be prospective for lithium exploration.

Wabouchi (formely Nemiscau)

The Wabouchi property, owned 100%, consists of 10 contiguous claims covering 534 hectares located Southeast of the village of Nemaska in northern Québec. The recently staked claims are located in the general area of the Nemaska dyke swarm, approximately 5 km south of the Wabouchi lithium deposit of Nemaska Lithium which is in the development construction phase.

Red Brook

On June 12, 2020, the Company acquired the Red Brook property, owned 100%, which is located approximately 60 km West of the mining center of Bathurst, in Northern New Brunswick. The Red Brook property consists of 139 claims covering 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.

Epithermal

On June 12, 2020, the Company acquired the Epithermal property, owned 100%, which is located approximately 60 km West of the mining center of Bathurst, in Northern New Brunswick. The Epithermal property consists of 96 claims covering 2,083 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, the Company staked 30 mining claims for \$300 in cash. In addition, 20 claims were redistributed from the Benjamin property to the Epithermal property.

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Benjamin

On June 12, 2020, the Company acquired the Benjamin property, owned 100%, 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 Epithermal property.

Epsilon

This 100% owned property is located in the Otish Mountains region of Quebec. The Epsilon property consists of 21 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 2019.

St-Stephen

This property is owned 50% by the Company and 50% by Indiana Inc. ("Indiana") and is located near the border town of St-Stephen in the southwest corner of the province of New Brunswick (NB), near the Canada-US border. The property was written off during the year 2019.

Godslith

On March 22, 2021, the Company acquired the Godslith property, owned 100%, 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 an other 1% of the NSR interests for \$2,000,000.

7. LEASE OBLIGATIONS

	May 31, 2021	August 31, 2020
	\$	\$
Lease obligations included in the consolidated statement of financial position		
Initial recognition upon adoption of IFRS 16	73,382	103,285
Addition of a lease obligation	21,063	-
Interests on lease obligations	1,527	2,663
Payments on lease obligations	(25,339)	(32,566)
	70,633	73,382
Current portion of lease obligations	(40,397)	(26,340)
Lease obligations	30,236	47,042
Maturity analysis – contractual undiscounted cash flows		
Less than one year	38,399	24,500
One to five years	26,531	45,320
Total undiscounted lease obligations	64,930	69,820

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

8. LOAN

During the nine-month period ended May 31, 2021, the Company received a \$20,000 loan under the Canada Emergency Business Account program. If the Company repays \$10,000 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 \$10,000 of the government assistance is forgivable if the Company repays \$10,000 by December 31, 2022, the amount will be recognized in earnings at the time the government assistance was granted.

During the year ended August 31, 2020, the Company received a \$40,000 loan under the Canada Emergency Business Account program. If the Company repays \$30,000 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 \$10,000 of the government assistance is forgivable if the Company repays \$30,000 by December 31, 2022, the amount was recognized in earnings at the time the government assistance was granted.

9. EQUITY

9.1 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

On April 20, 2021, the Company closed a non-brokered private placement for gross proceeds of \$3,622,949.78. The placement consisted of the issuance of: i) 15,097,499 flow-through units of the Company at a price of \$0.22 each; and ii) 1,675,000 common units of the Company at a price of \$0.18 each. 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 date of issue. 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 date of issue.

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 exercisable to acquire one common share of the Company over a period of 2 years following the date of issue at the same exercise price of the warrants comprising the flow-through and common units for which the compensation warrants were issued. In addition, share issue expenses of \$262,220 were also applied against the deficit.

The Company renounced to the tax deduction related to flow-through shares, which reduced share capital by \$377,438, and the counterparty is presented as liability related to flow-through shares.

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

9.1 Share capital (continued)

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. 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 units of the Company at a price of \$0.05 for aggregate gross proceeds of \$20,000. Under the second tranche, 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.

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. 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.

On June 12, 2020, the Company acquired the Red Brook, Epithermal and Benjamin properties in consideration of 10,000,000 common shares at a price of \$0.05 per share for a total of \$500,000.

On December 31, 2019, the Company closed a private placement of 10,060,000 common shares of the Company that will qualify as flow-through shares, at a price of \$0.05 per share, for aggregate gross proceeds of \$503,000. In connection with the offering, finders' fees totaling \$30,380 were paid to third parties dealing at arm's length with the Company. Share issue expenses totaling \$9,787 were also applied against the deficit.

The Company renounced to the tax deduction related to flow-through shares, which reduced share capital by \$201,200, and the counterparty is presented as liability related to flow-through shares.

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

9.2 Warrants

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

	<u>May 31, 2021</u>		<u>August 31, 2020</u>	
	<u>Number</u>	<u>Weighted average exercise price</u> \$	<u>Number</u>	<u>Weighted average exercise price</u> \$
Balance, beginning of reporting period	-	-	-	-
Granted ⁽¹⁾	88,973,024	0.08	-	-
Exercised	(7,475,000)	0.05	-	-
Balance, end of reporting period	<u>81,498,024</u>	<u>0.08</u>	<u>-</u>	<u>-</u>

⁽¹⁾ At issuance, the warrants are subject to a 4 months and 1 day statutory hold period.

For the nine-month period ended May 31, 2021, the Company recorded an amount of \$2,322,758 in diminution of shareholders' equity instruments when warrants were issued to the investors and the fair value is recorded as an increase of the contributed surplus.

As at May 31, 2021, the fair value of \$0.04 for the warrants granted was estimated using the Black-Scholes option pricing model and based on the following assumptions:

	<u>May 31, 2021</u>
Share price at date of grant	\$0.076
Expected dividends yield	0%
Expected volatility	203%
Risk-free interest rate	0.26%
Expected life	2.5 years
Exercise price at date of grant	\$0.11

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected life of the warrants.

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

Expiration date	<u>May 31, 2021</u>	
	<u>Number</u>	<u>Exercise price</u> \$
April 20, 2023	847,500	0.25
April 20, 2023	8,725,524	0.30
December 23, 2023	34,425,000	0.05
January 5, 2024	37,500,000	0.05
	<u>81,498,024</u>	<u>-</u>

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

10. EMPLOYEE REMUNERATION

10.1 Employee benefits expense

Employee benefits expense recognized is analyzed below:

	Three-month period ended		Nine-month period ended	
	May 31, 2021	May 31, 2020	May 31, 2021	May 31, 2020
	\$	\$	\$	\$
Salaries and benefits	129,165	105,926	393,781	282,935
Share-based payments	-	-	28,750	-
	129,165	105,926	422,531	282,935
Less: salaries capitalized and share-based payments in	(23,897)	(22,796)	(61,761)	(38,635)
Less: salaries reclassified to	-	-	(6,441)	(20,291)
Employee benefits expense	105,268	83,130	354,329	224,009

10.2 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 (20,930,249 shares as at May 31, 2021 and 10,125,499 as at August 31, 2020).

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 Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

10.2 Share-based payments (continued)

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

	May 31, 2021		August 31, 2020	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding, beginning of the reporting period	7,050,000	0.26	4,587,500	0.34
Exercised	-	-	2,500,000	0.10
Expired	-	-	(37,500)	0.10
Outstanding, end of the reporting period	<u>7,050,000</u>	<u>0.26</u>	<u>7,050,000</u>	<u>0.26</u>
Exercisable, end of the reporting period	<u>7,050,000</u>	<u>0.26</u>	<u>5,800,000</u>	<u>0.29</u>

On June 5, 2020, the Company granted 2,500,000 options to directors, officers and employees at an exercise price of \$0.10 per share. 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 :

	May 31, 2021		August 31, 2019	
	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
<u>Range of exercise price</u>				
\$0.10 to \$0.25	2,500,000	3.93	2,500,000	4.76
\$0.26 to \$0.41	2,650,000	1.25	2,650,000	1.74
\$0.42 to \$0.55	1,900,000	1.54	1,900,000	2.37
	<u>7,050,000</u>	<u>2.28</u>	<u>7,050,000</u>	<u>2.98</u>

For the nine-month period ended May 31, 2021, the share-based payments amounted to \$28,750 (nil as of May 31, 2020), all of which related to equity-settled share-based payment transactions (which \$2,300 was capitalized in exploration and evaluation assets, \$26,450 were included in employee benefits expenses and reported in profit or loss) and credited to contributed surplus.

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

11. FAIR VALUE MEASUREMENT

11.1 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:

- 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 May 31, 2021 and August 31, 2020 and are classified in Level 1.

12. 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, 2021	May 31, 2020	May 31, 2021	May 31, 2020
	\$	\$	\$	\$
Interest income from cash and guaranteed investment certificate	1,291	187	1,432	597

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

	Three-month period ended		Nine-month period ended	
	May 31, 2021	May 31, 2020	May 31, 2021	May 31, 2020
	\$	\$	\$	\$
Interests on lease obligations	503	641	1,527	2,073

13. 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 Note 10.2.

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

13. LOSS PER SHARE (continued)

Both the basic and diluted loss per share have been calculated using the net loss as the numerator, i.e. no adjustment to the net loss was necessary for the three and nine-month periods ended May, 2021 and 2020.

	Three-month period ended		Nine-month period ended	
	May 31, 2021	May 31, 2020	May 31, 2021	May 31, 2020
Net loss	\$(193,730)	\$208,373	\$(526,141)	\$(57,670)
Weighted average number of shares	194,094,359	91,254,986	150,197,742	86,775,716
Basic and diluted loss per share	\$(0.00)	\$0.00	\$(0.00)	\$(0.00)

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

14. ADDITIONAL INFORMATION - CASH FLOWS

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

	Nine-month period ended	
	May 31, 2021	May 31, 2020
Sales taxes receivable	\$	\$
Tax credits receivable ⁽¹⁾	(27,015)	(184)
Prepaid expenses	-	(6,674)
Trade and other payables	(42,251)	3,693
	(75,202)	65,971
	(144,468)	62,806

⁽¹⁾ tax credit accounted in profit or loss in reduction of exploration costs of other properties.

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

	Nine-month period ended	
	May 31, 2021	May 31, 2020
	\$	\$
Amortization of property and equipment asset included in exploration and evaluation assets	2,438	2,000
Depreciation of right-of-use assets included in exploration and evaluation assets	-	669
Share-based payments included in exploration and evaluation assets	2,300	-
Trade and other payables included in exploration and evaluation assets	3,761	9,996
Tax credits receivable credited to exploration and evaluation assets	-	13,950

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

15. 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.

15.1 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, 2021	May 31, 2020	May 31, 2021	May 31, 2020
	\$	\$	\$	\$
Short-term employee benefits	155,679	66,676	311,358	174,777
Consulting fees	15,000	-	15,000	-
Share-based payments	-	-	26,450	-
Total remuneration	155,679	66,676	337,808	174,777

As at May 31, 2021 and 2020, no key management personnel exercised options.

15.2 Transactions with other related parties

During the nine-month period ended May 31, 2021, the Company paid an amount of \$ 15,000 (none as of May 31, 2020) to a company with a common director. This amount was recognized as a consultant in the consolidated statements of net and comprehensive income.

16. 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 9 and 18.

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 Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

17. 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.

17.1 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:

	May 31, 2021	August 31, 2020
	\$	\$
Cash	4,574,036	453,474
Guaranteed investment certificate	77,287	51,844
	4,651,323	505,318

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.

17.2 Liquidity risk

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

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

During the period ended May 31, 2021, the Company has financed its exploration and evaluation programs, its working capital requirements and acquisitions of mining properties by used of cash and through previous private placement and the receipt of tax credits.

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

	May 31, 2021	August 31, 2020
	\$	\$
Less than 6 months:		
Trade and other payables	90,037	15,402

Vision Lithium Inc.

Notes to Consolidated Financial Statements

For the three and nine-month periods ended May 31, 2021 and 2020 (unaudited)

(in Canadian dollars)

18. 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 nine-month periods ended May 31, 2021, the Company received an amount of \$3,341,450 from any flow-through placement (\$503,000 as at August 31, 2020), 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 from the renunciation date.

As at May 31, 2021, the balance of the unspent funding related to flow-through financing amount totals \$3,597,773 (\$441,446 as of August 31, 2020).