

United Battery Metals Corp.
(Formerly United Lithium Corp.)
Condensed Consolidated Interim Financial Statements
Six Months Ended January 31, 2019 and 2018

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

These unaudited condensed consolidated interim financial statements of United Battery Metals Corp. (formerly United Lithium Corp.) for the six months ended January 31, 2019, have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

United Battery Metals Corp.
(Formerly United Lithium Corp.)
Condensed Consolidated Interim Statement of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	January 31, 2019	July 31, 2018
ASSETS			
Current assets			
Cash		\$ 302,800	\$ 70,234
Receivables		6,669	3,109
Prepaid expenses	3	29,741	4,620
		339,210	77,963
Non-current assets			
Exploration and evaluation assets	4	1,196,260	1,079,388
TOTAL ASSETS		\$ 1,535,470	\$ 1,157,351
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	5,7	\$ 71,376	\$ 33,859
TOTAL LIABILITIES		71,376	33,859
SHAREHOLDERS' EQUITY			
Share capital	6	4,043,706	1,471,494
Reserves	6	572,890	10,609
Accumulated other comprehensive loss		(1,199)	-
Deficit		(3,151,303)	(358,611)
SHAREHOLDERS' EQUITY		1,464,094	1,123,492
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,535,470	\$ 1,157,351

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board of Directors on March 21, 2019:

"Charn Deol" Director "Michael Dehn" Director

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

United Battery Metals Corp.
(Formerly United Lithium Corp.)
Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	For the three months ended January 31,		For the six months ended January 31,	
		2019	2018	2019	2018
Expenses					
Director fees	7	\$ -	\$ 15,000	\$ -	\$ 15,000
General and administration		5,000	342	8,167	781
Investor relations		899	3,263	10,436	3,263
Management and consulting fees	7	61,532	10,715	101,163	17,536
Marketing		417,819	-	2,047,694	-
Professional fees	7	47,772	10,362	75,496	19,804
Public company costs		1,875	299	4,183	299
Regulatory and transfer agent fees		6,819	12,235	13,815	22,083
Share-based payments	6	334,585	-	530,665	-
Travel		1	85	1,073	85
Total expenses		(876,302)	(52,301)	(2,792,692)	(78,851)
Net loss		\$ (876,302)	\$ (52,301)	\$ (2,792,692)	\$ (78,851)
Other comprehensive loss					
Exchange difference on translation		(1,086)	-	(1,199)	-
Total comprehensive loss		\$ (877,388)	\$ (52,301)	\$ (2,793,891)	\$ (78,851)
Basic and diluted loss per share		\$ (0.03)	\$ (0.00)	\$ (0.12)	\$ (0.01)
Weighted average number of common shares outstanding		25,340,777	13,443,907	23,774,282	12,922,000

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United Battery Metals Corp.
(Formerly United Lithium Corp.)
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

		<u>Share capital</u>					Accumulated other		
	Note	Number of shares	Amount	Special warrants	Reserves	comprehensive	Deficit	Total	
Balance at July 31, 2017		12,400,092	\$ 290,003	\$ 157,675	\$ -	\$ -	\$ (16,974)	\$ 430,704	
Shares issued, special warrants converted		1,574,250	157,425	(157,425)	-	-	-	-	
Share issuance costs		-	(743)	-	-	-	-	(743)	
Warrants exercised		250	50	-	-	-	-	50	
Special warrants		-	-	(250)	-	-	-	(250)	
Net loss for the period		-	-	-	-	-	(78,851)	(78,851)	
Balance at January 31, 2018		13,974,592	\$ 446,735	\$ -	\$ -	\$ -	\$ (95,825)	\$ 350,910	
Balance at July 31, 2018		16,034,342	\$ 1,471,494	\$ -	\$ 10,609	\$ -	\$ (358,611)	\$ 1,123,492	
Shares issued, private placement	6	4,248,184	2,063,349	-	-	-	-	2,063,349	
Share issuance costs	6	-	(40,299)	-	-	-	-	(40,299)	
Finders warrants	6	-	(31,615)	-	31,615	-	-	-	
Warrants exercised	6	5,090,018	580,777	-	-	-	-	580,777	
Share-based payments	6	-	-	-	530,665	-	-	530,665	
Exchange difference on translation		-	-	-	-	(1,199)	-	(1,199)	
Net loss for the period		-	-	-	-	-	(2,792,692)	(2,792,692)	
Balance at January 31, 2019		25,372,544	\$ 4,043,706	\$ -	\$ 572,889	\$ (1,199)	\$ (3,151,303)	\$ 1,464,093	

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

United Battery Metals Corp.
(Formerly United Lithium Corp.)
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	For the six months ended January 31, 2019	For the six months ended January 31, 2018
Operating activities		
Net loss for the period	\$ (2,792,692)	\$ (78,851)
Adjustments for non-cash items:		
Share-based payments	530,665	-
Changes in non-cash working capital items:		
Receivables	(3,559)	(1,766)
Prepaid expenses	(25,122)	(15,000)
Trade payables and accrued liabilities	11,042	(3,198)
Net cash flows used in operating activities	(2,279,666)	(98,815)
Investing activities		
Exploration and evaluation assets	(90,735)	(27,083)
Net cash flows used in investing activities	(90,735)	(27,083)
Financing activities		
Shares issued (net of share issuance costs)	2,063,349	-
Share issuance costs	(39,960)	(743)
Cancellation of special warrants	-	(250)
Warrants exercised	580,777	50
Net cash flows provided by (used in) financing activities	2,604,166	(943)
Currency impact on cash	(1,199)	-
Increase (decrease) in cash	232,566	(126,841)
Cash, beginning of the period	70,234	389,748
Cash, end of the period	\$ 302,800	\$ 262,907

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

1. Nature of operations and going concern

United Battery Metals Corp. (formerly United Lithium Corp.) (the “Company”) was incorporated on April 28, 2017 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in the United States.

The head office and principal address of the Company is located at 789 West Pender Street, Suite 1080, Vancouver, British Columbia, Canada, V6C 1H2. The Company’s registered and records office address is 789 West Pender Street, Suite 1080, Vancouver, British Columbia, Canada, V6C 1H2.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. At January 31, 2019, the Company had not achieved profitable operations, had a net loss of \$2,792,692 for the period ended January 31, 2019, an accumulated deficit of \$3,151,303 at January 31, 2019, had not advanced its mineral properties to commercial production and expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance that it will be able to do so in the future.

2. Significant accounting policies and basis of preparation

These condensed consolidated interim financial statements were authorized for issue by the directors of the Company on March 21, 2019.

Statement of compliance with International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Certain information and note disclosures normally included in the audited annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed. As a result, these condensed consolidated interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended July 31, 2018.

Basis of preparation

These condensed consolidated interim financial statements of the Company have been prepared on a historical cost basis except for certain financial assets measured at fair value. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise specified. The financial statements of the Company reflect the consolidation of the financial results of the wholly owned entities controlled since existed.

2. Significant accounting policies and basis of preparation (cont'd)

Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries. Details of controlled subsidiaries are as follows:

	Country of incorporation	Percentage owned*	
		January 31, 2019	July 31, 2018
Greenhat Mineral Holdings Ltd.	CAN	100%	100%
Greenhat Minerals Holdings (US) Ltd.	U.S.	100%	100%

*Percentage of voting power is in proportion to ownership.

New accounting standards and interpretations

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments (“IFRS 9”) as of August 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 utilize a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company’s new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on August 1, 2018.

2. Significant accounting policies and basis of preparation (cont'd)

New accounting standards and interpretations (cont'd)

Financial instruments (cont'd)

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the condensed consolidated interim statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the condensed consolidated interim statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the condensed consolidated interim statements of loss and comprehensive loss.

Accounting standards issued but not yet applied

Leases

On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. IFRS 16 is effective for annual

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2. Significant accounting policies and basis of preparation (cont'd)

Accounting standards issued but not yet applied (cont'd)

periods beginning on or after January 1, 2019. The Company continues to assess the impact of adopting this standard on its consolidated financial statements.

3. Prepaid expenses

Prepaid expenses consist primarily of prepaid claim fees for Greenhat Minerals Holdings Ltd.

4. Exploration and evaluation assets

Wray Mesa Project – Montrose County, Colorado, USA

In July 2018, the Company entered into a share purchase agreement to acquire 100% of the outstanding shares of Greenhat Minerals Holdings Ltd. (“Greenhat”). Greenhat holds the rights to the Wray Mesa project, an exploration stage uranium/vanadium property located in Montrose County, Colorado, USA. In consideration for the shares of Greenhat, the Company paid \$50,000 in cash and issued 2,050,000 common shares of the Company with a fair value of \$1,025,000, for total consideration of \$1,075,000. The acquisition costs of Greenhat were allocated entirely to the property.

Details of the Company’s exploration and evaluation assets at January 31, 2019 are as follows:

	Wray Mesa		Total
Property acquisition costs			
Balance, beginning of period	\$ 1,075,000	\$	1,075,000
Balance, end of period	\$ 1,075,000	\$	1,075,000
Exploration and evaluation costs			
Balance, beginning of period	\$ 4,388	\$	4,388
Costs incurred during period:			
Claim maintenance	19,003		19,003
Environmental	6,260		6,260
Field and assays	1,071		1,071
Geological	74,284		74,284
Travel and accommodation	16,367		16,367
Balance, end of period	\$ 121,373	\$	121,373
Other items:			
Exchange difference translation	(113)		(113)
Total	\$ 1,196,260	\$	1,196,260

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4. Exploration and evaluation assets (cont'd)

Details of the Company's exploration and evaluation assets at July 31, 2018 are as follows:

	Big Smoky		Wray Mesa		Total
Property acquisition costs					
Balance, beginning of year	\$	15,000	\$	-	\$ 15,000
Additions		15,000		1,075,000	1,090,000
Balance, end of year	\$	30,000	\$	1,075,000	\$ 1,105,000
Exploration and evaluation costs					
Balance, beginning of year	\$	35,822	\$	-	\$ 35,822
Costs incurred during period:					
Analysis		9,866		-	9,866
Field and assays		3,842		1,637	5,479
Geological		44,646		-	44,646
Travel and accommodation		9,508		2,751	12,259
Balance, end of year	\$	103,685	\$	4,388	\$ 108,073
Other items:					
Impairment		(133,685)		-	(133,685)
Total	\$	-	\$	1,079,388	\$ 1,079,388

5. Trade payables and accrued liabilities

	January 31 2019		July 31, 2018	
Trade payables	\$	55,076	\$	5,962
Amounts due to related parties (Note 7)		6,300		12,263
Accrued liabilities		10,000		15,634
Total trade payables and accruals	\$	71,376	\$	33,859

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

6. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At January 31, 2019, there were 25,372,544 (July 31, 2018 – 16,034,342) issued and fully paid common shares.

On September 7, 2018, the Company completed a non-brokered private placement financing issuing 3,762,750 units at a price of \$0.40 per unit for gross proceeds of \$1,505,100. Each unit consisted of one common share and one half of one common share purchase warrant. Each common share purchase warrant

6. Share capital and reserves (cont'd)

Issued share capital (cont'd)

entitles the holder to purchase one common share at a price of \$0.60 for a period of 12 months from the date of issuance. Finders' fees of \$35,430, and 88,575 finders' warrants, exercisable at \$0.60 per common share for a period of 12 months from the date of issuance with a fair value of \$31,615, were paid in connection with the private placement. The fair value of the finders' warrants was determined using the Black Scholes Pricing Model with the following assumptions: risk free rate of 2.00%, volatility of 60.91%, and expected life of 1 year.

On November 6, 2018, the Company completed a non-brokered private placement financing issuing 485,434 units at a price of \$1.15 per unit for gross proceeds of \$558,249. Each unit consisted of one common share and one half of one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of \$1.25 for a period of 24 months from the date of issuance.

During the period ended January 31, 2019, 5,090,018 warrants were exercised for gross proceeds of \$580,777.

Stock options

On June 19, 2017, the Company implemented a stock option plan (the "Plan"), enabling the Board of Directors to grant stock options to purchase common shares in the capital of the Company from time to time to eligible persons (collectively, "Optionees") in consideration of such Optionees providing services to the Company or a subsidiary of the Company. The number of stock options granted by the Company to Optionees is determined by the Board of Directors, within the guidelines established by the Plan. The stock options enable such persons to purchase common shares at a price fixed under such guidelines.

The aggregate number of shares that may be issued pursuant to options granted under the Plan, unless otherwise approved by shareholders, may not exceed that number which is equal to 10% of the issued and outstanding shares of the Company at the time of the grant and the term of any stock option will not exceed ten years.

On September 14, 2018, the Company granted 700,000 stock options to directors and officers of the Company at an exercise price of \$0.90 per share, exercisable for five years. The fair value of the options granted was \$584,258 determined using the Black Scholes Option-Pricing Model with the following assumptions: risk free rate of 2.32%, volatility of 158.2%, and expected life of 5 years. The stock options fully vest in six months from date of issuance.

Share-based payments of \$530,665 (2017 - \$Nil) were recorded in the period ended January 31, 2019, in connection with the vesting of options granted in the current and prior year.

The following table summarizes information about the stock option transactions for the period ended January 31, 2019:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, July 31, 2018	200,000	\$ 0.50
Stock options issued	700,000	0.90
Balance, January 31, 2019	900,000	\$ 0.81

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6. **Share capital and reserves** (cont'd)

Stock options (cont'd)

Stock options outstanding at January 31, 2019 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
200,000	200,000	0.50	July 9, 2023
700,000	-	0.90	September 14, 2023
900,000	200,000		

Warrants

The following table summarizes information about the warrant transactions for the period ended January 31, 2019:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, July 31, 2018	5,327,170	0.11
Issued	2,212,668	0.67
Exercised	(5,090,018)	0.11
Expired	(177,777)	0.10
Balance, January 31, 2019	2,272,043	0.66

Warrants outstanding at January 31, 2019 are as follows:

Number of Warrants	Exercise Price (\$)	Expiry Date
59,375	0.20	July 31, 2019
1,969,950	0.60	September 7, 2019
242,718	1.25	November 6, 2020
2,272,043		

Reserves

Stock option

The stock option reserves record items recognized as share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant

The warrant reserves record items recognized as part of a unit financing until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

7. Related party transactions

Balances

As at January 31, 2019, \$6,300 (July 31, 2018 - \$12,263) is due to related parties and is included in trade payables and accrued liabilities (Note 5).

Transactions

During the six months ended January 31, 2019 and 2018, the following amounts were incurred with directors and officers of the Company:

	January 31, 2019	January 31, 2018
Directors fees	-	15,000
Management fees paid to a company controlled by the former CFO	-	11,152
Management fees paid to a company controlled by a director	27,000	-
Management fees paid to the former CEO	76,794	-
Management fees paid to the CEO	28,000	-
Share-based payments	530,666	-
	\$ 662,460	\$ 26,152

8. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding. Liquidity risk is assessed as high.

8. Financial risk and capital management (cont'd)

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at January 31, 2019, there were \$190,840 in US dollar denominated financial assets therefore foreign currency risk is significant.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's management of capital during the period ended January 31, 2019.

Fair value

The Company's financial instruments consist of cash and trade payables. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments. Cash is measured at fair value using Level 1 inputs.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.