

**United Lithium Corp.**  
**(formerly United Battery Metals Corp.)**  
**Condensed Consolidated Interim Financial Statements**  
**Nine Months Ended April 30, 2022 and 2021**  
**(Expressed in Canadian Dollars)**

**These unaudited condensed consolidated interim financial statements of United Lithium Corp. (formerly United Battery Metals Corp.) for the nine months ended April 30, 2022, 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  
(Expressed in Canadian Dollars)

	Notes	April 30, 2022	July 31, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 4,012,271	\$ 8,341,524
Amounts receivable		263,560	130,922
Prepaid expenses	4	297,402	742,048
		4,573,233	9,214,494
<b>Non-current assets</b>			
Exploration and evaluation assets	3,5	11,542,921	9,608,898
Equipment	6	7,441	8,754
Long term prepaid expenses		6,530	7,255
<b>TOTAL ASSETS</b>		<b>\$ 16,130,125</b>	<b>\$ 18,839,401</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7,9	\$ 856,018	\$ 667,335
<b>TOTAL LIABILITIES</b>		<b>856,018</b>	<b>667,335</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	8	28,748,472	19,890,739
Reserves	8	5,576,534	11,573,932
Obligation to issue shares	8	-	40,000
Accumulated other comprehensive loss		(34,597)	(5,123)
Deficit		(19,015,851)	(13,327,482)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>15,274,558</b>	<b>18,172,066</b>
Non-controlling interest	3,10	(451)	-
<b>TOTAL EQUITY</b>		<b>15,274,107</b>	<b>18,172,066</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>\$ 16,130,125</b>	<b>\$ 18,839,401</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 12)

Approved and authorized on behalf of the Board on June 28, 2022:

\_\_\_\_\_  
"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)

	Notes	Three months ended April 30, 2022	Three months ended April 30, 2021	Nine months ended April 30, 2022	Nine months ended April 30, 2021
<b>Expenses</b>					
Depreciation		\$ 438	\$ -	\$ 1,313	\$ -
General and administration		17,625	4,179	82,756	7,468
Investor relations		83,173	14,351	122,742	43,437
Management and consulting fees	9	60,605	89,224	307,749	246,749
Marketing		326,302	2,379,572	2,035,346	3,030,177
Professional fees		82,212	110,653	464,012	245,273
Project generation		478,611	7,081	739,170	48,081
Public company costs and Director fees	9	16,088	8,567	49,828	12,317
Regulatory and transfer agent fees		27,305	8,568	56,533	17,891
Share-based payments	8,9	56,604	1,134,787	1,638,321	2,230,006
Foreign exchange loss		3,944	411	10,420	(2,393)
Total expenses		(1,152,907)	(3,757,393)	(5,508,190)	(5,879,006)
Impairment of evaluation and exploration assets					
Transaction costs	3	(28,433)	(63,865)	(88,176)	(80,931)
Loss on settlement of debt	7	-	-	(92,454)	(294,333)
<b>Net loss</b>		<b>\$ (1,181,340)</b>	<b>\$ (3,821,258)</b>	<b>\$ (5,688,820)</b>	<b>\$ (6,254,270)</b>
<b>Loss attributable to:</b>					
Shareholders of the parent company		(1,180,889)	(3,821,258)	(5,688,369)	(6,254,270)
Non-controlling interest	3,10	(451)	-	(451)	-
		<b>\$ (1,181,340)</b>	<b>\$ (3,821,258)</b>	<b>\$ (5,688,820)</b>	<b>\$ (6,254,270)</b>
<b>Other comprehensive loss</b>					
Foreign currency translation loss attributed to equity shareholders of the parent company		(12,407)	91	(29,474)	91
<b>Total comprehensive loss</b>		<b>\$ (1,193,747)</b>	<b>\$ (3,821,167)</b>	<b>\$ (5,718,294)</b>	<b>\$ (6,254,179)</b>
<b>Basic and diluted loss per share</b>		<b>(0.02)</b>	<b>(0.08)</b>	<b>(0.08)</b>	<b>(0.16)</b>
<b>Weighted average number of common shares outstanding</b>		<b>71,362,147</b>	<b>47,936,748</b>	<b>67,673,225</b>	<b>38,704,772</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	Non-controlling Interest	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		-	(101,874)	-	-	-	-	-	-	-	-	(101,874)
Finders warrants		-	(102,062)	102,062	-	-	102,062	-	-	-	-	-
Special warrants		-	-	-	9,200,000	-	9,200,000	-	-	-	-	9,200,000
Special warrants issuance cost		-	-	-	(835,686)	-	(835,686)	-	-	-	-	(835,686)
Special broker warrants		-	-	-	(644,000)	644,000	-	-	-	-	-	-
Shares issued, amalgamation		11,500,000	7,820,000	-	-	-	-	-	-	-	-	7,820,000
Shares issued, property		1,141,829	543,633	-	-	-	-	-	-	-	-	543,633
Warrants issued, property		-	-	358,980	-	-	358,980	-	-	-	-	358,980
Debt settlement		807,777	533,133	-	-	-	-	-	-	-	-	533,133
Shares issued, exercise of options		400,000	256,000	-	-	-	-	-	-	-	-	256,000
Shares issued, exercise of warrants		8,544,962	2,136,331	-	-	-	-	-	-	-	-	2,136,331
Reallocation for options exercised		-	239,899	(239,899)	-	-	(239,899)	-	-	-	-	-
Reallocation for warrants exercised		-	537	(537)	-	-	(537)	-	-	-	-	-
Share-based payments		-	-	2,230,006	-	-	2,230,006	-	-	-	-	2,230,006
Exchange difference on translation		-	-	-	3	-	3	-	88	-	-	91
Net loss		-	-	-	-	-	-	-	-	-	(6,254,270)	(6,254,270)
<b>Balance at April 30, 2021</b>		<b>52,046,563</b>	<b>\$ 19,679,154</b>	<b>\$ 3,159,075</b>	<b>\$ 7,720,317</b>	<b>\$ 644,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(963)</b>	<b>\$ -</b>	<b>\$ (11,286,493)</b>	<b>\$ 19,915,090</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>-</b>	<b>(13,327,482)</b>	<b>18,172,066</b>
Share issuance costs	8	-	(1,564,281)	-	1,564,281	-	1,564,281	-	-	-	-	-
Special warrants conversion	8	15,890,886	9,200,000	-	(9,200,000)	-	(9,200,000)	-	-	-	-	-
Shares issued, property	3,5,8	929,774	460,000	-	-	-	-	(40,000)	-	-	-	420,000
Shares issued, exercise of warrants	8	1,722,623	443,559	-	-	-	-	-	-	-	-	443,559
Shares issued, debt settlements	6,8	684,848	318,455	-	-	-	-	-	-	-	-	318,455
Share-based payments	8	-	-	1,638,321	-	-	1,638,321	-	-	-	-	1,638,321
Exchange difference on translation		-	-	-	-	-	-	-	(29,474)	-	-	(29,474)
Net loss		-	-	-	-	-	-	-	-	(451)	(5,688,369)	(5,688,820)
<b>Balance at April 30, 2022</b>		<b>72,007,794</b>	<b>\$ 28,748,472</b>	<b>\$ 4,932,531</b>	<b>\$ 3</b>	<b>\$ 644,000</b>	<b>\$ 5,576,534</b>	<b>\$ -</b>	<b>(34,597)</b>	<b>\$ (451)</b>	<b>\$ (19,015,851)</b>	<b>\$ 15,274,107</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)

	Nine months ended April 30, 2022	Nine months ended April 30, 2021
<b>Operating activities</b>		
Net loss	\$ (5,688,820)	\$ (6,254,270)
Adjustments for non-cash items:		
Depreciation	1,313	-
Share-based payments	1,638,321	2,230,006
Loss on settlement of debt	92,454	294,333
Unrealized foreign exchange	(28,749)	(69)
Accrued interest	-	2,104
Changes in non-cash working capital items:		
GST receivable	(132,638)	(67,801)
Prepaid expenses	444,646	(936,366)
Accounts payable and accrued liabilities	681,378	190,693
<b>Net cash flows used in operating activities</b>	<b>(2,992,095)</b>	<b>(4,541,370)</b>
<b>Investing activities</b>		
Exploration and evaluation assets	(1,514,023)	(40,000)
Cash paid for acquisition of subsidiary	(266,694)	(250,000)
Cash acquired from acquisition of subsidiary	-	1,332
<b>Net cash flows used in investing activities</b>	<b>(1,780,717)</b>	<b>(288,668)</b>
<b>Financing activities</b>		
Shares issued for cash	-	4,259,851
Share issuance costs	-	(101,873)
Options exercised	-	256,000
Warrants exercised	443,559	2,136,331
Special warrants issued for cash	-	9,200,000
Special warrants issuance costs	-	(793,504)
Repayment of loans	-	(58,007)
<b>Net cash flows provided by financing activities</b>	<b>443,559</b>	<b>14,898,798</b>
<b>Foreign exchange impact on cash</b>	<b>-</b>	<b>-</b>
Increase in cash	(4,329,253)	10,068,760
Cash, beginning of the period	8,341,524	80,060
<b>Cash, end of the period</b>	<b>\$ 4,012,271</b>	<b>\$ 10,148,820</b>
<b>Supplemental disclosure with respect to cash flows:</b>		
Shares issued, amalgamation	\$ -	\$ 7,820,000
Shares issued, property	\$ 460,000	\$ 1,106,640
Warrants issued, property	\$ -	\$ (42,183)
Shares issued, debt settlements	\$ 318,455	\$ 533,133

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 750 West Pender Street, Suite 401, Vancouver, British Columbia, Canada, V6C 2T7. The Company’s registered and records office address is 750 West Pender Street, Suite 401, Vancouver, British Columbia, Canada, V6C 2T7.

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 April 30, 2022, the Company had not achieved profitable operations, had a net loss of \$5,688,820 for the period ended April 30, 2022, an accumulated deficit of \$19,015,851 at April 30, 2022 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 June 27, 2022.

***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>April 30, 2022</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%
Litiumloydos Oy	Finland	83.6%	0%

***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

***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; and
- d) Payment of an additional \$250,000 in cash on the date that is six months following the closing date; (Paid).

United Lithium Corp. (formerly United Battery Metals Corp.)  
Notes to the Condensed Consolidated Interim Financial Statements  
For the nine months ended April 30, 2022 and 2021  
(Expressed in Canadian Dollars)

**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.

***Acquisition of Litiumlöydös Oy - Finland***

On February 14, 2022, the Company completed the acquisition of 83.6% of the issued and outstanding share capital of Litiumlöydös, for total consideration of \$840,000. Litiumlöydös holds a 100% interest in and to the mining licenses comprising the Kietyönmäki Lithium project located in the Kietyönmäki lithium prospect, Finland. Total consideration as follow:

(a) paid \$420,000 in cash; and

(b) issued 871,803 common shares in the capital of ULTH (each, a "ULTH Share") at a deemed price of approximately \$0.48 per ULTH Share. The ULTH Shares are escrowed and released over an 8-month period, whereby 70% of such ULTH Shares will be released on June 11, 2022, and the remaining 30% ULTH Shares will be released on October 11, 2022.

At the transaction date, the Company determined that the acquisition of Litiumlöydös 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.

United Lithium Corp. (formerly United Battery Metals Corp.)  
Notes to the Condensed Consolidated Interim Financial Statements  
For the nine months ended April 30, 2022 and 2021  
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3. **Acquisition and Amalgamation** (cont'd)

**Acquisition of Litiumlöydös Oy – Finland** (cont'd)

Purchase Price

Cash consideration	\$	420,000
Fair value of the 871,803 common shares issued (Note 8)		420,000
	<b>\$</b>	<b>840,000</b>

Fair value of assets and liabilities purchased

Cash	\$	14,527
Receivables		560
Exploration and evaluation assets (Note 5)		824,913
	<b>\$</b>	<b>840,000</b>

4. **Prepaid expenses**

Prepaid expenses consist of the following:

	<b>April 30,</b>		<b>July 31,</b>
	<b>2022</b>		<b>2021</b>
Insurance	\$ 15,994	\$	10,532
Consulting	15,000		60,000
Marketing	266,408		671,516
Total prepaid expenses	\$ 297,402	\$	742,048

5. **Exploration and evaluation assets**

The following is a description of the Company's exploration and evaluation assets for the period ended April 30, 2022:

	<b>Barbara Lake</b>	<b>Bergby Lithium</b>	<b>Litiumloydos Oy</b>	
	<b>Lithium Property</b>	<b>Project</b>	<b>Project</b>	<b>Totals</b>
<b>Balance, beginning</b>	\$ 8,123,815	\$ 1,485,083	\$ -	\$ 9,608,898
Acquisition costs	-	1,163	824,913	826,076
Exploration costs	-	1,107,947	-	1,107,947
<b>Balance, ending</b>	<b>\$ 8,123,815</b>	<b>\$ 2,594,193</b>	<b>\$ 824,913</b>	<b>\$ 11,542,921</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.

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

***Barbara Lake Lithium Property*** (Cont'd)

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);
- 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);
- 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); 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.

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. During the year ended July 31, 2021, the Company did not acquire additional mineral claims and \$250,000 Bonus Warrants were not accrued.

***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;

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5. Exploration and evaluation assets (cont'd)

*Harry and Vapor Projects* (Cont'd)

- 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.

*Litiumlöydös Oy – Kietyönmäki Lithium project*

On February 14, 2022, the Company completed the acquisition of 83.6% of the issued and outstanding share capital of Litiumlöydös, for total consideration of \$840,000 (Note 3). Litiumlöydös holds a 100% interest in and to the mining licenses comprising the Kietyönmäki Lithium project located in the Kietyönmäki lithium prospect, Finland.

6. Equipment

	Equipment	Total
<b>Cost</b>		
Balance July 31, 2021	\$ 8,754	\$ 8,754
Additions	-	-
<b>Balance April 30, 2022</b>	<b>\$ 8,754</b>	<b>\$ 8,754</b>
<b>Amortization</b>		
Balance July 31, 2021	\$ -	-
Additions	1,313	1,313
<b>Balance April 30, 2022</b>	<b>\$ 1,313</b>	<b>\$ 1,313</b>
<b>Net book value</b>		
<b>Balance July 31, 2021</b>	<b>8,754</b>	<b>8,754</b>
<b>Balance April 30, 2022</b>	<b>\$ 7,441</b>	<b>\$ 7,441</b>

7. Accounts payable and accrued liabilities

	April 30, 2022	July 31, 2021
Accounts payable (Note 3)	\$ 568,273	\$ 554,804
Amounts due to related parties (Note 9)	45,000	28,050
Accrued liabilities	242,745	84,481
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 856,018</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. (Note 3).

**7. Accounts payable and accrued liabilities (cont'd)**

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 \$318,455. The Company recognized a loss on debt settlement of \$92,454 as a result of the transaction.

**8. Share capital and reserves**

***Authorized share capital***

An unlimited number of common shares without par value.

***Issued share capital***

At April 30, 2022, there were 72,007,794 (July 31, 2021 – 52,779,663) issued and fully paid common shares, of which a total of 1,490,922 shares were held in escrow (“Escrow Shares”). Of the 1,490,922 Escrow Shares, 1,031,864 of the Escrow Shares were held since April 29, 2021 to be released in five tranches every four months from the closing date of the Bergby acquisition transaction (Note 3), and 871,803 shares were added on February 14, 2022 in relation to Litiumlöydös acquisition (Note 3) to be released over an 8-month period.

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

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).

During the period ended April 30, 2022, 1,722,623 warrants were exercised for gross proceeds of \$443,559.

During the period ended April 30, 2022, no options were exercised.

During the period ended April 30, 2022 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 \$318,455 (Note 7).

During the period ended April 30, 2022 the Company issued 929,774 common shares in relation to acquisition of property.

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

**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 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.

The following table summarizes information about the stock option transactions for the period ended April 30, 2022:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, July 31, 2021	3,678,568	0.85
Stock options granted	2,550,000	0.60
Balance, April 30, 2022	6,228,568	0.75

Stock options outstanding at April 30, 2022 are as follows:

<b>Number of Options Outstanding</b>	<b>Number of Options Exercisable</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
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	300,000	1.11	February 19, 2026
250,000	250,000	1.18	February 19, 2026
150,000	150,000	1.22	March 17, 2026
2,550,000	2,550,000	0.60	December 23, 2026
6,228,568	5,953,568		

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

**Reserves** (cont'd)

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

During the period ended April 30, 2022, the Company granted 2,550,000 (2021 – 4,200,000) stock options with a weighted average fair value of \$0.60 (2021 - \$0.80) per option. The Company recorded share-based payments of \$1,638,321 (April 30, 2021 - \$2,330,006) relating to options vested during the period.

The fair value of options granted was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	April 30, 2022	July 31, 2021
Risk-free interest rate	1.23%	0.34%
Expected life	5 years	3.93 years
Estimated volatility	152.56%	154.55%
Dividend rate	N/A	N/A

**b. Warrants**

The following table summarizes information about the warrant transactions for the period ended April 30,

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, July 31, 2021	11,293,308	0.26
Issued	7,958,389	0.85
Exercised	(1,696,715)	0.25
Balance, April 30, 2022	17,554,982	0.53

2022:

Warrants outstanding at April 30, 2022 are as follows:

	Number of Warrants	Exercise Price (\$)	Expiry Date
	9,151,887	0.25	August 18, 2022
	44,706	0.35	September 9, 2022
	7,958,389	0.85	March 8, 2023
	400,000	0.49	April 29, 2024
	17,554,982		

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.



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

*c. 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. At time of conversion the \$1,564,281 of special warrants share issuance cost were transferred to regular share issuance cost.

During the period ended April 30, 2022, 25,908 special broker warrants were exercised for proceeds of \$15,000 and 953,030 remain outstanding.

9. **Related party transactions**

**Balances**

As at April 30, 2022, \$45,000 (April 30, 2021 - \$8,000) 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 nine months ended April 30, 2022 and 2021 the following amounts were incurred with directors and officers of the Company:

	April 30, 2022	April 30, 2021
Director fees	\$ 36,000	\$ 6,000
Management fees to the CEO	130,000	132,000
Management fees to the CFO	125,000	55,000
Share-based payments	1,146,070	882,201
	<b>\$ 1,437,070</b>	<b>\$ 1,075,201</b>

10. **Non-controlling Interest**

On February 14, 2022, the Company completed the acquisition of 83.6% of the issued and outstanding share capital of Litiumlöydös, for total consideration of \$840,000 (Note 3).

As at April 30, 2022, the Company holds 83.6% (July 31, 2021 – Nil) interest in Litiumlöydös resulting in 16.4% ownership interest held by non-controlling shareholders.

Reconciliation of non-controlling interest as follows:

	April 30, 2022	July 31, 2021
Balance, beginning	\$ -	\$ -
Share in net loss	(451)	-
<b>Balance, ending</b>	<b>\$ (451)</b>	<b>\$ -</b>

## 11. 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 April 30, 2022, the Company had the following US dollar, Euro, and SEK denominated assets and liabilities:

	April 30, 2022			July 31, 2021		
	Euros	US Dollars	Swedish Krona	Euros	US Dollars	Swedish Krona
Cash	\$ 13,609	\$ 17,523	\$ 443,308	\$ -	\$ 17,138	\$ 383,131
Accounts payable and accrued liabilities	4,130	169,317	(241,960)	-	-	(101,231)
Loan payable	-	-	-	-	-	(16,489)
<b>Total</b>	<b>\$ 17,739</b>	<b>\$ 186,840</b>	<b>\$ 201,348</b>	<b>\$ -</b>	<b>\$ 17,138</b>	<b>\$ 265,411</b>

As at April 30, 2022, a 10% change in exchange rates between Euro, US dollars, SEK and Canadian dollar would impact the Company's net income (loss) by \$40,593 (July 31, 2021 – \$28,255).

**11. 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 April 30, 2022.

***Fair value***

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

**12. Subsequent events**

On May 3, 2022, the Company announced that it has established a large land position in an historic lithium-beryllium producing area near Custer, South Dakota. The Company has staked over 500 unpatented lode claims covering more than 15 square miles (nearly 40 square kilometers) in the west and southwest parts of the Black Hills. The "Liberty Lithium Project" hosts numerous pegmatite bodies, many of which were mined for Li-Be during World War II. United Lithium's claims include or are immediately adjacent all of the Li-Be producing properties (if the property is privately owned) from this era. A reconnaissance rock chip sampling program was carried out in conjunction with the staking program to identify new areas for detailed field work. Samples have been submitted to the laboratory and assays are awaited.