

FORM 7
MONTHLY PROGRESS REPORT
For the Month of August, 2022

Name of CSE Issuer: **Clear Sky Lithium Corp. (“Clear Sky Lithium”, the “Issuer” or the “Company”).**

Trading Symbol: **POWR**

Number of Outstanding Listed **28,476,740 common shares**

Securities:

Date of filing: **September 6, 2022**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Clear Sky Lithium is an exploration and development company dedicated to the advancement of North American lithium deposits to support domestic demand. The Company holds interests on the ELi property in southwestern Nevada. The Company is also actively involved in the development of claystone extraction and processing technologies aimed at delivering scalable efficiencies and reduced production costs in a sustainable manner.

- **On August 5, 2022, the Issuer announced that it has entered property option agreement (the “Option Agreement”), dated August 05, 2022, with Halo Lithium LLC (the “Vendor”), pursuant to which it has been granted the right to acquire the Halo Project. The Halo Project is comprised of ninety-eight mineral claims, located in Esmeralda and Nye Counties, Nevada, and is considered prospective for claystone-hosted lithium mineralization.**
- **On August 18, 2022 the Issuer announced that its common shares are now eligible for electronic clearing and settlement through the Depository Trust Company (“DTC”) in the United States. The Company’s common shares are quoted in the United States on the OTC Markets under the symbol “CSKYF.”**
The Company also, announced that, in the time period from listing to the end of business August 17, 2022, certain holders of its share purchase warrants (“Warrants”), have exercised an aggregate of \$585,002.40. The Company intends to use the proceeds from the exercise of the Warrants to fund general working capital.
- **On August 26, 2022 the Issuer reported sampling results for its 100%-owned ELi claystone lithium project located in central Nevada.**

As part of the Company’s initial efforts, surficial grab samples (n=4) were collected during a trip to the ELi site during Q2, 2022. The sampling focused on areas with limited alluvial cover that corresponded to claystone exposure on surface. Samples were collected using a combination of hand tools down to approximately 30cm in depth and were recorded in the QField app on an android tablet with a built in GPS. Samples field values were logged for location information of easting, northing, and elevation, as well as documentation of physical attributes as appropriate for each sample and location. The samples were subsequently securely transported to American Assay Labs facility in Reno, Nevada for analysis¹. Results are presented in Table 1 and Figure 1.

Table 1: ELi Grab Sample Results – American Assay Labs

Sample ID	Easting	Northing	UTM Zone	Assay Method	Li ppm ¹
623621	573635	4334628	NAD83/Zone11	ICP-5AM48	1023.1
623627	573627	4334619	NAD83/Zone11	ICP-5AM48	770.2
623629	574048	4334619	NAD83/Zone11	ICP-5AM48	278
623630	573557	4334680	NAD83/Zone11	ICP-5AM48	709.5

The recent fieldwork program follows up on the encouraging samples (n=150) previously released (June 15, 2022) that included values ranging from 45-801ppm lithium with an average grade of 292ppm as well as the historic sampling program which returned results ranging from 288-970ppm lithium with an average grade of 667ppm¹ and provided the impetus to advance the project as Clear Sky’s candidate for entry into the lithium sector.

2. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please see under Item 1.

3. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

4. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

- **On August 26, the Company announced that it has been advised that two arms-length shareholders of the Company, Maynard Communication Ltd. (“Maynard”) and Sidis Holdings Ltd. (“Sidis”), intend to distribute certain digital content intended to advertise and market the activities of the Company commencing after the date hereof. The Company does not have any relationship with Maynard or Sidis, except as shareholders of the**

Company, nor does the Company intend to provide any type of compensation in connection with the creation and distribution of the content. The Company has agreed to review the factual information about the Company generated by Maynard and Sidis prior to distribution, however any opinions expressed are their own.

The Company has entered into a consulting agreement with Market IQ Media Group Incorporated ("Market IQ"). The consultant was retained to provide editorial digital content creation and dissemination services to the Company for a one-time consideration payment of US\$60,000 to Market IQ.

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

5. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Pursuant to the terms of the Option Agreement, the Company may acquire all rights to the Halo Project from the Vendor, in consideration for completing a series of cash payments and share issuances (the "Consideration Shares") in accordance with the following schedule:

Deadline	Cash Payment	Consideration Share Issuance
Initial Payment	US\$250,000	1,865,269
First Anniversary of Option Agreement	US\$200,000	1,250,000
Second Anniversary of Option Agreement	US\$200,000	500,000

All Consideration Shares issued to the Vendor will be subject to a twelve-month voluntary escrow arrangement, during which time the Consideration Shares may not be traded without the prior approval of the Company. The Consideration Shares will be released from the escrow arrangement in three tranches, of which 25% will be released after six months, a further 37.5% after nine months, and the balance after twelve months.

In addition to the above payments and share issuances, the Company has agreed to reimburse the Vendor for expenses incurred in maintaining the Halo Project in good standing, to a maximum of US\$100,000, and to assume responsibility for ongoing maintenance fees owing to the Bureau of Land Management. Following exercise of the option and the acquisition of the Halo Project, the Company will grant the Vendor a one-percent net smelter returns royalty (the "Royalty") on commercial project from the Project.

One-half of the Royalty may be bought back from the Vendor at any time through a one-time cash payment of US\$1,000,000.

The Company and the Vendor are at arms-length. The transaction contemplated by the Option Agreement neither constitutes a fundamental change nor a change of business for the Company, nor is it expected to result in a change of control for the Company within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange (the “CSE”).

The Company has agreed to pay an arm’s length finder a series of share issuances (the “Finder’s Shares”) including (i) within 5 days of the date of the Option Agreement, 118,406 Finder’s Shares, (ii) on the first anniversary of the date of the Option Agreement, 75,000 Finder’s Shares plus such number of Finder’s Shares as is equal to US\$12,000 at a deemed price per share equal to the 10-day volume-weighted average trading price of the Shares on the CSE immediately prior to the date of issue (the “VWAP”), and (iii) on the second anniversary of the date of the Option Agreement, 30,000 Finder’s Shares plus such number of Finder’s Shares as is equal to US\$12,000 at a deemed price per share equal to the 10-day VWAP. The Finder’s Shares set out in (ii) and (iii) are subject to the Company making the corresponding payments under the Option Agreement, and all Finder’s Shares are subject to the same twelve-month voluntary escrow terms as the Consideration Shares.

6. Describe the acquisition of new customers or loss of customers.
None.
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.
None.
10. Report any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
None.
11. Report on any labour disputes and resolutions of those disputes if applicable.
None.
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
None.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None
14. Provide details of any securities issued and options or warrants granted.

- In the month of August a total of 150,000 Stock options and 250,000 RSUs were granted, and a total of 4,791,868 common shares were issued, as follows:
 - o 2,608,193 pursuant to Warrant Exercises,
 - o 150,000 pursuant to Stock Options Exercises,
 - o 1,983,675 due to property option agreement.
 - o 50,000 due to an RSU conversion

- 15. Provide details of any loans to or by Related Persons.
None.

- 16. Provide details of any changes in directors, officers or committee members.
None.

- 17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
None.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 6, 2022

Sheryl Dhillon
Name of Director or Senior Officer

"Sheryl Dhillon"
Signature

Corporate Secretary
Official Capacity

Issuer Details		
Name of Issuer Clear Sky Lithium Corp.	For Month End August, 2022	Date of Report YY/MM/DD 2022/09/06
Issuer Address 9th Floor - 1021 West Hastings Street		
City/Province/Postal Code Vancouver, BC V6E 0C3	Issuer Fax No. ()	Issuer Telephone No. <u>(250) 880-1942</u>