FIRST LITHIUM MINERALS CORP.
(formerly Petrocorp Group Inc.)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTICE TO READER
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 condensed interim financial statements of First Lithium Minerals Inc. ("**Corporation**") have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these unaudited condensed interim 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 independent auditor.

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(formerly Petrocorp Group Inc.)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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FIRST LITHIUM MINERALS CORP. (formerly Petrocorp Group Inc.)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	September 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalent	$ 4,414,276	$ 28,616
Commodity tax receivables	152,735	10,185
Prepaid expenses	584,282	—
Restricted cash	—	280,000
	5,151,293	318,801
Exploration and evaluation assets (Note 3)	286,771	160,393
	$ 5,438,064	$ 479,194
LIABILITIES		
Accounts payable and accrued liabilities (Notes 4 and 8)	$ 233,771	$ 771,365
Debt obligations, short-term (Note 5)	—	2,843,064
Due to Related parties (Note 8)	141,251	620,084
Subscription receipts	—	280,000
	374,714	4,514,513
SHAREHOLDERS' EQUITY(DEFICIT)		
Share capital (Note 6)	14,365,483	1,563,386
Contributed surplus (Note 7)	161,172	—
Accumulated deficit	(9,463,305)	(5,598,705)
	5,063,350	(4,035,319)
	$ 5,438,064	$ 479,194

Nature of Organization (Note 1)
Reverse Takeover Transaction (Note 13)

Approved on behalf of the board of directors:

/s/ "*Rob Saltsman*"
Rob Saltsman, Director

/s/ "*Peter Espig*"
Peter Espig, Director

FIRST LITHIUM MINERALS CORP. (formerly Petrocorp Group Inc.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(All Amounts are in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, January 1, 2021	29,643,667	$ 1,563,386	$ —	$ (4,891,028)	$ (3,327,642)
Comprehensive loss	—	—	—	(621,827)	(621,827)
Balance, September 30, 2021	29,643,667	$ 1,563,386	$ —	$ (5,512,855)	$ (3,949,469)
Balance, January 1, 2022	29,643,667	$ 1,563,386	$ —	$ (5,598,705)	$ (4,035,319)
Issuance of shares for cash	23,658,000	5,753,328	161,172	—	5,914,500
Acquisition of QL Minerals Inc.	6,180,000	945,000	—	—	945,000
Issuance of shares to settle debt obligations	15,873,737	3,571,591	—	—	3,571,591
Issuance of shares relating to listing	11,520,714	2,880,168	—	—	2,880,168
Issuance costs		(347,989)	—	—	(347,989)
Comprehensive loss	—	—	—	(3,864,600)	(3,864,600)
Balance, September 30, 2022	86,876,119	$ 14,364,483	$ 161,172	$ (9,463,305)	$ 5,063,350

FIRST LITHIUM MINERALS CORP. (formerly Petrocorp Group Inc.)
UNAUDITED CONDENSED INTERIM
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

For the Period from To September 30,	**July 1, 2022**	**July 1, 2021**	**January 1, 2022**	**January 1, 2021**
EXPENSES				
General and administrative	$ 51,878	$ 325	$ 54,378	$ 1,511
Mineral exploration expensed	12,316	39,759	52,365	93,309
Operating expenditures	50,337	61,423	182,968	136,454
Professional fees	248,865	79,663	58,518	207,557
Regulatory Fees	38,618	—	38,618	—
Shareholders communication	210,583	—	210,583	—
	114,863	181,170	597,430	438,833
OPERATING LOSS	(114,863)	(181,170)	(597,430)	(438,833)
Foreign exchange gain (loss)	(62,296)	15,547	(38,882)	(8,862)
Interest expense (Note 5)	—	(60,424)	(128,139)	(174,132)_
Interest income	10,771	—	10,771	—
Listing expense	(3,110,920)	—	(3,110,920)	—
Net loss and Comprehensive loss for the year	$ (3,277,308)	$ (226,047)	$ (3,864,600)	$ (621,827)
Net loss per common share	$ 0.05	$ 0.01	$ 0.7	$ 0.02
Weighted average number of common shares outstanding Basic and diluted	70,524,002	29,643,712	54,329,118	29,643,712

FIRST LITHIUM MINERALS CORP. (formerly Petrocorp Group Inc.)
UNAUDITED CONDENSED INTERIM
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the Period from To September 30,	**July 1, 2022**	**July 1, 2021**	**January 1, 2022**	**January 1, 2021**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss) income for the period	$ (3,377,308)	$ (226,047)	$ (3,863,600)	$ (621,827)
Interest expense	—	60,424	128,139	174,132
Non-cash expenses:				
Listing fees	3,110,920	—	3,110,920	—
Net change in operating assets and liabilities				
Commodity tax receivable	(140,830)	9,562	(142,550)	10,876
Prepaid expenses	(584,282)	—	(584,282)	15,000
Accounts payable and accrued liabilities	(873,723)	86,918	(537,901)	250,471
CASH FLOWS USED BY OPERATING ACTIVITIES	(1,765,223)	(69,143)	(1,890,274)	(171,348)
CASH FLOWS FROM FINANCING ACTIVITIES				
Due to related parties	156,535	95,142	314,189	235,774
Debt obligations	(192,635)		(192,635)	—
Issuance of shares, net of commissions	6,280,758	—	6,280,758	—
CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES	6,244,658	95,142	6,402,758	235,774
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in exploration and evaluation assets, net	(94,430)	(2,509)	(126,376)	(27,104)
CASH FLOWS USED IN INVESTING ACTIVITIES	(94,430)	(2,509)	(126,378)	(27,104)
NET DECREASE IN CASH	4,385,005	23,490	4,385,660	37,332
CASH - Beginning of the period	29,271	23,359	28,616	9,527
CASH - End of the period	$ 4,414,276	$ 46,849	$ 4,414,276	$ 46,849

1. Nature of Organization

Description of the Business

First Lithium Minerals Corp. ("the "**Corporation**" or **FLMC**" or "**PCG**") was incorporated under the Alberta Business Corporations Act on March 25, 1993 and on June 30, 2022 filed articles of amendments to change its name from Petrocorp Group Inc. to First Lithium Minerals Corp. and continuous under the Ontario Business Corporations Act. Its registered head office is 38 Edmund Seager Drive, Thornhill, Ontario. On July 28, 2022, the Corporation completed its acquisition of First Lithium Minerals Inc. ("**FLMI**") by way of a reverse take over as well as QL Minerals Inc. (**"QLM**"). The principal business is the exploration of mineral properties located in Chile and Quebec (Note 3).

These unaudited condensed interim consolidated financial statements ("**Financial Statements**") of the Corporation were authorized for issue in accordance with a resolution of the directors on November 28, 2022.

2. Summary of Significant Accounting Policies

Basis of Presentation
These Financial Statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business.

Principles of Consolidation
On July 28, 2022, the Corporation completed its business combination agreement with First Lithium Minerals Inc. ("**FLMI**"), a private Ontario company incorporated on February 14, 2017, whereby the Corporation acquired all issued and outstanding shares of FLMI by issuing one Corporate share for each FLMI shares (the "**RTO**") (Note 13). The RTO was structured as a three-cornered amalgamation pursuant to which FLMI amalgamated with QL Minerals Inc. and a wholly owned subsidiary of the Corporation, 933693 Ontario Limited to form an amalgamated entity. FLMI is deemed to be the acquirer for the accounting purposes. The consolidated financial statements are considered a continuation of FLMI. On the closing date, FLMI consolidated its shares on the basis of 1 new common share for 2.5 old common shares. All reference to shares, per share amount, and warrants in these financial statements have been retroactively restated to reflect the consolidation ratio.

These Financial Statements of the Corporation include the accounts of FLMI. and its wholly-owned subsidiary, First Lithium Mineral SpA. ("**FLM SpA**") incorporated in Chile, collectively these entities are referred to as the Corporation.

Statement of Compliance
The Financial Statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The accounting policies applied in the Financial Statements are consistent with those used in the Corporation's audited consolidated financial statements for the year ended December 31, 2021. There have been no changes from the accounting policies applied in the September 30, 2022 consolidated financial statements. The preparation of interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the related amounts of assets and liabilities, revenues and expenses. In management's opinion, all adjustments considered necessary for fair presentation have been included in the Financial Statements. Interim results are not necessarily indicative of the results expected for the financial year. Annual results may differ from interim estimates. The significant judgments made by management applied in the preparation of the Financial Statements are consistent with those applied and disclosed in the Corporation's audited consolidated financial statements for the year ended December 31, 2021.

For a description of the critical accounting estimates and assumptions, please refer to the Company's audited consolidated financial statements for the year ended December 31, 2021.

2. Basis of Presentation and Summary of Significant Accounting Policies – continued

Basis of Measurement
These Financial Statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

Functional and Presentation Currency
These Financial Statements are presented in Canadian dollars, which is the Corporation's and subsidiary's functional currency. Transactions during the years were converted at the then average exchange rate for the period and year-end balance sheet amounts were converted at the exchange rate as at that date.

***Critical Judgments and Estimates*:**
The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the dates of these Financial Statements and the reported amounts of income and expenses during the year. Actual results may differ from these estimates.

In making estimates, the Corporation relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that the Corporation believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in the Financial Statements. The areas involving greater judgment or complexity, or areas where assumptions and estimates are significant to these Financial Statements are disclosed separately.

Changes to estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of these Financial Statements and the reported amounts of revenue and expenses during the years. Actual results could also differ from those estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The accounting policies set out below have been applied consistently to all periods presented in accordance with IFRS.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Exploration and Evaluation Assets
Pre-exploration Costs
Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition Costs
The fair value of all consideration paid to acquire an exploration and evaluation asset is capitalized, including amounts paid under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

2. Summary of Significant Accounting Policies – continued

Exploration and Evaluation Expenditures
The Company capitalises land costs, staking and maintenance fees. All other costs directly related to exploration and evaluation expenditures ("**E&E**") are expensed as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

The Corporation may occasionally enter into farm-out arrangements, whereby the Corporation will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Corporation. The Corporation does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Corporation, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditures, in excess of estimated recoveries, are written off in the consolidated statement of operations and comprehensive loss.

The Corporation assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

As the Corporation currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Disposal of Interest in Connection with Option Agreement
On the disposal of an interest in connection with the option agreement, the Corporation does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash consideration received directly from the acquirer is credited against the costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in the consolidated statement of operations and comprehensive loss.

Financial assets and liabilities
Classification
The Corporation classifies its financial instruments in the following categories: at fair value through profit and loss ("**FVTPL**"), at fair value through other comprehensive income (loss) ("**FVTOCI**") or at amortized cost. The Corporation determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Corporation's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Corporation can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Corporation has opted to measure them at FVTPL.

2. Summary of Significant Accounting Policies – continued

The following table summarizes the classification under IFRS 9 for each financial instrument:

Financial assets/liabilities	Classification
Cash	FVTPL
Restricted cash	FVTPL
Accounts payable	Amortized cost
Debt obligations	Amortized cost
Due to related parties	Amortized cost
Subscription receipts	Amortized costs

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). There are no financial assets classified in this category as at September 30, 2022 and December 31, 2021.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable, debt obligations, related party debt, subscription receipt and due to related parties are classified in this category.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of operations and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Corporation's own credit risk will be recognized in other comprehensive income (loss). Cash is recorded at FVTPL.

Impairment of financial assets at amortized cost

The Corporation recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Corporation measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Corporation measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Corporation shall recognize in the consolidated statements of operations and comprehensive loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of operations and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

2. Summary of Significant Accounting Policies – continued

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of operations and comprehensive loss.

Rehabilitation Provision

The Corporation is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Corporation records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities include restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions

Provisions for legal claims, where applicable, are recognized in other liabilities when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting year and are discounted to present value where the effect is material.

Convertible debentures

Convertible debentures issued for cash are recorded at amortized cost and accounted for as a hybrid financial instrument with separate debt and derivative liability components, if a derivative exists. The derivative liability is recorded at fair value and deducted from the face value of the debt to arrive at the liability component which will be accreted to face value over the life of the debenture. The derivative liability is remeasured at fair value at each period subsequent to initial recognition.

Share Capital

Share capital, common shares and an equity instrument in any contract that evidence of a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

Contributed Surplus

The Corporation measures the fair value of options and warrants issued using the Black-Scholes option-pricing model. The fair value of each option or warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk-free interest rate. The fair value of warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as contributed surplus general account.

2. Summary of Significant Accounting Policies – continued

Equity-settled Share-based Payments
The Corporation operates equity-settled share-based payment plans for its eligible directors, employees and consultants. None of the Corporation's current plans feature any options for a cash settlement.

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

All equity-settled share-based payments, except warrants, are ultimately recognized as an expense in the profit or loss with a corresponding credit to contributed surplus, within shareholders' equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to stock options and or warrants respectively, within shareholders' equity.

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

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs, as well as the related compensation cost previously recorded as contributed surplus, are credited to share capital.

Earnings / (Loss) per Share
Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to shareholders of the Corporation by the weighted average number of shares outstanding during the year.

Diluted earnings per share is determined by adjusting the net income attributable to shareholders and the weighted average number of shares outstanding, adjusted for the dilutive effects of all convertible securities and granted incentive stock options and warrants, issued and outstanding, if any. No effect has is given to the potential exercise of stock options and warrants in the calculation of diluted net earnings (loss) per share if the effect would be anti-dilutive. Stock options and warrants have a dilutive effect only when the average market price per common share during the period exceeds the exercise price.

Deferred Financing Costs
Financing costs related to the Corporation's financings are recorded as deferred financing costs. These costs will be deferred until the financing is completed; at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to the consolidated statements of operations and comprehensive loss.

2. Summary of Significant Accounting Policies – continued

Incremental costs incurred in respect of raising capital are charged against equity or debt proceeds raised. Costs associated with the issuance of common shares are charged to share capital upon the raising of equity. Costs associated with the issuance of debt are amortized using the effective interest method over the life of the debt.

Income Tax

Income tax comprises current and deferred taxes. Income tax is recognized in the statements of loss and comprehensive loss, except to the extent that it relates to items recognized directly in equity, in which case, the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the reporting year, using tax rates enacted, or substantively enacted, at the end of the reporting year.

Deferred tax is determined based on the temporary differences between the carrying value and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in the statement of loss and comprehensive loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to the Corporation's taxable income for the year in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Impairment of non-financial assets

The Company’s assets are reviewed for indications of impairment at each statement of financial position’s date. If indication of impairment exists, the asset’s recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair Value of Financial Instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Recoverability of exploration and evaluation assets

The application of the Corporation’s accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Corporation, which may be based on assumptions about future events or circumstances. Estimates and assumptions made 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 the consolidated statement of operations and comprehensive loss when the new information becomes available.

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies – continued

Environmental cleanup costs
Management has made an estimate of the amount of fees required related to remediation activities at its exploration properties. Management will also request third party service providers to provide estimates for cleanup activities and will record any adjustment to the amount accrued as the adjustments become known.

Income Taxes
Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determinations are made.

Title to exploration and evaluation assets
Although the Corporation has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Corporation's title. Such properties may be subject to prior agreements or transfers and such title may be affected by undetected defects.

3. Exploration and Evaluation assets

The Corporation interest in its exploration and evaluation assets is as follows:

Property	Interest	Date Acquired	Date Impaired
Jenna, Chile	100%	2018	N/A
Paige, Chile	100%	2019	N/A
Senneville, Quebec	100%	2022	N/A

The Corporation's project in Chile is comprised of 8,900 ha of mineral exploration concessions that form, the OCA Prospect located in the salars of Ollague, Carcote and Ascotan in Antofagasta Region in Northern Chile.

	Jenna	Paige	Senneville	Total
Balance, January 1, 2021	$ 122,247	$ 757	$ —	$ 123,004
Acquisitions of mining rights:				
Staking and maintenance fees	37,389	—	—	37,389
			—	
Balance, December 31, 2021	$ 159,636	$ 757	—	$ 160,393
Balance, January 1, 2022	$ 159,636	$ 757	$ —	$ 160,393
Acquisitions of mining rights:				
Staking and maintenance fees	31,696	252	93,890	126,378
Balance, September 30, 2022	$ 191,332	$ 1,009	$ 93,890	$ 286,771

(Expressed in Canadian Dollars)

4. Accounts payable and accrued liabilities

As at	September 30, 2022	December 31, 2021
Trade payables	$ 216,047	$ 6,181
Accrued expenses	17,416	655,306
Related party (Note 8)	—	109,878
	$ 233,463	$ 771,365

5. Debt obligations

As at	September 30, 2022	December 31, 2021
Advance from Petrocorp Group Inc. at 0%, loan is due on demand (Note 13).	$ —	$ 192,635
Private loan of $500,000 that is convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing (due on demand)	—	500,000
Private loan of $50,000 that is convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing (due on demand).	—	50,000
Private loan for $1,670,000 initially due on August 31, 2021, extended to August 31, 2022, convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing	—	2,100,429
	—	2,843,064
Less: current portion	—	2,843,064
Long-term debt	$ —	$ —

In January 2020, a private loan of US$1,000,000 was assigned to a company to whom a director of the Corporation was an officer. Based on the revised terms in February 2020, the face value of the loan of $1,670,000 maturing August 31, 2021 accruing interest at 12% per annum and convertible into common shares of the Corporation at a 10% discount to the deemed price at the date of the completion of the transaction for going public (Note 13). The carrying value of the loan as at September 30, 2022 including accrued interest, is $Nil (December 31, 2021 - $2,100,429). For the period ended September 30, 2022, the Corporation recorded interest expenses for this loan of $128,139 (September 30, 2021 - $174,132). The terms private loan was amended during the year ended December 31, 2021, extending the maturity date to August 31, 2022. The loan extension was recorded as a debt modification as the change in fair value was less then 10% as all other terms remained the same.

(Expressed in Canadian Dollars)

6. Share capital

The Corporation is authorized to issue an unlimited number of common shares and preferred shares. The preferred shares are issuable in series. As at September 30, 2022 and December 31, 2021, there were no preferred shares issued.

During the period ending September 30, 2022, the Corporation has completed the following

a) 23,658,000 common shares at a price of $0.25 per common share, less 279,562 and 895,860 warrants with a value of $161,172;
b) Settlement of $3,571,591 via the issuance of 15,873,737 common shares at a price of $0.225;
c) Issuance of 6,180,000 common shares to acquire QL Minerals Inc. valued at $945,000;
d) Issuance of 3,316,372 common shares as a finders fee valued at $829,093; and
e) Issuance of 8,204343 common shares to acquire PCG at a deemed value of 2,051,075;

7. Contributed Surplus

The Corporation's contributed surplus consists of the following:

	General	Incentive Stock Option	Warrants	Total
Balance, January 1, 2021 and 2022	$ —	$ —	—	—
Issuance of warrants	—	—	161,172	161,172
Balance, September 30, 2022	$ —	$ —	$ 161,172	$ 161,172

a) Incentive stock Options

As at September 30, 2022, the Corporation had no options issue or outstanding nor any activity relating to such security.

b) Warrants

The following table reconciles outstanding warrants as at September 30, 2022:

	Number	Weighted Average Exercise Price
Balance, January 1, 2021 and 2022	—	N/A
Issued	895,680	0.25
Exercised	—	N/A
Cancelled	—	N/A
Expired/Forfeited	—	N/A
Balance, September 30, 2022	895,680	$ 0.25

The following is a summary of outstanding warrants as at December 31, 2021 and September 30, 2022:

Issue date	Number of Warrants	Amount	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Balance December 31, 2021	—	—	N/A	N/A
Balance September 30, 2022	895,680	$ 161,172	$ 0.25	0.25

(Expressed in Canadian Dollars)

8. Transactions with related parties and payments to key management

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal period.

For the period from	July 1		January 1	
To September 30,	2022	2021	2022	2021
Expenses				
Management Fees	$ 40,000	$ —	$ 40,000	$ —
Professional Fees	16,000	9,000	46,000	27,000
Directors Fees	5,000	—	5,000	—

As at	September 30, 2022	December 31, 2021
Amount included with accounts payable and accrued liabilities (Note 4)	$ —	$ 109,878
Due to Related Parties - Advances	141,251	$ 620,084
Total related party balances	$ 141,251	$ 729,962

During the period ended September 30, 2022 and December 31, 2021, no key management personnel were indebted to the Corporation.

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors.

In addition, as at September 30, 2022, the Corporation owes Nil (December 31, 2021 - $620,084) to companies controlled by the CEO as well as the CEO himself. The amount is due on demand and bears no interest.

9. Commitments and contingencies

The Corporation, from time to time, may be involved in various claims, legal and tax proceedings and complaints arising in the ordinary course of business. The Corporation is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial condition or future results of the Corporation.

(Expressed in Canadian Dollars)

10. Capital management

The Corporation manages its common shares, stock options, warrants and accumulated deficit as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets in order at adjust the amount of cash on its balance sheet.

To facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry and market conditions.

The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Management reviews its approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

The Corporation's financial instruments have been classified into categories that determine their basis of measurement and for items carried at fair value, where changes in fair value are recognized in the Statement of Operations and Comprehensive Income (Loss):

Financial Assets	September 30, 2022	December 31, 2021
Cash and cash equivalents	$ 4,414,278	$ 28,616
Commodity taxes refundable	152,735	10,185

Financial Liabilities	September 30, 2022	December 31, 2021
Accounts payable and accrued liabilities	$ 233,463	$ 717,365
Debt obligations	—	2,843,064
Due to related parties	141,251	620,084
Subscription receipts	—	280,000

The following table presents the contractual maturities of the Corporation's financial liabilities as at June 30, 2022:

			Payments by Periods		
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 233,463	$ 233,463	$ —	$ —	$ —
Due to related parties	141,251	141,251	—	—	—

11. Financial Instruments and Risk Management

(a) Fair value
Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Level 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly or indirectly and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market date.

As at September 30 2022 and December 31, 2021, the estimated fair values of accounts payable approximate its respective carrying values due to their short-term nature.

Financial Instruments and Risk Management – continued

As at September 30, 2022 and December 31, 2021, the fair value of the debt obligations and due to related party approximates to their face values of these loans. The fair value of the cash was determined as at September 30, 2022 and December 31, 2021 using level 1 inputs.

(b) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's credit risk is with respect to cash, which mainly relates to balances with large Canadian chartered banks. This risk's maximum exposure as at September 30, 2022 is comprised of $4,414,278 (December 31, 2021 - $28,616).

Currently, if a shift in interest rates of 1% were to occur, the impact on cash and the related gain (loss) for over twelve-month period would have an impact on revenues of approximately $40,000 (2021 - $nil). Management does not deem this to be material as it could and would continue to meet its operating expenses.

(c) Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's exposure to credit risk is on its cash held in bank accounts and Restricted cash held in trust with legal counsel. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies and by holding funds in trust with a reputable legal counsel. Credit risk is assessed as low

(d) Liquidity risk
Liquidity risk is the risk the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund operations and to meet commitments and obligations in the most cost-effective manner possible. The Corporation achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Corporation monitors its financial resources on a regular basis and updates its expected use of cash resources based on the latest available data.

The Corporation's financial liabilities, classified as current, primarily consist of trade payables and accrued liabilities. Current liabilities were $233,463 (December 31, 2021 - $771,365) with all of it having expected settlement dates within one year or where conditions exist that could result in accelerated payment.

(Expressed in Canadian Dollars)

12. Covid-19 Pandemic

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to business globally in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is currently unknown.

13. Reverse Takeover Transaction

On July 28, 2022, the Corporation completed a RTO with FLMI, whereby the Corporation acquired all the issued and outstanding common shares of FLMI in exchange for 38,628,749 shares of the Company. The Company did not constitute a business as defined under IFRS 3; therefore, the RTO is accounted under IFRS 2, where the difference between the consideration given to acquire the Corporation and the net asset value of the Corporation is recorded as a listing expense to the Consolidated Statements of Operations and Comprehensive Loss. The accounting for this transaction resulted in the following:

1) The consolidated financial statements of the combined entity are issued under the legal parent, PCG, but are considered a continuation of the financial statements of the legal subsidiary, FLMI.
2) As FLMI is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

The shares allocated to the former shareholders of PCG on closing the RTO, were considered within the scope of IFRS 2, whereby the value in excess of the net identifiable assets or obligations of the Corporation acquired on closing was charged to the Consolidated Statements of Operations and Comprehensive Loss as a listing expense. The fair value of the 8,3316,372 common shares for all of PCG was determined to be $2,051,075.

The fair value of the consideration given and charged to listing expense was comprised of:

Consideration	
Common shares	$ 2,051,075
Finders fee	829,093
Professional fees incurred for RTO	378,068
Total consideration	$ 3,258,236
Identifiable assets acquired	
Cash	$ 32,826
Accounts receivable	4,788
Loan receivable	192,635
Accounts payable and accrued liabilities	(82,931)
Total identifiable assets acquired	147,316
Unidentifiable assets acquired	
Transaction cost	3,110,920
Total net identifiable assets and transaction cost	$ 3,258,236