

**United Battery Metals Corp.**  
**Condensed Consolidated Interim Financial Statements**  
**Three Months Ended October 31, 2019 and 2018**

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

These unaudited condensed consolidated interim financial statements of United Battery Metals Corp. for the three months ended October 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.  
Condensed Consolidated Interim Statement of Loss and Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)

	Notes	For the three months ended October 31, 2019	For the three months ended October 31, 2018
<b>Expenses</b>			
General and administration		\$ 1,169	\$ 3,167
Investor relations		300	9,537
Management and consulting fees	7	56,000	39,631
Marketing		-	1,629,875
Professional fees		9,746	27,724
Project generation		3,762	-
Public company costs		1,875	2,308
Regulatory and transfer agent fees		2,988	6,996
Share-based payments	6,7	-	196,080
Travel		-	1,072
Total expenses		(75,840)	(1,916,390)
<b>Net loss</b>		<b>\$ (75,840)</b>	<b>\$ (1,916,390)</b>
Other comprehensive loss			
Exchange difference on translation		25	(113)
<b>Total comprehensive loss</b>		<b>\$ (75,815)</b>	<b>\$ (1,916,503)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.00)</b>	<b>\$ (0.09)</b>
<b>Weighted average number of common shares outstanding</b>		<b>25,372,544</b>	<b>22,202,509</b>

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

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

	Notes	Share capital		Reserve	Accumulated other comprehensive loss	Deficit	Total
		Number of shares	Amount				
<b>Balance at July 31, 2018</b>		16,034,342	\$ 1,471,494	\$ 10,609	\$ -	\$ (358,611)	\$ 1,123,492
Shares issued, private placement		3,762,750	1,505,100	-	-	-	1,505,100
Share issuance costs		-	(38,998)	-	-	-	(38,998)
Finders warrants		-	(31,615)	31,615	-	-	-
Warrants exercised		5,089,768	580,727	-	-	-	580,727
Share-based payments		-	-	196,080	-	-	196,080
Exchange difference on translation		-	-	-	(113)	-	(113)
Net loss for the period		-	-	-	-	(1,916,390)	(1,916,390)
<b>Balance at October 31, 2018</b>		<b>24,886,860</b>	<b>3,486,708</b>	<b>238,304</b>	<b>(113)</b>	<b>(2,275,001)</b>	<b>1,449,898</b>
<b>Balance at July 31, 2019</b>		25,372,544	4,043,706	708,463	(1,076)	(4,688,758)	62,335
Exchange difference on translation		-	-	-	25	-	25
Net loss for the year		-	-	-	-	(75,840)	(75,840)
<b>Balance at October 31, 2019</b>		<b>25,372,544</b>	<b>\$ 4,043,706</b>	<b>\$ 708,463</b>	<b>\$ (1,051)</b>	<b>\$ (4,764,598)</b>	<b>\$ (13,480)</b>

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

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

	For the three months ended October 31, 2019	For the three months ended October 31, 2018
<b>Operating activities</b>		
Net loss for the period	\$ (75,840)	\$ (1,916,390)
Adjustments for non-cash items:		
Share-based payments	-	196,080
Changes in non-cash working capital items:		
Receivables	(391)	(767)
Prepaid expenses	9,912	(225,388)
Trade payables and accrued liabilities	4,818	28,871
<b>Net cash flows used in operating activities</b>	<b>(61,501)</b>	<b>(1,917,594)</b>
<b>Investing activities</b>		
Exploration and evaluation assets	-	(48,588)
<b>Net cash flows used in investing activities</b>	<b>-</b>	<b>(48,588)</b>
<b>Financing activities</b>		
Shares issued	-	1,505,100
Share issuance costs	-	(38,998)
Warrants exercised	-	580,727
<b>Net cash flows provided by financing activities</b>	<b>-</b>	<b>2,046,829</b>
<b>Foreign exchange impact on cash</b>	<b>25</b>	<b>(113)</b>
Increase (decrease) in cash	(61,476)	80,534
Cash, beginning of the period	68,167	70,234
<b>Cash, end of the period</b>	<b>\$ 6,691</b>	<b>\$ 150,768</b>

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 October 31, 2019, the Company had not achieved profitable operations, had a net loss of \$75,840 for the period ended October 31, 2019, an accumulated deficit of \$4,764,598 at October 31, 2019 and expects to incur further losses in the development of its business, all of which indicates 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 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 December 19, 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, 2019.

***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.

United Battery Metals Corp.  
Notes to the Condensed Consolidated Interim Financial Statements  
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**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*	
		October 31, 2019	July 31, 2019
Greenhat Mineral Holdings Ltd.	U.S.	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***

**Lease**

On August 1, 2019, the Company adopted IFRS 16. IFRS 16 eliminates 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 adoption of IFRS 16 had no impact on the Company's financial statements as the Company has no leases.

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's condensed consolidated interim financial statements.

**3. Prepaid expenses**

Prepaid expenses consist primarily of prepaid insurance fees for period ended February 2020.

**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 Mineral 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.

On July 31, 2019, the Company decided not to proceed with the project and recorded an impairment of \$1,238,251 in the consolidated statements of loss and comprehensive loss.



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5. **Trade payables and accrued liabilities**

	<b>October 31, 2019</b>	<b>July 31, 2019</b>
Trade payables	\$ 10,122	\$ 1,804
Amounts due to related parties (Note 7)	4,000	-
Accrued liabilities	12,500	20,000
<b>Total trade payables and accrued liabilities</b>	<b>\$ 26,622</b>	<b>\$ 21,804</b>

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 October 31, 2019, there were 25,372,544 (July 31, 2019 – 25,372,544) issued and fully paid common shares.

During the period ended October 31, 2019, no shares were issued.

**Stock options**

On June 19, 2017, the Company implemented a stock option plan (the “Plan”), enabling the Board 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, 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.

Share-based payments of \$Nil (2018 - \$196,080) were recorded in the period ended October 31, 2019.

During the period ended October 31, 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.

During the period ended October 31, 2019, no stock options were granted.

	<b>Number of Options</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, July 31, 2019 and October 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 October 31, 2019 are as follows:

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

**Warrants**

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

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, July 31, 2019	2,212,668	0.67
Expired	(1,969,950)	0.60
Balance, October 31, 2019	242,718	1.25

Warrants outstanding at October 31, 2019 are as follows:

<b>Number of Warrants</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
242,718	1.25	November 6, 2020

**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 is transferred to share capital.

7. **Related party transactions**

**Balances**

As at October 31, 2019, \$4,000 (July 31, 2019 - \$nil) is due to related parties and is included in trade payables and accrued liabilities (Note 5).

**7. Related party transactions (cont'd)**

***Transactions***

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

	<b>October 31, 2019</b>	<b>October 31, 2018</b>
Management fees paid to a company controlled by a former director	32,000	9,000
Management fees paid to the former CEO	-	30,631
Management fees paid to the CEO	24,000	-
Share-based payments to former directors and officers	-	196,080
	\$ 56,000	\$ 235,711

**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.

***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 October 31, 2019, there were \$5,550 in US dollar denominated financial assets therefore foreign currency risk is not 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.

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

***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 October 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.