

United Lithium Corp.
(formerly United Battery Metals Corp.)
Condensed Consolidated Interim Financial Statements
Three Months Ended October 31, 2020 and 2019

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

These unaudited condensed consolidated interim financial statements of United Lithium Corp. (formerly United Battery Metals Corp.) for the three months ended October 31, 2020, 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 Lithium Corp. (formerly United Battery Metals Corp.)
Condensed Consolidated Interim Statement of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	October 31, 2020	July 31, 2020
ASSETS			
Current assets			
Cash		\$ 3,785,309	\$ 80,060
GST receivable		21,492	7,485
Prepaid expenses		348,718	5,000
		4,155,519	92,545
Non-current assets			
Exploration and evaluation assets	3,4	7,900,528	-
TOTAL ASSETS		\$ 12,056,047	\$ 92,545
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5,7,8	\$ 165,402	\$ 267,747
Loans payable	6	57,003	55,903
TOTAL LIABILITIES		222,405	323,650
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7	16,182,509	4,043,706
Reserve	7	833,486	708,463
Share subscriptions	7	-	50,000
Accumulated other comprehensive loss		(1,051)	(1,051)
Deficit		(5,181,302)	(5,032,223)
SHAREHOLDERS' EQUITY (DEFICIENCY)		11,833,642	(231,105)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		\$ 12,056,047	\$ 92,545

Nature of operations and going concern (Note 1)

Subsequent events (Note 10)

Approved and authorized on behalf of the Board on December 30, 2020:

"Faizaan Lalani" Director "Michael Dehn" Director

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

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

		For the three months ended October 31,	
	Notes	2020	2019
Expenses			
General and administration	\$	1,560	\$ 1,169
Investor relations		-	300
Management and consulting fees	8	100,000	-
Marketing		-	56,000
Professional fees		37,162	9,746
Project generation		15,000	3,762
Public company costs		1,875	1,875
Regulatory and transfer agent fees		3,080	2,988
Foreign exchange gain		(9,598)	-
Total expenses		(149,079)	(75,840)
Net loss	\$	(149,079)	\$ (75,840)
Other comprehensive loss			
Exchange difference on translation		-	25
Total comprehensive loss	\$	(149,079)	\$ (75,815)
Basic and diluted loss per share	\$	(0.01)	(0.00)
Weighted average number of common shares outstanding		26,378,194	25,372,544

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

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

	Note	Share capital			Shares subscriptions	Accumulated other comprehensive loss	Deficit	Total
		Number of shares	Amount	Reserve				
Balance at July 31, 2019		3,624,632	\$ 4,043,706	\$ 708,463	\$ -	\$ (1,076)	\$ (4,688,758)	\$ 62,335
Exchange difference on translation		-	-	-	-	25	-	25
Net loss		-	-	-	-	-	(75,840)	(75,840)
Balance at October 31, 2019		3,624,632	4,043,706	708,463	-	(1,076)	(4,688,758)	62,335
Balance at July 31, 2020		3,624,632	4,043,706	708,463	50,000	(1,051.00)	(5,032,223)	(231,105)
Shares issued, private placement	7	26,027,363	4,309,851	-	(50,000)	-	-	4,259,851
Share issuance costs	7	-	(140,725)	-	-	-	-	(140,725)
Finders' warrants	7	-	(125,023)	125,023	-	-	-	-
Shares issued, amalgamation	7	11,500,000	7,820,000	-	-	-	-	7,820,000
Shares issued, property	7	109,965	74,776	-	-	-	-	74,776
Debt settlement	7	807,777	199,924	-	-	-	-	199,924
Net loss		-	-	-	-	-	(149,079)	(149,079)
Balance at October 31, 2020		42,069,737	\$ 16,182,509	\$ 833,486	\$ -	(1,051)	\$ (5,181,302)	\$ 11,833,642

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

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

	For the three months ended October 31,	
	2020	2019
Operating activities		
Net loss	\$ (149,079)	\$ (75,840)
Adjustments for non-cash items:		
Accrued interest	1,100	-
Changes in non-cash working capital items:		
GST receivable	(14,007)	(391)
Prepaid expenses	(343,718)	9,912
Accounts payable and accrued liabilities	91,827	4,818
Net cash flows used in operating activities	(413,877)	(61,501)
Financing activities		
Shares issued for cash	4,259,851	-
Share issuance costs	(140,725)	-
Net cash flows provided by financing activities	4,119,126	-
Foreign exchange impact on cash	-	25
Increase (decrease) in cash	3,705,249	(61,476)
Cash, beginning of the period	80,060	68,167
Cash, end of the period	\$ 3,785,309	\$ 6,691
Supplemental disclosure with respect to cash flows		
Shares issued, amalgamation	\$ 7,820,000	\$ -
Shares issued, property	\$ 74,776	\$ -
Shares issued, debt settlement	\$ 199,924	\$ -

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

1. Nature of operations and going concern

United Lithium Corp. (formerly United Battery Metals 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.

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, 2020, the Company had not achieved profitable operations, had a net loss of \$149,079 for the period ended October 31, 2020, an accumulated deficit of \$5,181,302 at October 31, 2020 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 30, 2020.

Statement of compliance with International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 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, 2020.

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 Lithium Corp. (formerly United Battery Metals Corp.)
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended October 31, 2020 and 2019
(Unaudited – Expressed in Canadian Dollars)

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, 2020	July 31, 2020
Greenhat Mineral Holdings Ltd.	U.S.	100%	100%
Greenhat Minerals Holdings (US) Ltd.	U.S.	100%	100%
1257590 B.C. LTD	CAD	100%	0%

*Percentage of voting power is in proportion to ownership.

New accounting standards and interpretations

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. Acquisition and Amalgamation

On August 28, 2020, The Company obtained 100% control over 1263391 B.C. Ltd. ("126 B.C.") and acquired all issued and outstanding common shares.

On October 13, 2020, the Company, closed an amalgamation between the Company's wholly- owned subsidiary 126 B.C. Ltd. and 1257590 B.C. Ltd ("125 B.C"). Pursuant to the amalgamation, the Company completed the purchase of 100% of all issued and outstanding common shares of 125 B.C, for total consideration as follows:

Pursuant to the amalgamation, the Company completed the purchase of 100% of all issued and outstanding common shares of 125 B.C. by issuing 11,500,000 common shares of the Company with a fair value of \$7,800,000. No finder's fee was paid in connection with the transaction.

At the transaction date, the Company determined that acquisition of 125 B.C. did not constitute a business as defined under IFRS, Business Combinations, and the transaction was accounted for as an asset acquisition. The excess of the consideration paid over the fair value of the net liabilities was attributed to the exploration and evaluation asset.

The purchase price is as follows:

<u>Purchase Price</u>	
11,500,000 common shares issued	\$ 7,820,000
	<u>\$ 7,820,000</u>
<u>Fair value of net assets acquired</u>	
Accounts payable & accrued liabilities	(5,752)
	<u>\$ 7,825,752</u>

United Lithium Corp. (formerly United Battery Metals Corp.)
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4. Exploration and evaluation assets

On October 13, 2020, the Company completed the amalgamation of 126 B.C. and 125 B.C. by issuing 11,500,000 common shares of the Company with a fair value of \$7,800,000. The excess of the consideration paid over the fair value of the net liabilities was attributed to the exploration and evaluation asset (Note 3).

Pursuant to the amalgamation, the Company has acquired 125 B.C. option (“Option”) to acquire up to 100% of Barbara Lake Lithium Property which is located in the Barbara Lake Area of the Thunder Bay Mining District in Ontario, Canada and comprised of 56 mining cell claims covering approximately 2,147 hectares’ land.

The Company also issued 109,965 common shares of the Company to the property owner of the Barbara Lake Lithium Property with a fair value of \$74,776.

The Option will be exercisable as follows:

Payments

- Payment of \$40,000 in cash to the property owner by July 30, 2021 (paid – November 10, 2020);
- Payment of \$50,000 in cash to the property owner by July 30, 2022;
- Issue to the property owner such number of the Company’s shares as equal to \$40,000, by July 31, 2021, and
- Issue to the property owner such number of Company’s shares as equal to \$50,000, by July 31, 2022.

Expenditures

- Incurring \$100,000 of expenditures on the Property by July 31, 2021;
- Incurring and additional \$250,000 of expenditures on the Property by July 31, 2022, and
- Incurring and additional \$500,000 of expenditures on the Property by July 31, 2023.

As at October 31, 2020 exploration and evaluation assets were \$7,900,528 (July 31, 2020 - \$Nil) and the following is a description of the changes:

	Barbara Lake Lithium Property	
Property acquisition costs		
Balance, beginning	\$	-
Acquisition (Note 3)		7,825,752
Additions		74,776
Property acquisition costs, ending	\$	7,900,528
Total	\$	7,900,528

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5. Trade payables and accrued liabilities

	October 31, 2020	July 31, 2020
Accounts payable	\$ 93,152	\$ 176,697
Amounts due to related parties (Note 8)	46,875	76,000
Accrued liabilities	25,375	15,050
Total accounts payable and accrued liabilities	\$ 165,402	\$ 176,697

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

On September 04, 2020, the Company settled an aggregate of \$199,924 in debt through the issuance of 807,777 common shares of the Company at a value of \$0.2475 per share (Note 7).

6. Loans payable

On November 26, 2019, the Company received a loan in the amount of \$7,500 which was applied against existing accounts payable. The loan is secured by a promissory note and bears interest at 8% per annum. Principal and any unpaid interest are due on November 25, 2020. During the three months ended October 31, 2020, the Company recorded \$152 in interest on the loan. The balance of the loan at October 31, 2020 is \$8,061.

On December 16, 2019, the Company received a loan in the amount of \$7,500. The loan is secured by a promissory note and bears interest at 8% per annum. Principal and any unpaid interest are due on December 15, 2020. During the three months ended October 31, 2020, the Company recorded \$152 in interest on the loan. The balance of the loan at October 31, 2020 is \$8,028.

On March 20, 2020, the Company received a loan in the amount of \$6,500 which was applied against existing accounts payable. The loan is secured by a promissory note and bears interest at 8% per annum. Principal and any unpaid interest are payable upon the completion of the Company's next financing and having sufficient resources to pay. During the three months ended October 31, 2020, the Company recorded \$131 in interest on the loan. The balance of the loan at October 31, 2020 is \$6,822.

On June 3, 2020, the Company received a loan in the amount of \$33,000. The loan is secured by a promissory note and bears interest at 8% per annum. Principal and any unpaid interest are payable upon the completion of the Company's next financing and having sufficient resources to pay.

During the three months ended October 31, 2020, the Company recorded \$665 in interest on the loan. The balance of the loan at October 31, 2020 is \$34,092.

7. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At October 31, 2020, there were 42,069,738 (July 31, 2020 – 3,624,632) issued and fully paid common shares.

On August 18, 2020, the Company completed a private placement financing issuing 19,998,858 units at a price of \$0.11 per unit for gross proceeds of \$2,199,874. 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 \$0.25 for a period of 24 months from the date of issuance.

On September 04, 2020, the Company settled an aggregate of \$199,925 in debt through the issuance of 807,777 common shares of the Company at a value of \$0.2475 per share.

On September 09, 2020, the Company completed a private placement financing issuing 6,028,505 common shares at a price of \$0.35 per unit for gross proceeds of \$2,109,977. Finders' fees of \$60,739, and 172,512 finders' warrants, exercisable at \$0.35 per common share for a period of 24 months from the date of issuance with a fair value of \$125,023, were paid in connection with the private placement. The fair value of the finders' warrants was determined using the Black Scholes Option Pricing Model with the following assumptions: risk free rate of 0.25%, volatility of 276.98%, and expected life of 2 years.

On October 13, 2020, the Company, closed an amalgamation between the Company's wholly- owned subsidiary 126 B.C. and 125 B.C. In connection with the amalgamation, the Company issued 11,500,000 common shares of the Company at a value of \$7,820,000 to the previous shareholders of 125 B.C. and 109,965 common shares at a value of \$74,776 of the Company to the owner of the Barbara Lake Lithium Property.

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 (2019 - \$Nil) were recorded in the period ended October 31, 2020.

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

Stock options (cont'd)

During the period ended October 31, 2020, no stock options were granted.

	Number of Options	Weighted Average Exercise Price (\$)
Balance, July 31, 2020 and October 31, 2020	28,568	3.50

Stock options outstanding at October 31, 2020 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
28,568	28,568	3.50	July 9, 2023

Warrants

The following table summarizes information about the warrant transactions for the period ended October 31, 2020:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, July 31, 2020	34,671	8.75
Issued	20,171,370	0.25
Balance, October 31, 2020	20,206,041	0.27

Warrants outstanding at October 31, 2020 are as follows:

Number of Warrants	Exercise Price (\$)	Expiry Date
34,671	8.75	November 6, 2020
19,998,858	0.25	August 18, 2022
172,512	0.35	September 09, 2022
20,206,041		

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.

8. Related party transactions

Balances

As at October 31, 2020, \$46,875 (October 31, 2019 - \$4,000) is due to related parties and is included in trade payables and accrued liabilities (Note 5).

Transactions

During the three months ended October 31, 2020 and 2019 the following amounts were incurred with directors and officers of the Company:

	October 31, 2020	October 31, 2019
Management fees paid to a company controlled by a former director	\$ -	\$ 32,000
Management fees to the CEO	84,000	24,000
	\$ 84,000	\$ 56,000

9. 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, 2020, there were \$176,085 in US dollar denominated financial assets therefore foreign currency risk is not significant.

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

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 October 31, 2020.

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.

10. Subsequent events

- a) On November 2, 2020, the Company entered into an earn-in agreement (the "Agreement") with Wealth Minerals Limited ("WML"), pursuant to which the Company has been granted the exclusive option to acquire, in multiple phases, up to 70% interest in The Harry Project claims, and up to 100% interest in the Vapor Project claims, both of which are located in Chile.

To earn an initial 51% interest in the Vapor Project and 70% interest in the Harry Project, the Company shall:

- Pay \$200,000 cash and issue 500,000 common shares to WML upon completion of a due diligence review;
- Incur expenditures in the aggregate amount of \$500,000 and issue an additional 500,000 common shares to WML on or before the first anniversary of the Effective Date; and
- Issue an additional 250,000 common shares to WML.
-

To earn an additional 49% interest in the Vapor Project, the Company shall:

- Incur expenditures in the aggregate amount of \$1,000,000 and issue 250,000 common shares to WML on or before the fourth anniversary of the Effective Date; and
- Maintain and keep the licenses in good standing.

- b) On November 6, 2020, 34,671 warrants expired unexercised.

10. Subsequent events (cont'd)

- c) On November 27, 2020, 2,000,000 stock options were granted to certain directors, officers, employees and consultants of the Company. The stock options shall be exercisable for a period of 5 years from the date of the grant and the exercise price of the options is \$0.64.
- d) On December 6, 2020, the Company signed a non-binding Letter of Intent (the "LOI") with Leading Edge Materials ("LEM" to assess the potential acquisition by the Company of 100% of the Bergby Lithium project.

The LOI contemplates payment of the following consideration by the Company upon completion of the proposed transaction:

- Payment of \$250,000 in cash on the closing date of the Transaction (the "Closing Date");
- Issuance of \$500,000 worth of common shares in the capital of the Company at an issue price equal to a 20% discount to the 10-day volume weighted average trading price of the Company on the Canadian Securities Exchange ("CSE") as of December 8, 2020 (the "Deemed Price");
- Issuance of 400,000 common share purchase warrants (the "Warrants") with each Warrant entitling LEM to acquire, for a period of 36 months, one share of the Company at an exercise price equal to the Deemed Price;
- Payment of an additional \$250,000 in cash on the date that is 6 months following the Closing Date;
- Grant to LEM of a 2% net smelter returns royalty on the project which shall be subject to a buyback right in favour of the Company for \$1,000,000;
- Subject to LEM acquiring certain additional mineral claims in the region of the Project before March 21, 2021 (the "Bonus Date"), the issuance of an additional number of common share purchase warrants ("Bonus Warrants") calculated as \$250,000 divided by the 10-day volume weighted average trading price of the Purchaser Shares on the CSE as of the date immediately preceding the Bonus Date (the "Bonus Price") with each Bonus Warrant entitling the Company to acquire, for a period of 36 months, one share of the Company at an exercisable price equal to the Bonus Price; and
- Commitment to exercise reasonable commercial efforts to spend \$1,000,000 on exploration work on the Project within 18 months from the Closing Date.