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**GREEN SHIFT COMMODITIES LTD.  
(FORMERLY U308 CORP.)  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN CANADIAN DOLLARS)**

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Green Shift Commodities Ltd. (formerly U3O8 Corp.)

### *Opinion*

We have audited the accompanying consolidated financial statements of Green Shift Commodities Ltd. (formerly U3O8 Corp.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of (loss) income and comprehensive (loss) income, cash flows, and changes in shareholders' equity (deficit) for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company incurred a net loss of \$3,120,577 during the year ended December 31, 2022 and, as of that date, the Company's total deficit was \$108,589,261. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the material uncertainty related to going concern section, we have determined that there are no key audit matters to communicate in our auditor's report.

### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

May 1, 2023

# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

December 31,	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,713,105	\$ 796,710
Amounts receivable and other assets (note 8)	39,836	7,384
Prepaid	485,096	-
Investment (note 7)	1,844,284	2,100,786
<b>Total current assets</b>	<b>5,082,321</b>	<b>2,904,880</b>
<b>Non-current asset</b>		
Prepaid (note 21)	100,680	-
<b>Total non-current assets</b>	<b>100,680</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 5,183,001</b>	<b>\$ 2,904,880</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities	\$ 2,541,684	\$ 1,610,012
Loan payable (note 19)	-	1,197,166
<b>Total current liabilities</b>	<b>2,541,684</b>	<b>2,807,178</b>
<b>Non-current liabilities</b>		
Concession fee payable (note 12)	-	345,169
<b>Total non-current liabilities</b>	<b>2,541,684</b>	<b>3,152,347</b>
<b>Shareholders' equity (deficit)</b>		
Share capital (note 6)	102,939,249	99,093,360
Warrants (note 17)	1,979,902	280,316
Contributed surplus	6,311,427	5,847,541
Deficit	(108,589,261)	(105,468,684)
<b>Total shareholders' equity (deficit)</b>	<b>2,641,317</b>	<b>(247,467)</b>
<b>Total liabilities and shareholders' equity (deficit)</b>	<b>\$ 5,183,001</b>	<b>\$ 2,904,880</b>

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

Going concern (note 2)

Subsequent events (note 21)

Approved by the Board of Directors:

"Marty Tunney" \_\_\_\_\_ Director

"Trumbull Fisher" \_\_\_\_\_ Director



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**Green Shift Commodities Ltd. (formerly U3O8 Corp.)****Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income  
(Expressed in Canadian Dollars)**

<b>Years ended December 31,</b>	<b>2022</b>	<b>2021</b>
<b>Expenses</b>		
Exploration and evaluation expenditures (note 12)	\$ 1,903,251	\$ 1,328,150
General and administrative (note 13)	1,284,789	257,792
	<b>(3,188,040)</b>	<b>(1,585,942)</b>
<b>Other items:</b>		
Interest expense (note 19)	(30,652)	(78,400)
Gain from sale of Laguna Salada concession (note 14)	1,029,272	1,886,737
Net unrealized (loss) gain on investment (note 7)	(1,285,774)	475,786
Foreign exchange gain (loss)	231,748	(101,421)
Gain on debt settlement (note 15)	122,869	305,071
<b>Net (loss) income and comprehensive (loss) income for the year</b>	<b>\$ (3,120,577)</b>	<b>\$ 901,831</b>
<b>Basic and diluted (loss) income per common share (note 11)</b>	<b>\$ (0.07)</b>	<b>\$ 0.03</b>
<b>Basic and diluted weighted average number of common shares outstanding</b>	<b>45,641,477</b>	<b>28,809,578</b>

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

## Green Shift Commodities Ltd. (formerly U3O8 Corp.)

### Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

Year ended December 31,	2022	2021
<b>Operating activities</b>		
Net (loss) income for the year	\$ (3,120,577)	\$ 901,831
Adjustment for:		
Net unrealized loss (gain) on investment	1,285,774	(475,786)
Share-based payments	477,905	32,846
Gain from sale of Laguna Salada concession	(1,029,272)	(1,886,737)
Gain on debt settlement	(122,869)	(305,071)
Foreign exchange (gain) loss	-	101,421
Interest expense	30,652	78,400
Non-cash working capital items:		
Amounts receivable and other assets	(32,452)	(6,222)
Prepaid	(585,776)	-
Amounts payable and other liabilities	1,388,825	420,878
Concession fee payable	(345,169)	345,169
<b>Net cash used in operating activities</b>	<b>(2,052,959)</b>	<b>(793,271)</b>
<b>Financing activities</b>		
Proceeds from offering	4,807,016	1,000,000
Proceeds from warrants exercised	682,270	575,610
Proceeds from options exercised	15,600	56,397
Share issuance cost	(307,601)	(95,829)
Loan payable	(1,227,931)	-
<b>Net cash provided by financing activities</b>	<b>3,969,354</b>	<b>1,536,178</b>
<b>Effect of exchange rate changes on cash held in foreign currencies</b>	<b>-</b>	<b>47,316</b>
<b>Net change in cash</b>	<b>1,916,395</b>	<b>790,223</b>
<b>Cash, beginning of year</b>	<b>796,710</b>	<b>6,487</b>
<b>Cash, end of year</b>	<b>\$ 2,713,105</b>	<b>\$ 796,710</b>
<b>Non-cash transactions:</b>		
Transfer from reserves to share capital upon expiry of warrants	\$ 202,396	\$ 188,160
Share issued for debt settlement	\$ 422,856	\$ -
Finders warrants	\$ 235,729	\$ -
Share issuance costs included in amounts payable and other liabilities	\$ 88,685	\$ -

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

## Green Shift Commodities Ltd. (formerly U3O8 Corp.)

### Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Warrants	Contributed Surplus	Deficit	Total
<b>Balance, December 31, 2020</b>	<b>23,043,436</b>	<b>\$ 97,506,361</b>	<b>\$ 280,000</b>	<b>\$ 5,865,832</b>	<b>\$(106,370,515)</b>	<b>\$ (2,718,322)</b>
Private placement (note 6)	6,666,668	580,000	420,000	-	-	1,000,000
Options exercised (note 10)	320,000	107,534	-	(51,137)	-	56,397
Finders warrants (note 6)	-	-	77,151	-	-	77,151
Share issuance cost (note 6)	-	(95,829)	(77,151)	-	-	(172,980)
Warrants expiry (note 17)	-	188,160	(188,160)	-	-	-
Warrants exercised (note 17)	2,058,052	807,134	(231,524)	-	-	575,610
Share-based payments (note 10)	-	-	-	32,846	-	32,846
Income for the year	-	-	-	-	901,831	901,831
<b>Balance, December 31, 2021</b>	<b>32,088,156</b>	<b>99,093,360</b>	<b>280,316</b>	<b>5,847,541</b>	<b>(105,468,684)</b>	<b>(247,467)</b>
Private placement (note 6)	38,107,278	2,757,270	2,049,746	-	-	4,807,016
Finders warrants	-	(235,729)	235,729	-	-	-
Share issuance cost (note 6)	-	(227,708)	(168,578)	-	-	(396,286)
Shares issued for debt settlement	2,416,319	422,856	-	-	-	422,856
Warrants expiry (note 17)	-	202,396	(202,396)	-	-	-
Warrants exercised (note 17)	3,411,351	897,185	(214,915)	-	-	682,270
Options exercised (note 10)	130,000	29,619	-	(14,019)	-	15,600
Share-based payments (note 10)	-	-	-	477,905	-	477,905
Loss for the year	-	-	-	-	(3,120,577)	(3,120,577)
<b>Balance, December 31, 2022</b>	<b>76,153,104</b>	<b>\$102,939,249</b>	<b>\$ 1,979,902</b>	<b>\$ 6,311,427</b>	<b>\$(108,589,261)</b>	<b>\$ 2,641,317</b>

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





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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 1. Nature of operations

Green Shift Commodities Ltd. (formerly U3O8 Corp.) (the "Company") is a Canadian exploration company focused on exploration for uranium and related minerals; on the definition of resources and advancing these deposits toward production. The Company was incorporated by articles of incorporation dated December 6, 2005 ("date of incorporation") under the Business Corporations Act (Ontario). The Company's common shares are listed on the Venture board of the TSX Venture Exchange (the "TSXV") under the symbol GCOM.V, and on the OTC QB International under the symbol UWEFF. The Company maintains a registered and records office at 401 - 217 Queen St. West, Toronto, Ontario, M5V 0R2, Canada.

On October 18, 2022, the Company announced the completion of its name change from U3O8 Corp. to Green Shift Commodities Ltd. to better reflect the progression of the Company and its vision for the future.

### 2. Basis of presentation and going concern

The Company is in the exploration and evaluation stage and it raises financing for its exploration and evaluation activities through the sale of equities. The Company has incurred a net loss for the year ended December 31, 2022 of \$3,120,577 (December 31, 2021 - net income of \$901,831) and has an accumulated deficit at December 31, 2022 of \$108,589,261 (December 31, 2021 - \$105,468,684). In addition, the Company had a working capital of \$2,540,637 at December 31, 2022 (December 31, 2021 - working capital of \$97,702).

The Company has taken an impairment allowance against all exploration properties. Additional financings will be required to reinstate pre-feasibility studies and further develop the properties and to continue operations. There is a significant risk that some, if not all, of the Company's current property holdings may lapse or title to those properties may become uncertain. While the Company's management and board will continue to search for financing, joint venture partners and new assets, there is no guarantee that they will be successful.

The consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The certainty of funding future exploration expenditures and availability of sources of additional financing cannot be assured at this time and accordingly, these uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include adjustments to the carrying values of recorded liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern.

### 3. Significant accounting policies

#### (a) *Statement of Compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2022. The policies set out below are based on IFRS issued and effective as of May 1, 2023, the date the Board of Directors approved the statements.

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

#### (b) Basis of presentation

These audited annual consolidated financial statements have been prepared on a historical cost basis except for the re-valuation of certain financial instruments. In addition, these audited annual consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these audited annual consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 3(q).

Certain comparative figures have been reclassified to conform the current year's presentation.

#### (c) Basis of consolidation

The audited annual consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(i) Subsidiaries - The following companies have been consolidated within the audited annual consolidated financial statements:

Company	Registered	Principal activity
Green Shift Commodities Ltd. (formerly U3O8 Corp.)	Ontario, Canada	Parent company
Prometheus Resources (Guyana) Inc. <sup>(1)(2)</sup>	Guyana, South America	Exploration company
Gaia Energy Inc. <sup>(1)</sup>	Ontario, Canada	Holding company
Maple Minerals Exploration and Development Inc. <sup>(1)</sup>	Ontario, Canada	Exploration company
Maple Minerals Exploration and Development Inc. <sup>(1)</sup>	Argentina	Exploration company
Maple Minerals Exploration and Development Inc. <sup>(1)</sup>	Colombia	Exploration company
Gaia Energy Argentina S.A. <sup>(1)</sup>	Argentina	Exploration company
Gaia Energy Investments Ltd. (BVI) <sup>(1)</sup>	British Virgin Islands	Exploration company
Gaia Energy Colombia Ltd. <sup>(1)</sup>	Colombia	Exploration company
0964104 B.C. Ltd. <sup>(1)</sup>	British Columbia, Canada	Holding company
Calypso Holdings Inc. <sup>(1)</sup>	Cayman Islands	Holding company
Energia Mineral Inc. <sup>(1)</sup>	Cayman Islands	Exploration company
Pampa Amarilla Inc. <sup>(1)</sup>	Cayman Islands	Exploration company

<sup>(1)</sup> 100% owned by ultimate shareholder - Green Shift Commodities Ltd.

<sup>(2)</sup> Disposed subsequent to December 31, 2022.

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

#### (c) Basis of consolidation (continued)

(ii) Equity investment in South American Silica Corp. - Since April 2011, the Company has significant influence in South American Silica Corp., ("SAS") (formerly South American Rare Earth Corp.), but does not have control; this investment is accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of post acquisition income or loss. The amount of adjustment is included in the determination of net income or loss of the Company, and the investment account of the Company is also increased or decreased to reflect the Company's share of capital transactions and changes in accounting policies. The carrying values of equity investments are regularly reviewed to ensure there is no impairment. When there is objective evidence of impairment, the investment is written down to recognize the loss (note 16).

#### (d) Foreign currencies

The functional currency, as determined by management, of the Company and each of its subsidiaries is the Canadian Dollar. For the purpose of the audited annual consolidated financial statements, the results and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the audited annual consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### (e) Financial instruments

IFRS 9 – Financial Instruments, ("IFRS 9") establishes three primary measurement categories for financial assets: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the instrument.

### Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, FVTPL, or FVOCI. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

#### (e) Financial instruments (continued)

##### Classification (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 the Company has elected to measure them at FVTPL.

##### Measurement

###### Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

###### Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

##### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

##### **Financial assets at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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## Green Shift Commodities Ltd. (formerly U3O8 Corp.)

### Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

#### (e) *Financial instruments (continued)*

##### Subsequent measurement (continued)

#### **Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

#### **Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

##### Impairment of financial instruments

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

### 3. Significant accounting policies (continued)

#### (e) Financial instruments (continued)

##### Impairment of financial instruments (continued)

Categories of financial instruments:

	As at December 31, 2022	As at December 31, 2021
<b>Financial assets:</b>		
FVTPL		
Cash	\$ 2,713,105	\$ 796,710
Investment	1,844,284	2,100,786
Amortized cost		
Amounts receivable	-	3,001
Prepaid	585,776	-
<b>Financial liabilities:</b>		
Amortized cost		
Amounts payable and other liabilities	\$ 2,541,684	\$ 1,610,012
Loan payable	-	1,197,166
Concession fee payable	-	345,169

As of December 31, 2022 and 2021, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

#### (f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

#### (g) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets, which are recognized at the fair value at the acquisition date.

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

#### (g) *Exploration and evaluation expenditures (continued)*

Once a project has been established as commercially viable and technically feasible, related development expenditure is capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

#### (h) *Equipment*

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis. An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statements of loss and comprehensive loss.

Where an item of equipment consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

#### (i) *Provisions*

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company has provided for all material provisions at December 31, 2022 and 2021.

#### (j) *Share-based payment transactions*

The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods and services received.

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

#### (k) *Income taxes*

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, a deferred tax asset is not recognized.

#### (l) *Restoration, rehabilitation and environmental obligations*

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is minimal.

#### (m) *(Loss) income per share*

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the (loss) income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted (loss) income per share is determined by adjusting the (loss) income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.



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## Green Shift Commodities Ltd. (formerly U3O8 Corp.)

### Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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#### 3. Significant accounting policies (continued)

##### (n) Share Capital

The Company has adopted a relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The relative fair value method allocates value to each component on a pro-rata basis, based on the fair value of the components calculated independently of one another. The Company considers the market value of the common shares issued as fair value and measures the fair value of the warrant component of the unit using the Black-Scholes option pricing model. The unit value is then allocated, pro-rata, between the two components, with fair value attributed to the warrants being recorded to the Company's warrant reserve.

Proceeds from the exercise of stock options and warrants are recorded at the cash cost of exercise and the Black-Scholes option pricing model. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance.

Proceeds from the issuance of share units are allocated between common shares and common share purchase warrants based on the pro-rata basis.

##### (o) Share Issuance Costs

Costs incurred in connection with the issuance of share capital and units are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received. Costs related to the issuance of units and incurred prior to issuance are allocated between share capital and warrants.

##### (p) Warrants

The Company recognizes warrants at initial value using Black-Scholes option pricing model, then follow the pro-rata based on the relative values of warrants and shares issued. The proceeds from the issuance of units are allocated between share capital and warrants. Unit proceeds are allocated to shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing.

The Company follows the pro-rata method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants. Unit proceeds are allocated to shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing.

If and when the warrants are exercised, the applicable relative fair value initially recognized in warrants is transferred to share capital. Any consideration paid on the exercise of the warrants is also credited to share capital.

##### (q) Critical accounting estimates:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

(q) Critical accounting estimates (continued):

- the Company reviews its South American property interests for impairment based on results to date and when events and changes in circumstances indicate that the carrying value of the assets may not be recoverable. IFRS 6 - Exploration for and evaluation of mineral resources and IAS 36 – Impairment of assets requires the Company to make certain judgments in respect of such events and changes in circumstances, and in assessing their impact on the valuations of the affected assets; and
- Share-based payments expense. We measure our share-based payments expense by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures.
- management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to advance the mineral properties (Note 2);
- management applied judgment in determining the functional currency of the Company as Canadian Dollars and the functional currency of its subsidiaries, based on the facts and circumstances that existed during the year;
- management determination of no material restoration, rehabilitation and environmental exposure, based on the facts and circumstances that existed during the year; and
- the measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

(r) *New standards and interpretations not yet adopted*

The standards and interpretation that are issued, but not effective, and is currently evaluating their impact on the Company's consolidated financial statements.

#### Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

Clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period" and clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability making clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 4. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit, which at December 31, 2022, totaled shareholders' equity of \$2,641,317 (December 31, 2021 – shareholders' deficit of \$247,467).

There have been no changes to the Company's capital management in the years presented.

### 5. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and uranium and battery commodities price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

#### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. The majority of the Company's cash is held with major Canadian chartered banks, from which management believes the risk of loss to be minimal.

Financial instruments included in amounts receivable consist of sales tax receivable from government authorities in Canada. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

#### Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2022, the Company had a cash balance of \$2,713,105 (December 31, 2021 - \$796,710) to settle current liabilities of \$2,541,684 (December 31, 2021 - \$2,807,178). All of the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except loan payable (note 19) and concession fee payable (note 12). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company will need to secure additional financing to meet its ongoing obligations. However, there is no assurance that it will be able to do so (note 2).

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 5. Financial risk management (continued)

#### Market risk

##### (a) Interest rate risk

The Company has cash balances and fixed interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

##### (b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse effect on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

##### (c) Foreign currency risk

The Company's functional and reporting currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. As of December 31, 2022, the Company funds certain operations, exploration and administrative expenses in Colombia and Argentina on a cash call basis using US Dollar currency converted from its Canadian Dollar bank accounts held in Canada. The Company maintains US Dollar bank accounts in Canada. The Company is subject to gains and losses from fluctuations in the US Dollar and Colombian peso against the Canadian Dollar.

#### Sensitivity analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would have affected the reported loss and comprehensive loss by an immaterial amount.

(ii) The Company holds financial instrument balances in foreign currencies which creates foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rates against the Canadian Dollar would have affected the reported loss and comprehensive loss by approximately \$210,000.

### 6. Share capital

#### a) Authorized share capital

At December 31, 2022 and December 31, 2021, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued common shares are fully paid.

#### b) Common shares issued

On December 22, 2022 the Company completed its non-brokered private placement. The Company issued 15,380,371 units ("Units") at a price of \$0.15 per Unit, for total gross proceeds of \$2,307,056 (the "Private Placement").

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 6. Share capital (continued)

#### b) Common shares issued

Each Unit consists of one (1) common share in the capital stock of the Company ("Common Share") and one (1) common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.25 per Common Share until the date which is twenty four (24) months following the closing date of the Offering, whereupon the Warrants will expire.

In connection with the Private Placement, the Company paid cash costs and financing fees of \$194,922 and 702,916 compensation warrants ("Finder Warrants"). The Finder Warrants will be exercisable into Common Shares of the Company at \$0.15 and will be valid for a period of twenty four (24) months from the date of closing of the Private Placement.

A pro-rata value of \$881,929 was estimated for the 15,380,371 Warrants on the date of grant using a relative fair value method. Inputs in the Black-Scholes option pricing model included: market price on valuation date of \$0.12; expected dividend yield of 0%; expected volatility of 152.35% using the historical price history of the Company; risk-free interest rate of 3.82%; and an expected average life of two (2) years.

A value of \$58,834 was estimated for the 702,916 Finders' Warrants on the date of grant using a relative fair value method. Inputs in the Black-Scholes option pricing model included: market price on valuation date of \$0.12; expected dividend yield of 0%; expected volatility of 152.35% using the historical price history of the Company; risk-free interest rate of 3.82%; and an expected average life of two (2) years.

All securities issued and issuable pursuant to the offering are subject to a four month and one day statutory hold period.

On August 3, 2022 the Company completed its non-brokered private placement. The Company issued 22,726,907 units ("Units") at a price of \$0.11 per Unit, for total gross proceeds of \$2,499,960 (the "Private Placement").

Each Unit consists of one (1) common share in the capital stock of the Company ("Common Share") and one (1) common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.15 per Common Share until the date which is thirty six (36) months following the closing date of the Offering, whereupon the Warrants will expire. In the event that the closing price of the Common Shares is equal to or greater than \$0.40 for 30 consecutive days on which the TSXV is open for trading, the Company shall have the option to accelerate the expiry of the Warrants to a date that is 60 calendar days after the 30th day on which the Common Shares traded at or above \$0.40.

In connection with the Private Placement, the Company paid cash costs of \$201,364 and 1,153,063 compensation warrants ("Finder Warrants"). The Finder Warrants will be exercisable into Common Shares of the Company at \$0.15 and will be valid for a period of thirty six (36) months from the date of closing of the Private Placement.

A pro-rata value of \$1,167,817 was estimated for the 22,726,907 Warrants on the date of grant using a relative fair value method. Inputs in the Black-Scholes option pricing model included: market price on valuation date of \$0.175; expected dividend yield of 0%; expected volatility of 170.57% using the historical price history of the Company; risk-free interest rate of 3.00%; and an expected average life of three (3) years.

A value of \$176,895 was estimated for the 1,153,063 Finders' Warrants on the date of grant using a relative fair value method. Inputs in the Black-Scholes option pricing model included: market price on valuation date of \$0.175; expected dividend yield of 0%; expected volatility of 170.57% using the historical price history of the Company; risk-free interest rate of 3.00%; and an expected average life of three (3) years.

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 6. Share capital (continued)

#### b) Common shares issued (continued)

All securities issued and issuable pursuant to the offering are subject to a four month and one day statutory hold period.

During August 2022, the Company settled director, officer and management debt of \$609,798 for 2,416,319 shares with a fair value of \$422,856 and cash payments of \$131,766 resulting in a gain on settlement of account payable of \$55,176 (See note 15).

On March 22, 2021 the Company completed its non-brokered private placement. The Company issued 6,666,668 units ("Units") at a price of \$0.15 per Unit, for total gross proceeds of \$1,000,000 (the "Private Placement").

Each Unit consists of one (1) common share in the capital stock of the Company ("Common Share") and one (1) common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.20 per Common Share until the date which is twelve (12) months following the closing date of the Offering, whereupon the Warrants will expire.

In connection with the Private Placement, the Company paid cash costs of \$95,829 and 445,525 compensation warrants ("Finder Warrants"). The Finder Warrants will be exercisable into Common Shares of the Company at \$0.20 and will be valid for a period of twelve (12) months from the date of closing of the Private Placement.

A pro-rata value of \$420,000 was estimated for the 6,666,668 Warrants on the date of grant using a relative fair value method. Inputs in the Black-Scholes option pricing model included: market price on valuation date of \$0.15; expected dividend yield of 0%; expected volatility of 232.59% using the historical price history of the Company; risk-free interest rate of 0.27%; and an expected average life of one (1) year.

A value of \$77,151 was estimated for the 445,525 Finders' Warrants on the date of grant using a relative fair value method. Inputs in the Black-Scholes option pricing model included: market price on valuation date of \$0.15; expected dividend yield of 0%; expected volatility of 232.59% using the historical price history of the Company; risk-free interest rate of 0.27%; and an expected average life of one (1) year.

All securities issued and issuable pursuant to the Offering are subject to a four month and one day statutory hold period.

### 7. Investment

As at December 31, 2022 - (at fair value)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Publicly traded investment	\$ 1,844,284	\$ -	\$ -	\$ 1,844,284

# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

### 7. Investment (continued)

The following table presents the changes in fair value measurements of financial instruments.

Investment at fair value	Opening balance	Additions	Proceeds on Disposition	Realized loss	Net Unrealized (loss) gain	Ending balance
<b>Level 1</b>						
- December 31, 2022	\$ 2,100,786	\$ 1,029,272	\$ -	\$ -	\$(1,285,774)	\$ 1,844,284
- December 31, 2021	\$ -	\$ 1,625,000	\$ -	\$ -	\$ 475,786	\$ 2,100,786

As at December 31, 2022, the Company holds a total of 1,106,422 of Consolidated Uranium Inc. ("CUR") shares and 157,213 of Labrador Uranium Inc. ("LUR") shares (note 12).

### 8. Amounts receivable and other assets

	As at December 31, 2022	As at December 31, 2021
Sales tax receivable - (Canada)	\$ 39,836	\$ 4,383
Deposits with service providers	-	3,001
	\$ 39,836	\$ 7,384

### 9. Income taxes

#### Income tax expense

A reconciliation between income tax expense and the product of accounting (loss) profit multiplied by the Company's domestic tax rate is provided below:

Years ended December 31,	2022	2021
Before Income Tax	\$ (3,120,577)	\$ 901,831
(Loss) Income tax at statutory rate of 26.50% (2021 - 26.50%)	(827,000)	239,000
Change in statutory, foreign tax, foreign exchange rates and other	(53,000)	(964,000)
Permanent differences	208,000	(466,000)
Share issue costs	105,000	25,000
Adjustment to prior year's provision versus statutory tax returns and expiration of non-capital losses	119,000	(100,000)
Expiry of non-capital losses	-	-
Change in unrecognized temporary differences	448,000	1,266,000
	\$ -	\$ -

# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

### 9. Income taxes (continued)

#### Deferred Tax Assets and Liabilities

##### (a) Unrecognized deferred tax assets

Deferred tax assets are recognized for the carry-forward or unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the unused tax losses/credits can be utilized. The following represent the deductible temporary differences which have not been recognized in the financial statements.

	2022	2021	Expiry
Equipment	\$ 3,638,000	\$ 3,638,000	N/A
Loss carry-forward	27,083,000	26,137,000	See below
Equity accounted investment	3,807,000	3,807,000	N/A
Share issue costs	375,000	81,000	2043 - 2046
Deferred mining expenditures	62,808,000	51,219,000	N/A
	<b>\$ 97,711,000</b>	<b>\$ 84,882,000</b>	

##### (b) Non-capital losses

The following table summarizes the Company's non-capital losses that can be applied against future taxable profit:

Country	Amount	Expiry date
Canada	\$ 26,120,094	2026 to 2042
Barbados	237,700	2019 to 2025
Colombia	718,157	indefinite
Guyana	7,501	indefinite

### 10. Stock options

U3O8 Corp's stock option plan (the "Plan") was approved by the shareholders of the Company on June 30, 2009 and subsequent amendments approved on June 30, 2022, June 27, 2012, July 29, 2015 and August 7, 2020, for the purpose of attracting, retaining and motivating directors, officers, employees and other service providers by providing them with an opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The number of stock options which may be granted under the plan is limited to not more than 10% of the issued common shares of U3O8 Corp., calculated on a non-diluted basis immediately prior to the stock option grant. The exercise price of options granted under the Plan is set at the "market price" of the common shares, which is calculated as the volume weighted average Canadian dollar trading price of the common shares for the five trading days prior to the date of grant. Options vest at the discretion of the board of directors of U3O8 Corp., and in the case of directors, officers, and employees, is generally contingent upon continued service to the Company during the vesting period. The Plan provides that all options outstanding will vest fully in the event of a take-over bid. As well, where there is a change of control, outstanding options granted to directors, officers and employees will immediately vest in full. All options expire on a date not later than five years after the issuance of such option, subject to extensions granted in connection with black-out periods.

The Company records a charge to the statement of loss and comprehensive loss account using the Black-Scholes fair valuation option pricing model. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of stock volatility, together with an estimate of the level of forfeiture. The level of stock volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.





# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

### 10. Stock options (continued)

The following table reflects the continuity of stock options for the years ended December 31, 2022 and 2021:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2020	2,288,000	0.27
Exercised	(320,000)	0.18
Expired	(550,000)	0.60
Cancelled	(195,000)	0.31
Balance, December 31, 2021	1,223,000	0.19
Granted	4,975,000	0.14
Exercised	(130,000)	0.12
Expired	(322,500)	0.03
<b>Balance, December 31, 2022</b>	<b>5,745,500</b>	<b>0.17</b>

On December 22, 2022, the Company granted 1,950,000 stock options to board members and consultants of the Company pursuant to the Company's stock option plan. The stock options were issued at an exercise price of \$0.15, fully vested on the grant date and will expire on December 22, 2027. For the purposes of the 1,950,000 options, the fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 175.07% using the historical price history of the Company; risk free interest rate of 3.57%; and an expected average life of three years. The estimated value of \$201,894 will be recorded to share-based payments reserve as the options vest. For the year ended December 31, 2022, the impact on expenses was \$201,894 (December 31, 2021 - \$Nil).

On August 17, 2022, the Company granted 600,000 stock options to board members of the Company pursuant to the Company's stock option plan. The stock options were issued at an exercise price of \$0.21, vest in tranches of 25%, with 25% vesting on grant and the remaining tranches at six-month intervals and will expire on August 17, 2027. For the purposes of the 600,000 options, the fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146.65% using the historical price history of the Company; risk free interest rate of 3.05%; and an expected average life of five years. The estimated value of \$114,201 will be recorded to share-based payments reserve as the options vest. For the year ended December 31, 2022, the impact on expenses was \$54,627 (December 31, 2021 - \$Nil).

On August 5, 2022, the Company granted 175,000 stock options to consultants pursuant to the Company's stock option plan. The stock options were issued at an exercise price of \$0.155, vest in tranches of 25%, with 25% vesting on grant and the remaining tranches at six-month intervals and will expire on August 5, 2027. For the purposes of the 175,000 options, the fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 300% using the historical price history of the Company; risk free interest rate of 2.90%; and an expected average life of five years. The estimated value of \$31,478 will be recorded to share-based payments reserve as the options vest. For the year ended December 31, 2022, the impact on expenses was \$15,739 (December 31, 2021 - \$Nil).

On June 30, 2022, the Company granted 2,250,000 stock options to board members, management and consultants of the Company pursuant to the Company's stock option plan. The stock options were issued at an exercise price of \$0.16, vest in tranches of 25%, with 25% vesting on grant and the remaining tranches at six-month intervals and will expire on June 30, 2027. For the purposes of the 2,250,000 options, the fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 147% using the historical price history of the Company; risk free interest rate of 3.10%; and an expected average life of five years. The estimated value of \$326,971 will be recorded to share-based payments reserve as the options vest. For the year ended December 31, 2022, the impact on expenses was \$204,357 (December 31, 2021 - \$Nil).



# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

### 10. Stock options (continued)

On August 24, 2020, the Company granted 860,000 stock options to board members, management and consultants of the Company pursuant to the Company's stock option plan. Of the options granted, 652,500 remained outstanding at June 30, 2022. The stock options were issued at an exercise price of \$0.12, vest in tranches of 25%, with 25% vesting immediately and the remaining tranches at six-month intervals and will expire on August 21, 2025. For the purposes of the 860,000 options, the fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146% using the historical price history of the Company; risk free interest rate of 0.36%; and an expected average life of five years. The estimated value of \$92,744 will be recorded to share-based payments reserve as the options vest. For the year ended December 31, 2022, the impact on expenses was \$1,288 (December 31, 2021 - \$32,846).

During the year ended December 31, 2022, a total of \$477,905 in share-based payments (December 31, 2021 - \$32,846) related to stock options granted and vested, have been reflected in the consolidated statements of loss and comprehensive loss (Note 13).

Stock option price volatility was based on historical price volatility of the common shares, which is assumed to be an appropriate and approximate proxy for future volatility of a stock option instrument granted for the underlying common shares.

The following table reflects the actual stock options issued and outstanding as of December 31, 2022:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
November 14, 2023	0.28	0.87	443,000	443,000	-
August 21, 2025	0.12	2.64	327,500	327,500	-
June 30, 2027	0.16	4.50	2,250,000	1,125,000	1,125,000
August 5, 2027	0.15	4.60	175,000	43,750	131,250
August 17, 2027	0.21	4.63	600,000	150,000	450,000
December 22, 2025	0.15	2.98	1,950,000	1,950,000	-
		3.61	5,745,500	4,039,250	1,706,250

### 11. (Loss) income per common share

The calculation of basic and diluted (loss) income per common share for the year ended December 31, 2022 was based on the (loss) income after tax attributable to common shareholders of \$3,120,577 (December 31, 2021 – income after tax of \$901,831) and the weighted average number of common shares outstanding of 45,641,477, respectively (December 31, 2021 – 28,809,578). Diluted (loss) income per share was not affected by including the 5,745,500 (December 31, 2021 - 1,223,000) share purchase options and 39,963,257 (December 31, 2021 - 5,874,141) warrants as they are anti-dilutive.

### 12. Exploration and evaluation expenditures

The Company enters into exploration agreements or permits with other companies or foreign governments pursuant to which it may explore, or earn interests in mineral properties by issuing common shares and/or making option or rental payments and/or incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.



# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

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### 12. Exploration and evaluation expenditures (continued)

The following is a detailed list of expenditures incurred on the Company's mineral properties:

Years ended December 31,	2022	2021
<b>Colombia, South America (a)</b>		
Exploration activities	\$ 1,823,057	\$ 1,129,618
Salaries and benefits	-	-
	<b>\$ 1,823,057</b>	<b>\$ 1,129,618</b>
<b>Argentina, South America (b)</b>		
Exploration activities	\$ 80,194	\$ 179,669
Salaries and benefits	-	18,863
	<b>\$ 80,194</b>	<b>\$ 198,532</b>
	<b>\$ 1,903,251</b>	<b>\$ 1,328,150</b>

(a) Total cumulative exploration activities incurred in Colombia, South America to December 31, 2022 amounted to \$26,819,446 (December 31, 2021 - \$24,996,389).

#### Colombia, South America

The Company, holds a 100% interest in a mineral concession (the "Concession Contract") in Caldas Province of central Colombia. A Concession Contract for the Berlin Property was originally granted by the National Mining Agency in Colombia on October 23, 2007 for a 30-year period. On expiry of the Concession Contract in 2037, the Company has the right to apply for an extension for a further 30 years.

The Company is required to pay annual concession fees to the Colombian State for the right to explore those concessions that constitute the Company's exploration properties in Colombia. During 2021, the Company decided to re-establish operations in Colombia. As a result, the Company has accrued concession fees and expected penalties for 2021 and prior years. As at December 31, 2022, the Company has estimated that concession fees payable of \$1,635,944 are owed to the Colombian State to maintain the Concession Contract in good standing. In the event the Company's estimate of the amounts due is incorrect, it will adjust the amount of the accrual.

The amounts have been recorded as exploration expense.

During 2022, the Company recorded \$923,217 (December 31, 2021 - \$712,727) in Colombian exploration activities relating to a change of estimate on the concession fee payable.

	2022	2021
<b>Balance, open</b>	\$ 712,727	\$ -
Change of estimate	923,217	712,727
<b>Balance, close</b>	<b>\$ 1,635,944</b>	<b>\$ 712,727</b>
<b>Long term portion</b>	<b>\$ -</b>	<b>\$ 345,169</b>
<b>Current portion (*)</b>	<b>\$ 1,635,944</b>	<b>\$ 367,558</b>

(\*) Current portion is included in amounts payable and other liabilities

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 12. Exploration and evaluation expenditures (continued)

#### Argentina, South America

(b) Total cumulative exploration activities incurred in Argentina, South America to December 31, 2022 amounted to \$15,768,432 (December 31, 2021 - \$15,688,238).

Pursuant to the Option Agreement (note 14), CUR exercised the option to acquire a 100% interest in the Laguna Salada Project (the "Option") in consideration for the following:

- \$50,000 payment to be utilized for property expenditures (paid in 2021);
- The Company obtaining requisite regulatory approvals within six months of signature of the Option Agreement:
  - Issuance of common shares to the value of \$125,000 in the capital of CUR (the "Common Shares"), priced at the 5-day volume weighted average price ("vwap") one business day prior to the date that the TSXV provides conditional approval of the Option Agreement (the "Effective Date") (completed in 2021 through the issuance of 56,306 CUR shares - (Note 7)); and
  - a cash payment of C\$175,000 to the Company by CUR, (paid in 2021).
  - The Option is exercisable at CUR's election on or before the second anniversary of the Effective Date, for additional consideration of C\$1,500,000 in Common Shares or cash, at CUR's election. If the Option remains unexercised on the six-month anniversary of the Effective Date, the Company is entitled to C\$50,000 in cash to be utilized for further property expenditures (exercised in 2021 through the issuance of 675,675 CUR shares - (note 7)).

If during the two year option term the price of uranium reaches the milestones below, the Company will also be entitled to receive the following uranium spot price contingency payments:

Uranium Spot Price (USD)	Vendor Payment (Cash or Shares)
\$50	\$505,000
\$75	\$758,000
\$100	\$1,010,000

The Company also received a two-year option term for contingency payments based on the following uranium spot price:

Within five business days of the spot price of uranium reaching USD\$50, the Company will have the option to receive \$250,000, in cash or shares at CUR's election, in lieu of each of the USD\$75 and USD\$100 spot price contingent payments. The spot price contingent payments will expire 10 years following the date the option is exercised.

The spot price exceeded US\$50 per pound in March 2022. In April 2022, the Company received 374,441 CUR shares valued at \$943,591 (Note 7) for reaching the US\$50 per pound threshold and in satisfaction of each of the US\$75 per pound threshold and US\$100 per pound threshold.

On February 22, 2022, CUR completed a spin-out of LUR. As a result of the spin-out transaction, the Company received 157,213 LUR shares valued at \$85,681 (Note 7).

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# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 12. Exploration and evaluation expenditures (continued)

(b) (continued)

#### Terms of the Option Agreement (continued)

Further, the Company has the one-time right, exercisable on either the date that is six months or twelve months following the Effective Date of the Option Agreement, to force CUR to exercise the option and satisfy the remaining portion of the option by issuing such number of CUR shares to the Company that results in the Company, together with the CUR shares already owned by the Company, owning an aggregate number of CUR shares equal to 9.9% of the total number of issued and outstanding CUR Shares after giving effect to such issuance. Notwithstanding, subject to the 5 day vwap of CUR's Shares equalling C\$1.00 or greater, in the event that CUR can issue sufficient CUR Shares to the Company to satisfy the remaining portion of the option without the Company holding more than 9.9% of the issued and outstanding CUR Shares, then CUR shall issue such number of CUR Shares to U3O8 to satisfy that portion of the remaining option.

All securities issued in connection with the Option Agreement are subject to a hold period expiring four months and one day from the date of issuance.

### 13. General and administrative

Years ended December 31,	2022	2021
Salaries and benefits	\$ 155,000	\$ -
Administrative and general	171,094	31,751
Share-based expenses	477,905	32,846
Professional fees	362,751	125,951
Business development	52,947	7,644
Reporting issuer costs	65,092	59,600
	<b>\$ 1,284,789</b>	<b>\$ 257,792</b>

### 14. Gain on sale of Laguna Salada concession

On June 11, 2021, the Company announced that CUR has chosen to exercise its option to purchase the Laguna Salada Project in Argentina from the Company (Note 12).

### 15. Gain on debt settlement

The Company settled a number of liabilities in 2022, recognizing a gain of \$122,869 during the year ended December 31, 2022 (December 31, 2021 - \$305,071).

### 16. Equity accounted investment

As at December 31, 2022, the Company had a 38.9% equity interest in SAS (as defined in note 3(c)(ii)), which is a private company (December 31, 2021 – 38.9%). Since inception, SAS has incurred losses and the Company is not required to fund any losses incurred by SAS beyond its initial equity investment and the investment in SAS has a carrying value of \$nil (December 31, 2021 - \$nil).

# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

### 17. Warrants

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, December 31, 2020</b>	<b>2,500,000</b>	<b>0.40</b>
Issued	7,112,193	0.20
Exercised	(2,058,052)	0.28
Expired	(1,680,000)	0.40
<b>Balance, December 31, 2021</b>	<b>5,874,141</b>	<b>0.20</b>
Issued (note 6)	39,963,257	0.19
Exercised	(3,411,351)	0.06
Expired	(2,462,890)	0.20
<b>Balance, December 31, 2022</b>	<b>39,963,157</b>	<b>0.19</b>

### Expiry date      Exercise price (\$)      Warrants outstanding

August 3, 2025	0.15	22,726,907
August 3, 2025	0.15	1,153,063
December 22, 2024	0.25	15,380,371
December 22, 2024	0.15	702,916
		<b>39,963,257</b>

### 18. Related party balances and transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties:

Years ended December 31,	2022	2021
John C. Ross Consulting Inc. (i)	\$ 55,000	\$ 30,000
Lincoln Hold Co. Inc. (ii)	\$ 100,000	\$ -

(i) Chief Financial Officer ("CFO") fees expensed to a company controlled by the current CFO of the Company. At December 31, 2022, \$nil is included in amounts payable and other liabilities (December 31, 2021 - \$65,500).

(ii) Chief Executive Officer ("CEO") fees expensed to a company controlled by the current CEO of the Company. At December 31, 2022, \$50,000 is included in amounts payable and other liabilities (December 31, 2021 - \$nil).

(b) The Company defines its key management personnel as its Board of Directors, Chief Executive Officer ("CEO"), and CFO. Remuneration of Directors and key management personnel of the Company was as follows:

Years ended December 31,	2022	2021
Share based payments	\$ 393,064	\$ 32,846



# Green Shift Commodities Ltd. (formerly U3O8 Corp.)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

### 18. Related party balances and transactions (continued)

The Board of Directors do not have employment or service contracts with the Company. There were no director fees accrued or paid during the year ended December 31, 2022 (December 31, 2021 - \$nil). The former CEO of the Company was owed \$400,584 as at December 31, 2021. In addition, a former director of the Company was owed \$20,400 as at December 31, 2021.

(c) See note 19 for details of the loans advanced from a former director of the Company during the year ended December 31, 2022 and 2021. In addition, another company controlled by the same former director was owed \$nil as at December 31, 2022 (December 31, 2021 - \$41,000). The payable is non-interest bearing and due on demand and is included in amounts payable and other liabilities.

### 19. Loan amounts payable

During the years ended December 31, 2022 and 2021, the Company entered into a series of advances from Bambazonke Holdings Ltd. ("Bambazonke"), pursuant to which Bambazonke agreed to lend the Company cash to fund working capital. Amounts outstanding under loan payable incur interest at a rate of 8% per annum. The loan and accrued interest of \$1,227,931 was repaid in 2022. During the year ended December 31, 2022, the Company accrued interest of \$30,652. Bambazonke is a company controlled by a former director of the Company. No interest and capital was repaid during December 31, 2021.

### 20. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of uranium properties in South America. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

#### December 31, 2022

	Canada	Colombia	Argentina	Total
Current assets	\$ 5,082,321	\$ -	\$ -	\$ 5,082,321
Non-current assets	100,680	-	-	100,680
	\$ 5,183,001	\$ -	\$ -	\$ 5,183,001

#### December 31, 2021

	Canada	Colombia	Argentina	Total
Current assets	\$ 2,904,880	\$ -	\$ -	\$ 2,904,880
	\$ 2,904,880	\$ -	\$ -	\$ 2,904,880

### 21. Subsequent events

On March 20, 2023, the Company closed the acquisition (the "Acquisition") of LFP Resources Corp. ("LFP"), a privately owned Canadian exploration company, which holds prospective lithium ground in Rio Negro, Chubut, and Neuquén Provinces in Argentina.

Pursuant to the Acquisition, the Company acquired all outstanding shares of LFP for consideration for an up-front payment of USD\$75,000 (\$100,680) (in long term prepaid assets at December 31, 2022) and the issuance of 17,500,000 common shares of the Company, at a price of \$0.14, being the closing price of the common shares on the TSXV on the day immediately prior to closing of the Acquisition.



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## Green Shift Commodities Ltd. (formerly U3O8 Corp.)

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

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### 21. Subsequent events (continued)

In addition, as a result of the Acquisition, the Company has the right, but not the obligation, pursuant to two separate option agreements, to acquire additional prospective lithium ground in Rio Negro, Chubut, and Neuquén Provinces in Argentina for US\$50,000 (being US\$25,000 under each option agreement).

The Company granted 500,000 stock options to an officer and director, exercisable to acquire one common share of the Company at an exercisable price of C\$0.22 for a period of five years.

The Company signed a definitive agreement (the "Agreement") with New Peak Metals Limited ("New Peak"), to acquire (the "Acquisition") a 25% interest in Pampa Litio S.A. ("Pampa Litio"). Pampa Litio is a private Argentinean company exploring for hard rock spodumene bearing pegmatites in the Pampean Ranges of Central Argentina.

Pursuant to the Agreement dated March 22, 2023, the Company agreed to pay \$150,000 in cash and to issue 535,714 common shares of the Company (the "Common Shares") as consideration for New Peak's 25% interest in Pampa Litio. The Company has agreed to pay \$75,000 in cash in lieu of the issuance of the Common Shares. Subsequent to the year ended December 31, 2022, the Company paid \$150,000 of the total consideration for the Acquisition. Completion of the Acquisition is conditional upon the approval of the TSXV and the satisfaction of certain other closing conditions customary in transactions of this nature.