

**United Lithium Corp.**  
**(formerly United Battery Metals Corp.)**  
**Condensed Consolidated Interim Financial Statements**  
**Three Months Ended October 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

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

	Notes	October 31, 2021	July 31, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 6,315,450	\$ 8,341,524
Amounts receivable		225,811	130,922
Prepaid expenses	4	1,160,375	742,048
		<u>7,701,636</u>	<u>9,214,494</u>
<b>Non-current assets</b>			
Exploration and evaluation assets	3,5	9,888,989	9,608,898
Equipment	6	8,316	8,754
Long term prepaid expenses		7,220	7,255
		<u>9,894,525</u>	<u>9,624,907</u>
<b>TOTAL ASSETS</b>		<b>\$ 17,606,161</b>	<b>\$ 18,839,401</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7,9,11	\$ 703,134	\$ 667,335
<b>TOTAL LIABILITIES</b>		<b>703,134</b>	<b>667,335</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	8	29,173,739	19,890,739
Reserves	8	2,511,779	11,573,932
Obligation to issue shares	8	40,000	40,000
Accumulated other comprehensive loss		(9,404)	(5,123)
Deficit		(14,813,087)	(13,327,482)
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>16,903,027</b>	<b>18,172,066</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>\$ 17,606,161</b>	<b>\$ 18,839,401</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 11)

Approved and authorized on behalf of the Board on December 21, 2021:

\_\_\_\_\_  
"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  
(Expressed in Canadian Dollars)

		<b>Three months ended October 31,</b>	
	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Expenses</b>			
Depreciation		\$ 438	\$ -
General and administration		43,949	1,560
Investor relations		11,000	-
Management and consulting fees	9	61,255	100,000
Marketing		977,959	-
Professional fees		143,677	37,162
Project generation		74,025	15,000
Public company costs and Director fees	9	17,791	1,875
Regulatory and transfer agent fees		13,190	3,080
Share-based payments	8,9	137,847	-
Foreign exchange loss		4,474	(9,598)
<b>Total expenses</b>		<b>(1,485,605)</b>	<b>(149,079)</b>
<b>Net loss</b>		<b>(1,485,605)</b>	<b>(149,079)</b>
Other comprehensive loss			
Exchange difference on translation		(4,281)	-
<b>Total comprehensive loss</b>		<b>\$ (1,489,886)</b>	<b>\$ (149,079)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>		<b>61,960,055</b>	<b>26,378,194</b>

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)  
(Expressed in Canadian Dollars)

	Notes	Share capital		Reserves				Obligation to issue shares	Accumulated other comprehensive loss	Deficit	Total
		Number of shares	Amount	Equity settled employee compensation and warrants	Special warrants	Special broker warrants	Total reserves				
<b>Balance at July 31, 2020</b>		3,624,632	\$ 4,043,706	\$ 708,463	\$ -	\$ -	\$ 708,463	\$ 50,000	\$ (1,051)	\$ (5,032,223)	\$ (231,105)
Shares issued, private placement		26,027,363	4,309,851	-	-	-	-	(50,000)	-	-	4,259,851
Share issuance costs		-	(140,725)	-	-	-	-	-	-	-	(140,725)
Finders warrants		-	(125,023)	-	-	125,023	125,023	-	-	-	-
Shares issued, amalgamation		11,500,000	7,820,000	-	-	-	-	-	-	-	7,820,000
Shares issued, property		109,965	74,776	-	-	-	-	-	-	-	74,776
Debt settlement		807,777	199,924	-	-	-	-	-	-	-	199,924
Net loss		-	-	-	-	-	-	-	-	(149,079)	(149,079)
<b>Balance at October 31, 2020</b>		<b>42,069,737</b>	<b>\$ 16,182,509</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 833,486</b>	<b>\$ -</b>	<b>\$ (1,051)</b>	<b>\$ (5,181,302)</b>	<b>\$ 11,833,642</b>
<b>Balance at July 31, 2021</b>		<b>52,779,663</b>	<b>19,890,739</b>	<b>3,294,210</b>	<b>7,635,722</b>	<b>644,000</b>	<b>11,573,932</b>	<b>40,000</b>	<b>(5,123)</b>	<b>(13,327,482)</b>	<b>18,172,066</b>
Share issuance costs	8	-	-	-	-	-	-	-	-	-	-
Special warrants	8	15,890,886	9,200,000	-	(9,200,000)	-	(9,200,000)	-	-	-	-
Shares issued, exercise of warrants	8	297,908	83,000	-	-	-	-	-	-	-	83,000
Share-based payments	8	-	-	137,847	-	-	137,847	-	-	-	137,847
Exchange difference on translation		-	-	-	-	-	-	-	(4,281)	-	(4,281)
Net loss		-	-	-	-	-	-	-	-	(1,485,605)	(1,485,605)
<b>Balance at October 31, 2021</b>		<b>68,968,457</b>	<b>\$ 29,173,739</b>	<b>\$ 3,432,057</b>	<b>\$(1,564,278)</b>	<b>\$ 644,000</b>	<b>\$ 2,511,779</b>	<b>\$ 40,000</b>	<b>\$ (9,404)</b>	<b>\$ (14,813,087)</b>	<b>\$ 16,903,027</b>

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  
(Expressed in Canadian Dollars)

	<b>For the three months ended October 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Net loss	\$ (1,485,605)	\$ (149,079)
Adjustments for non-cash items:		
Depreciation	438	-
Share-based payments	137,847	-
Unrealized foreign exchange	(4,246)	-
Accrued interest	-	1,100
Changes in non-cash working capital items:		
GST receivable	(94,889)	(14,007)
Prepaid expenses	(418,327)	(343,718)
Accounts payable and accrued liabilities	262,493	91,827
<b>Net cash flows used in operating activities</b>	<b>(1,602,289)</b>	<b>(413,877)</b>
<b>Investing activities</b>		
Exploration and evaluation assets	(240,091)	-
Cash paid for acquisition of subsidiary	(266,694)	-
<b>Net cash flows used in investing activities</b>	<b>(506,785)</b>	<b>-</b>
<b>Financing activities</b>		
Shares issued for cash	-	4,259,851
Share issuance costs	-	(140,725)
Warrants exercised	83,000	-
<b>Net cash flows provided by financing activities</b>	<b>83,000</b>	<b>4,119,126</b>
Increase in cash	(2,026,074)	3,705,249
Cash, beginning of the period	8,341,524	80,060
<b>Cash, end of the period</b>	<b>\$ 6,315,450</b>	<b>\$ 3,785,309</b>
<b>Supplemental disclosure with respect to cash flows:</b>		
Shares issued, amalgamation	\$ -	\$ 7,820,000
Shares issued, property	\$ -	\$ 74,776
Shares issued, debt settlements	\$ -	\$ 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, 2021, the Company had not achieved profitable operations, had a net loss of \$1,485,605 for the period ended October 31, 2021, an accumulated deficit of \$14,813,087 at October 31, 2021 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.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

**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 21, 2021.

***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, 2021.

***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 condensed consolidated interim 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)**

***Functional and presentation currency***

These condensed consolidated interim financial statements are presented in Canadian dollars, the Company's, and its Canadian subsidiary's functional and presentation currency. The functional currency of the Company's US subsidiaries is the US dollar and the Swedish Krona for the Company's Swedish subsidiary.

***Equipment***

Equipment is recognized at cost less accumulated depreciation. The cost includes expenditures that are directly attributable to the acquisition of the equipment. Where parts (components) of an item of equipment have different useful lives or for which different amortization rates are appropriate, they are accounted for as separate items of equipment. Estimates of residual values, methods and useful lives of all assets are assessed annually.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

<b>Asset class</b>	<b>Declining balance rates</b>
Equipment	20% to 30%

Leasehold improvements are recorded at cost net of recoveries and amortized on a straight-line basis over the term of the lease agreement.

***Consolidation***

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

	<b>Country of incorporation</b>	<b>Percentage owned*</b>	
		<b>October 31, 2021</b>	<b>July 31, 2021</b>
Greenhat Mineral Holdings Ltd	U.S.	100%	100%
Greenhat Minerals Holdings (US) Ltd.	U.S.	100%	100%
1257590 B.C. LTD	Canada	100%	100%
Bergby Lithium AB	Sweden	100%	100%

***New accounting standards and interpretations***

New 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**

***Amalgamation***

On August 28, 2020, the Company obtained 100% control over 1263391 B.C. Ltd. ("126 B.C.") by acquiring all issued and outstanding common shares of 126 BC.

On October 13, 2020, the Company, closed an amalgamation between 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. by issuing 11,500,000 common shares of the Company with a fair value of \$7,820,000.

At the transaction date, the Company determined that the acquisition of 125 B.C. did not constitute a business as defined under IFRS 3, 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
<hr/>	
<u>Fair value of net assets acquired</u>	
Exploration and evaluation assets (Note 5)	7,825,752
Accounts payable & accrued liabilities	(5,752)
	<hr/>
	\$ 7,820,000
<hr/>	

***Acquisition of Bergby Lithium AB***

On April 29, 2021 the Company acquired from Leading Edge Materials ("Leading Edge") and its subsidiaries Tasman Metals AB ("Tasman") and Tasman Metals Ltd., all of the issued and outstanding share capital of Bergby Lithium AB ("Bergby"). Bergby holds a 100% interest in and to the mining licenses comprising of the Bergby Lithium project ("Bergby Lithium Project"), located in Sweden. Total consideration as follows:

- a) Cash of \$250,000 paid at the closing date;
- b) 1,031,864 common shares issued by the Company at the closing date subject to an escrow restriction whereby 20% of such shares shall be released after each subsequent four-month period following the closing date; The fair value of the shares issued was estimated using Black-Scholes Option Pricing Model that estimates the discount related to the lack of marketability of the shares from the contractual restriction.
- c) 400,000 common share purchase warrants issued by the Company at the closing date. Each share purchase warrant entitling the holder thereof to acquire one common share of the Company at an exercise price of \$0.485 for a period of 36 months;
- d) Payment of an additional \$250,000 in cash on the date that is six months following the closing date; (Paid).



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**3. Acquisition and Amalgamation (cont'd)**

***Acquisition of Bergby Lithium AB (cont'd)***

*Purchase Price*

Cash consideration	\$	250,000
Consideration payable (Note 7)		250,000
Fair value of the 1,031,864 common shares issued (Note 8)		468,857
Fair value of 400,000 warrants issued (Note 8)		358,980
	<b>\$</b>	<b>1,327,837</b>

*Fair value of assets and liabilities purchased*

Cash	\$	1,332
Receivables		123
Exploration and evaluation assets (Note 5)		1,343,076
Accounts payable and accrued liabilities		(16,694)
	<b>\$</b>	<b>1,327,837</b>

At the transaction date, the Company determined that acquisition of Bergby did not constitute a business as defined under IFRS 3, 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. In addition to the purchase price, the Company spent \$81,670 in legal fees as part of the transaction cost.

The Company did commit to Leading Edge to exercise reasonable commercial efforts toward spending \$1,000,000 on exploration work on the Project within 18 months from the closing date.

**4. Prepaid expenses**

Prepaid expenses consist of the following:

	<b>October 31, 2021</b>	<b>July 31, 2021</b>
Insurance	\$ 6,581	\$ 10,532
Consulting	35,000	60,000
Marketing	1,118,794	671,516
<b>Total prepaid expenses</b>	<b>\$ 1,160,375</b>	<b>\$ 742,048</b>

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**5. Exploration and evaluation assets**

The following is a description of the Company's exploration and evaluation assets for the period ended October 31, 2021:

	<b>Barbara Lake Lithium Property</b>	<b>Bergby Lithium Project</b>	<b>Totals</b>
<b>Balance, beginning</b>	\$ 8,123,815	\$ 1,485,083	\$ 9,608,898
Acquisition costs (Note 3)	-	1,163	1,163
Exploration costs	-	278,928	278,928
<b>Balance, ending</b>	<b>\$ 8,123,815</b>	<b>\$ 1,765,174</b>	<b>0</b>

***Barbara Lake Lithium Property***

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 acquired 125 B.C.'s option ("Option") to acquire up to 100% of Barbara Lake Lithium Property (the "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.

The Option will be exercisable as follows:

Payments

- Payment of \$40,000 in cash to the property owner by July 30, 2020 (paid – November 10, 2020);
- Payment of \$40,000 in cash to the property owner by July 30, 2021; (Paid – November 15, 2021) (Note 10)
- 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 within 10 business days at the date of closing (109,965 common shares issued on October 13, 2020) (Note 8);
- Issue to the property owner such number of the Company's shares as equal to \$40,000, by July 31, 2021 (issued – November 15, 2021) (Note 10); 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; (completed)
- 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.

***Bergby Lithium Project***

On April 29, 2021, the Company completed the acquisition of 100% of the issued and outstanding share capital of Bergby, for total consideration of \$1,327,837 (Note 3). Bergby holds a 100% interest in and to the mining licenses comprising the Bergby Lithium Project, located in Sweden.

On April 29, 2021 (the closing date), the Company and Leading Edge entered into a royalty agreement wherein Leading Edge shall be entitled to a 2% net smelter returns royalty on the Bergby Lithium Project, which shall be subject to a buyback right for \$1,000,000.

5. **Exploration and evaluation assets** (cont'd)

**Bergby Lithium Project** (cont'd)

In the event Leading Edge acquiring certain additional mineral claims in the region of the Bergby Lithium Project prior to March 21, 2021 (the "Bonus Date"), the issuance of such additional number of common share purchase warrants ("Bonus Warrants") as is equal to \$250,000 divided by the 10- day volume weighted average trading price of the purchaser shares on the Canadian Securities Exchange (CSE) as of the date immediately preceding the Bonus Date (the "Bonus Price") with each Bonus Warrant entitling Leading Edge Materials to acquire, for a period of 36 months, one share at an exercisable price equal to the Bonus Price. As of July 31, 2021 year-end (Bonus Date) the Company did not acquire additional mineral claims and therefore \$250,000 is not accrued at year-end.

**Harry and Vapor Projects**

On October 30, 2020 ("Effective Date"), the Company entered into an earn-in 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.

The Company decided not to proceed with the agreement with WML.

6. **Equipment**

	<b>Equipment</b>
<b>Cost</b>	
Balance July 31, 2021	\$ 8,754
Additions	-
<b>Balance October 31, 2021</b>	<b>\$ 8,754</b>
<b>Amortization</b>	
Balance July 31, 2021	\$ -
Additions	438
<b>Balance October 31, 2021</b>	<b>\$ 438</b>
<b>Net book value</b>	
<b>Balance July 31, 2021</b>	<b>8,754</b>
<b>Balance October 31, 2021</b>	<b>\$ 8,316</b>

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**7. Accounts payable and accrued liabilities**

	<b>October 31, 2021</b>	<b>July 31, 2021</b>
Accounts payable (Note 3)	\$ 636,645	\$ 554,804
Amounts due to related parties (Note 9)	21,000	28,050
Accrued liabilities	45,489	84,481
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 703,134</b>	<b>\$ 667,335</b>

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. On October 22, 2021, the Company paid \$250,000 related to Bergby acquisition as per agreement.

**8. Share capital and reserves**

***Authorized share capital***

An unlimited number of common shares without par value.

***Issued share capital***

At October 31, 2021, there were 68,968,457 (July 31, 2021 – 52,779,663) issued and fully paid common shares, of which a total of 1,031,864 common shares were held in escrow to be released in five tranches every four months from the closing date of the Bergby acquisition transaction (Note 3). As at October 31, 2021 825,491 shares were held in escrow.

On September 9 2021, the Company converted 13,939,394 special warrants in connection with the March 8, 2021 private placement at a rate of 1.14 resulting in issuance of 15,890,886 shares and 7,945,435 warrants with exercise price of \$0.85 until March 8, 2023.

During the period ended October 31, 2021, 297,908 warrants were exercised for gross proceeds of \$83,000.

During the period ended October 31, 2021, no options were exercised.

***Reserves***

Company reserves are made of equity settle employee compensation and warrants, special warrants, and special broker warrants

***a. 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 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

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

**Reserves** (cont'd)

**a. Stock options** (cont'd)

outstanding shares of the Company at the time of the grant and the term of any stock option will not exceed ten years.

The equity settled employee compensation and warrants reserve record items recognized as share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount is transferred to share capital.

During the period ended October 31, 2021, the Company granted Nil (2021 – 4,200,000) stock options.

The following table summarizes information about the stock option transactions for the period ended October, 2021:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, July 31, 2021	3,678,568	0.85
Balance, October 31, 2021	3,678,568	0.85

Stock options outstanding at October 31, 2021 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
500,000	500,000	0.82	January 8, 2023
1,000,000	1,000,000	0.86	February 8, 2023
28,568	28,568	3.50	July 9, 2023
1,450,000	1,175,000	0.64	November 6, 2025
300,000	150,000	1.11	February 19, 2026
250,000	125,000	1.18	February 19, 2026
150,000	75,000	1.22	March 17, 2026
3,678,568	3,053,568		

**b. Warrants**

The following table summarizes information about the warrant transactions for the period ended October 31, 2021:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, July 31, 2021	11,293,308	0.26
Issued	7,958,389	0.85
Exercised	(272,000)	0.25
Balance, October 31, 2021	18,979,697	0.51

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

**Reserves** (cont'd)

c. **Warrants** (cont'd)

Warrants outstanding at October 31, 2021 are as follows:

Number of Warrants	Exercise Price (\$)	Expiry Date
10,532,796	0.25	August 18, 2022
88,512	0.35	September 9, 2022
7,958,389	0.85	March 8, 2023
400,000	0.49	April 29, 2024
<b>18,979,697</b>		

In connection with the March 8, 2021, special warrants indenture 7,945,435 warrants were issued. Each warrant gives the holder the right to acquire one share of the Company at a price of \$0.85 for a term of two years until March 8, 2023

d. **Special warrants and special broker warrants**

On September 9 2021, the Company converted 13,939,394 special warrants in connection with the March 8, 2021 private placement at a rate of 1.14 resulting in issuance of 15,890,886 shares and 7,945,435 warrants with exercise price of \$0.85 until March 8, 2023.

As at July 31, 2021 9 During the period ended October 31, 2021, 25,908 special broker warrants were exercised for proceeds of \$15,000 and 953,030 remain outstanding.

9. **Related party transactions**

**Balances**

As at October 31, 2021, \$178,882 (October 31, 2020 - \$84,000) is due to related parties and is included in trade payables and accrued liabilities (Note 7). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

**Transactions**

During the three months ended October 31, 2021, and 2020 the following amounts were incurred with directors and officers of the Company:

	October 31, 2021	October 31, 2020
Director fees	\$ 12,000	\$ -
Management fees to the CEO	24,000	84,000
Consulting fees to the CFO	21,000	-
Share-based payments	121,882	-
	<b>\$ 178,882</b>	<b>\$ 84,000</b>

## 10. 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. The Company is exposed to foreign currency exchange risk as it expenses and liabilities denominated in currencies other than the functional currency of the Company and its subsidiaries.

The Company's reporting currency is the Canadian dollar, and the Company has significant Swedish Krona ("SEK") operations with SEK as functional currency.

As at October 31, 2021, the Company had the following US dollar and SEK denominated assets and liabilities:

	October 31, 2021		July 31, 2021	
	US Dollars	Swedish Krona	US Dollars	Swedish Krona
Cash	\$ 17,009	\$ 197,312	\$ 17,138	\$ 383,131
Accounts payable and accrued liabilities	-	(77,022)	-	(101,231)
Loan payable	-	-	-	(16,489)
<b>Total</b>	<b>\$ 17,009</b>	<b>\$ 120,290</b>	<b>\$ 17,138</b>	<b>\$ 265,411</b>

As at October 31, 2021, a 10% change in exchange rates between US dollars, SEK and Canadian dollar would impact the Company's net income (loss) by \$13,730 (July 31, 2021 – \$28,255).

**10. 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 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, 2021.

***Fair value***

The Company's financial instruments consist of cash, amounts receivable, accounts payable, and loans payable. 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.

**11. Subsequent events**

- a. On November 1, 2021, the Company settled an aggregate of \$226,800 in debt through the issuance of 684,848 common shares of the Company with a fair value of \$318,454 (Note 10). The Company recognized a loss on debt settlement of \$92,454 as a result of the transaction.
- b. On November 15, 2021, the Company paid cash of \$40,000 and issued 57,971 common shares valued at \$40,000 in relation to the Barbara Lake acquisition (Note 5).
- c. On December 15, 2021, the Company entered into a definitive agreement (the "Agreement") with Sunstone Metals Limited ("Sunstone"), Scandian Metal Pty Ltd., Scandian Metals AB and Litiumlöydös Oy ("Litiumlöydös") to acquire (the "Acquisition") 83.6% of the issued and outstanding share capital of Litiumlöydös, a Finland company which holds a 100% interest in and to the mining licenses comprising the Kietyönmäki Lithium project (the "Project") located in the Kietyönmäki lithium prospect.

The Consideration for the Acquisition is comprised of an aggregate of \$420,000 in cash and 697,442 common shares in the capital of ULTH (the "ULTH Shares"). The ULTH Shares will be issued at a deemed price of \$0.6022 per share and subject to an escrow restriction whereby 70% of such ULTH Shares shall be released four (4) months following the closing date of the Acquisition (the "Closing Date"), and the remaining 30% ULTH Shares shall be released eight (8) months following the Closing Date.



**11. Subsequent events** (cont'd)

- d. On December 15, 2021, 100,000 warrants were exercised for proceeds of \$25,000.
- e. On December 16, 2021 the Company announced that it has filed its final short form base shelf prospectus (the "Final Shelf Prospectus") with the securities commissions in each of the provinces and territories of Canada and received a final receipt in respect thereof.

The Final Shelf Prospectus allows the Company to offer and issue up to \$150,000,000 of common shares, warrants, subscription receipts, units, debt securities, or any combination of such securities (collectively, the "Securities") during the 25-month period that the Final Shelf Prospectus remains effective. The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and, subject to applicable regulations, may include "at-the-market distributions" (as such term is defined in National Instrument 44-102 – Shelf Distributions), public offerings or strategic investments.

The specific terms of any offering of Securities (an "Offering"), including the use of proceeds from any Offering, will be set forth in any one or more prospectus supplement(s) to be filed with applicable securities regulators in connection with any such Offering(s).