United Lithium Corp.

Condensed Consolidated Interim Financial Statements

Six Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)

These unaudited condensed consolidated interim financial statements of United Lithium Crop. for the six months ended January 31, 2023, 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.

(Unaudited - Expressed in Canadian Dollars)

	Notes		January 31, 2023		July 31, 2022
ASSETS					
Current assets					
Cash		$	307,602	$	2,304,833
Amounts receivable			229,025		191,070
Prepaid expenses	3		85,292		79,049
			621,919		2,574,952
Non-current assets					
Exploration and evaluation assets	4		14,652,763		13,186,342
Equipment	5		6,128		7,003
Long term prepaid expenses			6,423		6,290
TOTAL ASSETS		**$**	**15,287,233**	**$**	**15,774,587**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	6,8	$	446,394	$	580,757
TOTAL LIABILITIES			446,394		580,757
SHAREHOLDERS' EQUITY					
Share capital	7		29,120,602		28,748,472
Reserves	7		6,797,397		5,621,576
Obligation to issue shares	7		-		50,000
Accumulated other comprehensive income (loss)			40,134		(27,620)
Deficit			(21,113,132)		(19,197,381)
TOTAL SHAREHOLDERS' EQUITY			**14,845,001**		15,195,047
Non-controlling interest	9		(4,162)		(1,217)
TOTAL EQUITY			**14,840,839**		15,193,830
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**15,287,233**	**$**	**15,774,587**

Nature of operations and going concern (Note 1)
Subsequent event (Note 11)

Approved and authorized on behalf of the Board on March 31, 2023:

"Aman Parmar" Director "Scott Eldridge" Director

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

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended January 31, 2023	Three months ended January 31, 2022	Six months ended January 31, 2023	Six months ended January 31, 2022
Expenses					
Depreciation	5	$ 438	$ -	$ 2,626	$ 875
General and administration		45,970	21,182	78,884	65,131
Investor relations		32,891	28,569	59,266	39,569
Management and consulting fees	8	35,329	185,889	104,329	247,144
Marketing		-	731,085	36,000	1,709,044
Professional fees		118,430	238,123	198,919	381,800
Project generation		67,367	186,534	86,492	260,559
Public company costs and director fees	8	16,362	15,949	32,724	33,740
Regulatory and transfer agent fees		15,542	16,038	35,473	29,228
Share-based payments	7,8	425,308	1,443,870	1,245,160	1,581,717
Foreign exchange loss		25,498	2,002	38,823	6,476
Total expenses		(783,135)	(2,869,241)	(1,918,696)	(4,355,283)
Other items					
Impairment of evaluation and exploration assets		-	-	-	-
Transaction costs		-	(59,743)	-	(59,743)
Loss on settlement of debt		-	(92,454)	-	(92,454)
Net loss		**$ (783,135)**	**$ (3,021,438)**	**(1,918,696)**	**(4,507,480)**
Loss attributable to:					
Shareholders of the parent company		(780,190)	(3,021,875)	(1,915,751)	(4,507,480)
Non-controlling interest	4,9	(2,945)	-	(2,945)	-
		$ (783,135)	$ (3,021,875)	**$ (1,918,696)**	$ (4,507,480)
Other comprehensive loss					
Foreign currency translation loss attributed to equity shareholders of the parent company		92,334	(12,786)	67,754	(17,067)
Total comprehensive loss		**$ (690,801)**	**$ (3,034,661)**	**$ (1,850,942)**	**$ (4,524,547)**
Basic and diluted loss per share		**(0.01)**	**(0.04)**	**(0.03)**	**(0.07)**
Weighted average number of common shares outstanding		**73,223,127**	**69,817,763**	**73,040,457**	**65,888,909**

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

(Unaudited - Expressed in Canadian Dollars)

		Share capital		Reserves								
	Notes	Number of shares	Amount	Equity settled employee compensation and warrants	Special warrants	Special broker warrants	Total reserves	Obligation to issue shares	Accumulated other comprehensive income (loss)	Non-controlling Interest	Deficit	Total
Balance at July 31, 2021		52,779,663	$19,890,739	$ 3,294,210	$ 7,635,722	$644,000	$ 11,573,932	$ 40,000	$ (5,123)	$ -	$ (13,327,482)	$18,172,066
Share issuance costs		-	(1,564,281)	-	1,564,281	-	1,564,281	-	-	-	-	-
Finders' warrants		25,908	15,000	-	-	-	-	-	-	-	-	15,000
Special warrants		15,890,886	9,200,000	-	(9,200,000)	-	(9,200,000)	-	-	-	-	-
Shares issued, property		57,971	40,000	-	-	-	-	(40,000)	-	-	-	-
Shares issued, exercise of warrants		615,806	158,332	-	-	-	-	-	-	-	-	158,332
Shares issued, debt settlements		684,848	318,455	-	-	-	-	-	-	-	-	318,455
Share-based payments	7	-	-	1,581,717	-	-	1,581,717	-	-	-	-	1,581,717
Exchange difference on translation		-	-	-	-	-	-	-	(17,067)	-	-	(17,067)
Net loss		-	-	-	-	-	-	-	-	-	(4,507,480)	(4,507,480)
Balance at January 31, 2022		**70,055,082**	**$28,058,245**	**$ 4,875,927**	**$ 3**	**$644,000**	**$ 5,519,930**	**$ -**	**$ (22,190)**	**$ -**	**$ (17,834,962)**	**$15,721,023**
Balance at July 31, 2022		**72,007,794**	**28,748,472**	**4,977,576**	**-**	**644,000**	**5,621,576**	**50,000**	**(27,620)**	**(1,217)**	**(19,197,381)**	**15,193,830**
Shares issued, property	4,7	208,333	51,041	-	-	-	-	(50,000)	-	-	-	1,041
Shares issued, exercise of warrants	7	1,007,000	321,089	-	-	(69,339)	(69,339)	-	-	-	-	251,750
Contributed Surplus - Warrants		-	-	(31,615)	-	31,615	-	-	-	-	-	-
Share-based payments	7	-	-	1,245,160	-	-	1,245,160	-	-	-	-	1,245,160
Exchange difference on translation		-	-	-	-	-	-	-	67,754	-	-	67,754
Net loss		-	-	-	-	-	-	-	-	(2,945)	(1,915,751)	(1,918,696)
Balance at January 31, 2023		**73,223,127**	**$29,120,602**	**$ 6,191,121**	**$ -**	**$606,276**	**$ 6,797,397**	**$ -**	**$ 40,134**	**$ (4,162)**	**$ (21,113,132)**	**$14,840,839**

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

(Unaudited - Expressed in Canadian Dollars)

	Six months ended January 31, 2023	Six months ended January 31, 2022
Operating activities		
Net loss	$ (1,918,696)	$ (4,507,480)
Adjustments for non-cash items:		
Depreciation	875	875
Share-based payments	1,245,160	1,581,717
Loss on settlement of debt	-	92,454
Unrealized loss (gain) foreign exchange	67,621	(16,627)
Changes in non-cash working capital items:		
Amounts receivable	(37,955)	(72,213)
Prepaid expenses	(6,243)	259,521
Accounts payable and accrued liabilities	(359,961)	216,013
Net cash flows used in operating activities	(1,009,199)	(2,445,740)
Investing activities		
Exploration and evaluation assets	(1,239,782)	(661,794)
Cash paid for acquisition of subsidiary	-	(266,694)
Net cash flows used in investing activities	(1,239,782)	(928,488)
Financing activities		
Warrants exercised	251,750	173,332
Net cash flows provided by financing activities	251,750	173,332
Change in cash	(1,997,231)	(3,200,896)
Cash, beginning of the period	2,304,833	8,341,524
Cash, end of the period	**$ 307,602**	**$ 5,140,628**
Supplemental disclosure with respect to cash flows:		
Shares issued, property	$ 51,041	$ 40,000
Shares issued, debt settlements	$ -	$ 318,455

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

1. Nature of operations and going concern

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

The head office and principal address of the Company is located at 1030 West Georgia Street, Suite 710, Vancouver, British Columbia, Canada, V6E 2Y3. 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 January 31, 2023, the Company had not achieved profitable operations, had a net loss of $1,918,696, an accumulated deficit of $21,113,132 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 March 31 2023.

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, 2022.

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 Company and its wholly owned subsidiaries.

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.

Consolidation

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

		Percentage owned*	
	Country of incorporation	**January 31, 2023**	**July 31, 2022**
Greenhat Mineral Holdings Ltd	Canada	100%	100%
Greenhat Minerals Holdings (US) Ltd.	U.S.	100%	100%
1257590 B.C. LTD	Canada	100%	100%
Bergby Lithium AB	Sweden	100%	100%
Litiumlöydös Oy	Finland	83.6%	83.6%

*Percentage of voting power is in proportion to ownership.

Significant judgements

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the carve-out consolidated financial statements and the reported revenues and expenses during this period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of evaluation and exploration assets, valuation of share-based payments, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the carve-out consolidated financial statements are as follows:

- Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. The Company completed the acquisitions of, Bergby Lithium AB, and Litiumlöydös Oy (Note 4) and concluded that the acquired entities did not qualify as a business combination under IFRS 3, as significant processes were not acquired. Accordingly, the acquisitions have been accounted for as an asset acquisition.

(Unaudited - Expressed in Canadian Dollars)

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

Significant judgements (cont'd)

- Based on the primary indicators in IAS 21 – The Effects of Change in Foreign Exchange Rates – the Canadian dollar has been determined as the functional currency of the Company. Effects of changes in foreign exchange rates on the consolidation of the financial statements are recorded in other comprehensive loss and carried in the form of a cumulative translation adjustment in the accumulated comprehensive loss section of the statements of loss and comprehensive loss.

- Management assesses the Company's ability to continue as a going-concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (Note 1), whose subsequent changes could materially impact the validity of such an assessment.

Accounting standards issued but not yet applied

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

3. Prepaid expenses

Prepaid expenses consist of the following:

		January 31, 2023		**July 31, 2022**
Insurance	$	2,908	$	11,632
Consulting		30,982		51,000
Marketing		3,750		16,417
Others		47,652		-
Total prepaid expenses	$	85,292	$	79,049

4. Exploration and evaluation assets

The following is a description of the Company's exploration and evaluation assets for the period ended January 31, 2023 and year ended July 31, 2022:

January 31, 2023		**Barbara Lake Lithium Property**		**Bergby Lithium Project**		**Greenhat Projects**		**Kietyönmäki lithium Project**		**Totals**
Balance, beginning	$	8,223,815	$	3,077,402	$	1,004,044	$	881,081	$	13,186,342
Exploration costs		76,132		432,777		393,689		563,823		1,466,421
Balance, ending	**$**	**8,299,947**	**$**	**3,510,179**	**$**	**1,397,733**	**$**	**1,444,904**	**$**	**14,652,763**

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and evaluation assets (cont'd)

July 31, 2022	Barbara Lake Lithium Property	Bergby Lithium Project	Greenhat Projects	Kietyönmäki lithium Project	Totals
Balance, beginning	$ 8,123,815	$ 1,485,083	$ -	$ -	$ 9,608,898
Acquisition costs	100,000	1,163	1,004,044	824,913	1,930,120
Exploration costs	-	1,591,156	-	56,168	1,647,324
Balance, ending	**$ 8,223,815**	**$ 3,077,402**	**$ 1,004,044**	**$ 881,081**	**$ 13,186,342**

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 $7,820,000. The excess of the consideration paid over the fair value of the net liabilities was attributed to the exploration and evaluation asset in the amount of $7,825,725.

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.

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;(paid – October 27, 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 at a fair value of $74,776);
- Issue to the property owner such number of the Company's shares as equal to $40,000, by July 31, 2021 (issued 57,971 common shares– November 15, 2021) ; and
- Issue to the property owner such number of Company's shares as equal to $50,000, by July 31, 2022; (Issued 208,333 shares with a fair value of $51,041 – October 27, 2022) (Note 7).

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 (optionor has agreed that expenses will be incurred); and
- Incurring an additional $500,000 of expenditures on the Property by July 31, 2023.

During the period ended January 31, 2023, the Company spent $76,132 in the Barbara Lake Lithium property.

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. Bergby holds a 100% interest in and to the mining licenses comprising the Bergby Lithium Project, located in Sweden.

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and evaluation assets (cont'd)

Bergby Lithium Project (cont'd)

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 acquires 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 to acquire, for a period of 36 months, one share at an exercisable price equal to the Bonus Price.

During the period ended January 31, 2023, the Company spent $432,777 in the Bergby Lithium project.

Greenhat Projects

During the period ended January 31, 2023, the Company spent $393,689 in staking unpatented lode mining claims and exploration cost related to various projects.

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. Litiumlöydös holds a 100% interest in and to the mining licenses comprising the Kietyönmäki Lithium project located in the Kietyönmäki lithium prospect, Finland. During the period ended January 31, 2023, the Company spent $563,823 in the *Litiumlöydös Oy – Kietyönmäki Lithium* project.

5. Equipment

		Equipment
Cost		
Balance January 31, 2023 and July 31, 2022	**$**	**8,754**
Amortization		
Balance July 31, 2022	$	1,751
Additions		875
Balance January 31, 2023	**$**	**2,626**
Net book value		
Balance July 31, 2022	**$**	**7,003**
Balance January 31, 2023	**$**	**6,128**

(Unaudited - Expressed in Canadian Dollars)

6. Accounts payable and accrued liabilities

		January 31, 2023		July 31, 2022
Accounts payable	$	347,985	$	379,825
Amounts due to related parties (Note 8)		39,587		55,675
Accrued liabilities		58,822		145,257
Total accounts payable and accrued liabilities	$	446,394	$	580,757

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

7. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At January 31, 2023, there were 73,223,127 (July 31, 2022 – 72,007,794) issued and fully paid common shares.

During the period ended January 31, 2023:

On October 27, 2022, the Company issued 208,333 common shares valued at $51,041 in relation to the Barbara Lake acquisition (Note 4).

On October 14, 2022, the remaining 261,541 shares in escrow were released in connection with Litiumlöydös Oy acquisition.

On August 29, 2022, an additional 206,373 shares in escrow were released in connection with Bergby acquisition (Notes 4).

During the period ended October 31, 2022, 1,007,000 warrants were exercised for gross proceeds of $251,750.

Reserves

Company reserves are made of reallocation on exercise of equity settle employee compensation and warrants, special warrants, and special broker warrants.

a. Stock options

On August 11, 2022, the Company implemented a stock option plan (the "Plan"), enabling the Board to grant stock options, Deferred Share Units ("DSU"), and Restricted Share Rights ("RSR") 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,

(Unaudited - Expressed in Canadian Dollars)

7. Share capital and reserves (cont'd)

a. Stock options (cont'd)

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 five years.

The following table summarizes information about stock option transactions for the period ended January 31, 2023:

	Number of Options	Weighted Average Exercise Price ($)
Balance, July 31, 2022	6,228,568	0.75
Stock options expired	(500,000)	0.82
Balance January 31, 2023	5,728,568	0.74

Stock options outstanding at January 31, 2023 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price ($)	Expiry Date
1,000,000	1,000,000	0.86	February 8, 2023
28,568	28,568	3.50	July 9, 2023
1,450,000	1,450,000	0.64	November 6, 2025
300,000	225,000	1.11	February 19, 2026
250,000	187,500	1.18	February 19, 2026
150,000	112,500	1.22	March 17, 2026
2,550,000	2,550,000	0.60	December 23, 2026
5,728,568	5,553,568	0.74	

The weighted average contractual remaining life on the stock options is 2.81 years as at January 31, 2023.

No stock options were granted during the three months ended January 31, 2023 and same period in 2022.

The Company recorded share-based payments of $70,660 (January 31, 2022 - $1,581,717) relating to stock options vested during the period.

b. Restricted shares rights ("RSR")

On August 11, 2022, the Company implemented a stock option plan (the "Plan"). The Company has the right to grant, to any Participant, rights to receive any number of fully paid Restricted Share Rights ("RSR"). as a discretionary payment in consideration of past services to the Company or as an incentive for future services, For purposes of calculating the number of RSRs to be granted, the Company shall value the Shares underlying such RSRs at not less than one hundred per cent (100%) of the Fair Market Value. The Board shall determine the Restricted Period applicable to such RSRs. Upon expiry of the applicable Restricted Period a RSR shall be automatically settled.

(Unaudited - Expressed in Canadian Dollars)

7. Share capital and reserves (cont'd)

b. Restricted shares rights ("RSR")(cont'd)

On August 19, 2022, the Company granted 4,050,000 restricted share units ("RSR") to directors and officer of the Company in accordance with the Company's Equity Incentive Plan. Each RSR has a fair market value of $0.29 and will vest in full on December 12, 2022.

During the period ended January 31, 2023, the Company recorded share-based payments of $1,174,500 relating to the RSRs vested during the period (January 31, 2022 - $Nil) (Note 8).

c. Warrants

The following table summarizes information about the warrant transactions for the period ended January 31, 2023:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, July 31, 2022	17,554,982	0.53
Exercised	(1,007,000)	0.25
Expired	(8,189,593)	0.25
Balance, January 31, 2023	8,358,389	0.83

Warrants outstanding at January 31, 2023 are as follows:

Number of Warrants	Exercise Price ($)	Expiry Date
7,945,435	0.85	March 8, 2023
12,954	0.85	March 8, 2023
400,000	0.49	April 29, 2024
8,358,389	0.83	

The weighted average contractual remaining life on the warrants is 0.15 year as at January 31, 2023.

During the period ended January 31, 2023, 1,007,000 warrants were exercised for gross proceeds of $251,750. During the period ended January 31, 2023, 8,189,593 warrants expired unexercised.

d. Special warrants and special broker warrants

During the period ended January 31, 2023, 953,030 (July 31, 2022 – 953,030) special broker warrants remain outstanding.

8. Related party transactions

Balances

As at January 31, 2023, $39,587 (July 31, 2022 - $55,675) is due to related parties and is included in trade payables and accrued liabilities (Note 6). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(Unaudited - Expressed in Canadian Dollars)

8. Related party transactions (cont'd)

Transactions

The Company has identified the CEO and President (Mr. Michael Dehn), CFO (Mr. Faizaan Lalani), and the Company's directors as its key management personnel. During the six-months ended January 31, 2023 and 2022 the following amounts were incurred with directors and officers of the Company:

		January 31, 2023		January 31, 2022
Director fees	$	24,000	$	24,000
Management fees to the CEO		60,000	$	100,000
Management fees to the CFO		60,000	$	95,000
Share-based payments		1,234,517	$	1,099,819
	$	**1,378,517**	**$**	**1,318,819**

9. 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.

As at January 31, 2023, the Company holds 83.6% (July 31, 2022 – 83.6%) interest in Litiumlöydös resulting in 16.4% ownership interest held by non-controlling shareholders.

Reconciliation of non-controlling interest as follows:

		January 31, 2023		July 31, 2021
Balance, beginning	$	(1,217)	$	-
Share in net loss		(2,945)		(1,217)
Balance, ending	**$**	**(4,162)**	**$**	**(1,217)**

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.

(Unaudited - Expressed in Canadian Dollars)

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

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 its 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") and Euro (EUR) operations.

As at January 31, 2023, the Company had the following USD, Euro, and SEK denominated assets and liabilities:

	January 31, 2023			July 31, 2022		
	Euros	US Dollars	Swedish Krona	Euros	US Dollars	Swedish Krona
Cash	$ 14,497	$ 17,310	$ 13,564	$ 13,072	$ 17,544	$ 119,594
Receivables	136,916	-	109,815	7,237	-	166,104
Accounts payable and accrued liabilities	(41,732)	(42,913)	(202,743)	112,614	46,551	(199,275)
Total	$ 109,681	$ (25,603)	$ (79,364)	$132,923	$ 64,095	$ 86,423

As at January 31, 2023, a 10% change in exchange rates between Euro, US dollars, SEK and Canadian dollar would impact the Company's net income (loss) by $471 (July 31, 2022 – $28,344).

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 January 31, 2023.

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

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 value 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.

Cash is measured using level 1 inputs.

11. Subsequent events

a) On February 8, 2023, 1,000,000 warrants with an exercise price of $0.86 expired unexercised.

b) On February 21, 2023, the Company announced the appointment of Mr. Scott Eldridge as new President and Chief Executive Officer (CEO) as well as joined the Board of Directors. Mr. Michael Dehn, the previous President & Chief Executive Officer, will transition to a consulting role with the Company.

c) On March 6, 2023, the Company completed a non-brokered private placement (the "Offering") consisting of up to 50,000,000 units (each, a "Unit") of the Company at a price of $0.14 per Unit for gross proceeds of up to C$7,000,000. Each Unit is comprised of one common share ("Share") and one Share purchase warrant entitling the holder to acquire one additional Share at a price of C$0.25 for a period of twenty-four months. The Company intends to use the net proceeds raised from the Offering for exploration of the Company's properties and for general working capital. All securities issued in the Offering will be subject to a statutory four month hold period to be released on July 7, 2023.

d) On March 6, 2023, the Company also announced that Iain Scarr has joined the board of directors of the Company effective immediately. Mr. Scarr is replacing Mark Ireton, who has resigned as a director of the Company.

e) On March 8, 2023, 7,958,389 warrants with an exercise price of $0.85 expired unexercised.

f) On March 8, 2023, 953,030 special broker warrants with an exercise price of $0.66 expired unexercised.

g) On March 14, 2023, the Company also announced that Cathy Fitzgerald has joined the board of directors of the Company effective immediately. Ms. Fitzgerald is replacing Faizaan Lalani, who has resigned as a director of the Company.