

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta, and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities in those jurisdictions.

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, the securities may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. persons or any persons in the United States unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to U.S. persons. “United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Nevada Lithium Resources Inc., 1570 – 505 Burrard Street, Vancouver, B.C. V7X 1M5, Phone: 250-558-8819, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

February 4, 2022

NEVADA LITHIUM RESOURCES INC.

\$5,516,050.50

12,257,890 Units Issuable upon Exercise of 12,257,890 Special Warrants

This preliminary short form prospectus (the “**Prospectus**”) qualifies the distribution of 12,257,890 units (the “**Units**”) of Nevada Lithium Resources Inc. (the “**Company**”) issuable upon the exercise or deemed exercise of 12,257,890 special warrants (the “**Special Warrants**”) previously issued in two tranches on November 30, 2021 (the “**First Tranche**”) and December 15, 2021 (the “**Second Tranche**”) at a price of \$0.45 per Special Warrant (the “**Offering Price**”), to purchasers resident in each of the Provinces of British Columbia, Alberta, and Ontario (in addition to offshore purchasers) on a private placement basis pursuant to prospectus exemptions under applicable securities legislation (the “**Offering**”). Each Unit consists of one common share (a “**Unit Share**”) in the capital of the Company and one-half of one common share purchase warrant (each whole warrant being a “**Warrant**”). The Special Warrants were issued pursuant to the terms of a special warrant indenture (the “**Special Warrant Indenture**”) dated November 30, 2021 (the “**Closing Date**”) between the Company and Olympia Trust Company (“**Olympia**”) and an agency agreement dated November 30, 2021 (the “**Agency Agreement**”) between the Company, Research Capital Corporation (formerly known as Mackie Research Capital Corporation) (the “**Lead Agent**”) and Echelon Wealth Partners Inc. (together with the Lead Agent, the “**Agents**”). The Offering Price and other terms of the Offering were determined by arm’s length negotiation between the Company and the Agents. See “Plan of Distribution”.

There is no market through which the Special Warrants may be sold, and purchasers may not be able to resell the Special Warrants acquired pursuant to the Offering. This may affect the pricing of the Special Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Special Warrants and the extent of issuer regulation. An investment in the securities of the Company is speculative and involves a significant degree of risk. See “Risk Factors”.

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Units upon exercise or deemed exercise of the Special Warrants.

The Company’s common shares (the “**Common Shares**”) are listed and posted for trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “NVLH”, and on the Frankfurt Stock Exchange (“**FSE**”) under the symbol “87K”. On February 3, 2022, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.35, and on the FSE was €0.26.

Price:
\$0.45 per Special Warrant

	<u>Price to the Public</u>	<u>Agents' Fees⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Special Warrant.....	\$0.45	\$0.036	\$0.414
Per Special Warrant (President's list).....	\$0.45	\$Nil	\$1.05
Total ⁽⁴⁾	\$5,516,050.50	\$190,080.00	\$5,097,715.75 ⁽³⁾

- (1) Pursuant to the Agency Agreement, the Company paid to the Agents a fee equal to 6.0% of the gross proceeds of the Offering (the “**Agents’ Commission**”) and a 2.0 % advisory fee (the “**Advisory Fee**” and collectively with the Agents’ Commission, the “**Agent’s’ Fees**”), subject to Agents’ Commission being payable for Special Warrants sold by the Agents to certain purchasers designated by the Company on the president’s list (the “**President’s List**”). As additional compensation, the Company also issued compensation options (the “**Compensation Options**”) and advisory options (the “**Advisory Options**”, and collectively with the Compensation Options, the “**Agents’ Options**”) to the Agents. The Compensation Options entitle the Agents to purchase that number of Units (the “**Agents’ Units**”) as is equal to 6.0% of the total number of Special Warrants and the Advisory Options entitle the Agents to purchase that number of Agents’ Units as is equal to 2.0% of the total number of Special Warrants, subject to no Agents’ Options being issued to the Agents in respect of purchasers on the President’s List, sold under the Offering, at an exercise price per Agents’ Unit equal to the Offering Price for a period of 24 months from the Closing Date. If the Qualification Date (as defined below) does not occur on or before March 30, 2022, each Agents’ Option that has not been exercised shall be exercisable to acquire one-and-one tenth (1.10) Agents’ Units. This Prospectus qualifies the distribution of any Agents’ Units issued prior to April 2, 2022. The Company has also paid the Lead Agent a work fee of \$40,000 plus GST (the “**Work Fee**”). See “Plan of Distribution”.
- (2) The distribution of the Units upon exercise of the Special Warrants will not result in any proceeds being received by the Company.
- (3) After deducting the Agents’ Fee and the expenses of the Offering and the qualification for distribution of the Units, estimated to be \$228,254.74.
- (4) Pursuant to the terms of the Agency Agreement, the Company and the Agents may complete additional tranches for gross proceeds of up to approximately \$2,484,000.

Each Special Warrant entitles its holder to receive, upon exercise or deemed exercise, one Unit at no additional cost. Each Special Warrant shall be deemed exercised on behalf of, and without any required action on the part of, the holder thereof, on the day (the “**Automatic Exercise Date**”) that is the earlier of: (i) the day the Company obtains a final receipt from the Canadian securities regulatory authorities for a final short form prospectus qualifying the distribution of the Units in each of the provinces of Canada in which Special Warrants were sold (the “**Qualifying Jurisdictions**”) upon exercise of the Special Warrants; and (ii) April 1, 2022. The Company has agreed to use reasonable commercial efforts to file, and obtain a receipt for, a final short form prospectus qualifying the Units issuable upon exercise of the Special Warrants as soon as reasonably practicable after the Closing Date. Notwithstanding the foregoing, in the event a receipt for the final short form prospectus has not been issued on or before April 1, 2022, the date that is 120 days following the Closing Date, each unexercised Special Warrant will thereafter entitle the holder to receive upon exercise thereof, for no additional consideration and without any action on the part of the holder thereof, an additional 0.10 Units (each ten such additional 0.10 Units, a “**Penalty Unit**”), provided, however, that any fractional entitlement to a Penalty Unit will be rounded down to the nearest whole Penalty Unit. The “**Qualification Date**” means the date on which a receipt for the final short form prospectus is issued by the British Columbia Securities Commission, as principal regulator, on its own behalf and on behalf of each of the other relevant securities regulators in the Qualifying Jurisdictions. This Prospectus also qualifies the distribution of any Penalty Units upon the deemed exercise of the Special Warrants. See “Plan of Distribution”.

The Warrants are issuable pursuant to a warrant indenture dated November 30, 2021 (the “**Warrant Indenture**”) between the Company and Olympia. Each Warrant will entitle the holder to acquire one common share in the capital of the Company (a “**Warrant Share**”, and together with the Unit Shares, the “**Underlying Shares**”) at an exercise price of \$0.75 per Warrant Share for a period of 24 months following the Closing Date, subject to acceleration and adjustment in certain circumstances. See “Description of Securities Being Distributed”.

The following table sets out the securities issuable to the Agents:

<u>Agents' Position</u>	<u>Maximum size or number of securities available for Offering</u>	<u>Exercise period</u>	<u>Exercise price</u>
Compensation Options	178,347 Agents' Units	24 months	\$0.45 per Agents' Unit
Advisory Options	243,198 Agents' Units	24 months	\$0.45 per Agents' Unit

Certain legal matters in connection with the Offering are being reviewed on behalf of the Company by McMillan LLP and on behalf of the Agents by Cassels Brock & Blackwell LLP.

An investment in the securities of the Company is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See "Risk Factors" and "Cautionary Statement Regarding Forward Looking Information". Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

The Offering was conducted through the non-certificated inventory system maintained by CDS Clearing and Depository Services Inc. ("CDS") and, subject to certain exceptions, the Special Warrants issued pursuant to the offering were registered and deposited with CDS on the Closing Date in electronic form. The Unit Shares and Warrants to be issued upon exercise or deemed exercise of the Special Warrants and the Warrant Shares to be issued upon exercise of the Warrants will also be registered and deposited in the non-certificated inventory system of CDS and a purchaser of the Special Warrants will not receive a definitive certificate representing the Unit Shares, Warrants or Warrant Shares; provided, however, that Unit Shares, Warrants and Warrant Shares that may be issued in connection with the sale of Special Warrants in the United States or to, or for the account or benefit of, U.S. persons or persons in the United States pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and applicable state securities laws, may be represented by individual, fully registered certificates or other instruments issued to the purchasers thereof pursuant to the terms and conditions of the Agency Agreement. See "Plan of Distribution".

Investors should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Agents have not authorized anyone to provide investors with information different from that contained or incorporated by reference in this Prospectus. Readers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Special Warrants, the Underlying Shares and the Warrants, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Special Warrants, the Underlying Shares and the Warrants.

Stephen Rentschler, Chief Executive Officer of the Company, resides outside of Canada and has appointed McMillan LLP, 1500-1055 West Georgia Street, Vancouver, BC V6E 4N7 as his agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

**Nevada Lithium Resources Inc.
1570 – 505 Burrard Street
Vancouver, B.C. V7X 1M5
Phone: 250-558-8819**

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements (collectively, “**forward-looking statements**”) that relate to the Company’s current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements, although not all forward-looking statements include such words. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. These forward-looking statements include, among other things, statements relating to.

- the Company’s business plans focussed on the exploration and development of the Project;
- the proposed work program on the Project;
- costs and timing of future exploration and development activities;
- timing and receipt of approvals, consents and permits under applicable legislation;
- use of available funds, including the proceeds of the Offering and the costs of the Offering;
- business objectives and milestones; and
- adequacy of financial resources.

The forward-looking statements and information contained in this Prospectus are based on certain key expectations and assumptions made by the Company, including expectations and assumptions relating to the ongoing ability of the Company to develop, manufacture and market its products, the availability of capital to undertake planned expenditures, the ability of the Company to attract wholesale and retail customers, the ability of the Company to obtain regulatory approval for its products, the likelihood that the market for the Company’s products will continue to grow, the availability and cost of labour and services and prevailing applicable laws remaining unchanged. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled “Risk Factors”, which may cause the Company’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements and information contained in this Prospectus are made as of the date hereof and, unless so required by applicable law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. The forward-looking statements and information contained in this Prospectus are expressly qualified by this cautionary statement.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, and other risk factors, and other aspects, of their investment.

MARKET AND INDUSTRY DATA

Certain market and industry data contained in this Prospectus may be based upon information from government or other third-party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third-party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. The Company has not independently verified any of the data from government or other third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Company, and Cassels Brock and Blackwell LLP, counsel to the Agents, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) as of the date hereof, the Unit Shares, Warrants and Warrant Shares acquired pursuant to the exercise or deemed exercise of the Special Warrants and the Warrants, if issued on the date hereof, would be “qualified investments” under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), deferred profit sharing plan, registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”) and tax-free savings account (“**TFSA**”) (collectively, “**Deferred Plans**”) provided that (i) the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE), and (ii) in the case of the Warrants, neither the Company, nor any person with whom the Company does not deal at arm’s length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan.

Notwithstanding that the Unit Shares, Warrants and Warrant Shares may be a “qualified investment” for a Deferred Plan, the annuitant under an RRSP or RRIF, the holder of a TFSA or RDSP, or the subscriber of a RESP will be subject to a penalty tax if such Unit Shares, Warrants and Warrant Shares are a “prohibited investment” (as defined in the Tax Act) for the RRSP, RRIF, RESP, RDSP or TFSA. The Unit Shares, Warrants and Warrant Shares will generally not be a “prohibited investment” for a particular RRSP, RRIF, RESP, RDSP or TFSA provided that the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP, or the subscriber of the RESP, as the case may be, deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are “excluded property” (as defined in the Tax Act for purposes of these rules) for the particular TFSA, RRSP, RESP, RDSP or RRIF.

Persons who intend to hold Unit Shares, Warrants and Warrant Shares in a trust governed by a Deferred Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in each of the Qualifying Jurisdictions are available at www.sedar.com and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- the long form prospectus of the Company dated September 14, 2021 (the “**Long Form Prospectus**”);

- the audited consolidated financial statements of the Company for the period from December 17, 2020 (date of incorporation) to April 30, 2021, together with the notes thereto and the auditor’s report thereon (the “**Annual Financial Statements**”);
- the management’s discussion and analysis of financial condition and results of the operations of the Company for the period from December 17, 2020 (date of incorporation) to April 30, 2021;
- the technical report titled “Preliminary Economic Assessment NI 43-101 Technical Report Bonnie Claire Lithium Project Nye County, Nevada” with an effective date of August 20, 2021, prepared by Global Resource Engineering Ltd. (the “**Technical Report**”);
- the interim financial statements of the Company for the three and six months ended October 31, 2021 (“**Interim Financial Statements**”);
- the management’s discussion and analysis of financial conditions and results of operations of the Company for the three and six months ended October 31, 2021 (the “**Interim MD&A**”);
- the material change report dated December 9, 2021 regarding the closing of the First Tranche; and
- the material change report dated January 13, 2022 regarding the closing of the Second Tranche.

Material change reports (other than confidential reports), business acquisition reports, annual financial statements, interim financial statements, the associated management’s discussion and analysis of financial condition and results of operations and all other documents of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before completion of the distribution of the Units, will be deemed to be incorporated by reference into this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the statement or document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Copies of the documents incorporated herein by reference may also be obtained on request without charge from the Corporate Secretary of Nevada Lithium Resources Inc., 1570 – 505 Burrard Street, Vancouver, B.C. V7X 1M5, Phone: 250-558-8819.

THE COMPANY

The Company was incorporated under the BCBCA on December 17, 2020 under the name “Hermes Acquisition Corp.”. On March 2, 2021, the Company changed its name to “Nevada Lithium Resources Inc.”

The head office of the Company is located at 1570 – 505 Burrard Street, Vancouver, British Columbia V7X 1M5. The registered and records office of the Company is located at Suite 1500 – 1055 West Georgia Street, PO Box 11117, Vancouver, British Columbia V6E 4N7.

Intercorporate Relationships

The Company has one subsidiary, in which it holds 100% interest, Nevada Lithium Corp., existing under the laws of Nevada and having a registered office located at 318 N Carson St., #208, Carson City, Nevada 89701.

DESCRIPTION OF THE MINERAL PROJECT

The Company currently holds a 50% interest in the Bonnie Claire lithium project located in Nye County, Nevada (the “**Project**” or “**Bonnie Claire**”) which it earned through the payment of an aggregate of US\$5.6 million in expenditures, or approximately C\$7 million assuming an average C\$1.25 to US\$1 exchange rate.

Current Technical Report

The following details with respect to the Company’s principal property, being the Project, are derived from the NI 43-101 Technical Report titled “Preliminary Economic Assessment 43-101, Bonnie Claire Lithium Project, Nye County, Nevada” (Effective date August 20, 2021) and prepared by Terre Lane, QP, Dr. J. Todd Harvey, QP, Rick Moritz, QP and Dr. Hamid Samari, QP, of Global Resource Engineering Ltd. filed by the Company on SEDAR on October 27, 2021. Readers are encouraged to consult the Technical Report for additional information.

Property Description, Location, and Access

The Project is centered near 497900 meters East, 4114900 meters North, Universal Transverse Mercator WGS84, Zone 11 North datum, in Nye County, Nevada. The Project’s location is 125 miles northwest of Las Vegas, Nevada. The town of Beatty is 25 miles southeast of the Project. The Project is located within the Great Basin physiographic region and, more precisely, within the Walker Lane province of the western Great Basin. The Project is located within a flat-bottomed salt basin that is surrounded by a series of mountain ranges. Broad, low passes lead into the basin from the northwest and southeast.

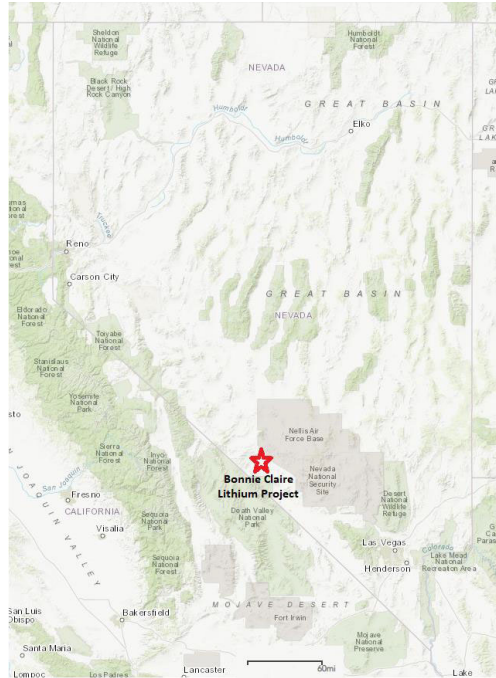


Figure 1: Bonnie Claire location.

The Project consists of 915 placer mining claims (the “**Placer Mining Claims**”) held 50% by Iconic Minerals Ltd. (“**Iconic**”) and 50% by the Company. The Placer Mining Claims cover 18,300 acres and provide Iconic and the Company with the mineral rights to sedimentary deposits, including the rights to any lithium sediments or brines present.

History

The Project area shows no signs of mineral exploration or prior geologic investigations. Geologic maps of southern Nevada from Nevada Bureau of mines¹ are the only evidence of prior geologic work performed on site and they show that the area is a generalized salt flat with little distinctive geologic features or mapping detail.

The United States Geological Survey (the “**USGS**”) has reportedly performed investigations of similar mudstones in the Bonnie Claire region, and limited sampling was completed as part of the USGS traverses. The majority of USGS work in the basin was focused on lithium brine investigations. Although in this study no sample was collected from Bonnie Claire, there are some assay results from auger hole samplings in the region:

- Gold field: 7 parts per million (“**ppm**”) lithium (“**Li**”) located 40 km northwest from Bonnie Claire;
- Stonewall Flat: 65 ppm Li located 45 km north; and
- Clayton Valley: 300 ppm Li, located 72 km northwest of the Project.

There is no indication of any drilling occurring on the Project prior to the drilling conducted by Iconic in 2016.

Geological Setting, Mineralization, and Deposit Type

The Project is part of a closed basin near the southwestern margin of the Basin and Range geo-physiographic province of western Nevada (the “**Basin and Range**”). Horst and graben normal faulting is a dominant structural element of the Basin and Range.

¹ Stewart, John H. and Carlson, John E. 1977. *Million-Scale Geologic Map of Nevada (Map 57)*. 1977.

Bonnie Claire is the lowest in elevation of a series of intermediate-size playa-covered floodplains, with an area of about 85 km² that receives surface drainage from an area of more than 1,200 km². The plain and alluvial fans around it are fault-bounded on all sides, delineated by Coba Mountain and Obsidian Butte to the east, Stonewall Mountain to the north, the Bullfrog Mountains and Sawtooth Mountains to the south, Grapevine Mountains to the southwest, and Mount Dunfee to the northwest.

A review of satellite images and field observations indicate that the Bonnie Claire playa area is surrounded by distinctive faults. The Bonnie Claire basin and two northern and eastern alluvial fans lie within an extensional graben system between two quaternary northwest-southeast faults (the “F1 and F2”) with both normal and strike-slip components (Figure 2). Near their northwest origins, these two faults are severed by another quaternary northeast-southwest fault (the “F3” and together with F1 and F2, the “Faults”).

The Faults were effective in making the graben between the eastern and western mountain ranges of the area, and these faults have played a major role in controlling the playa extension.

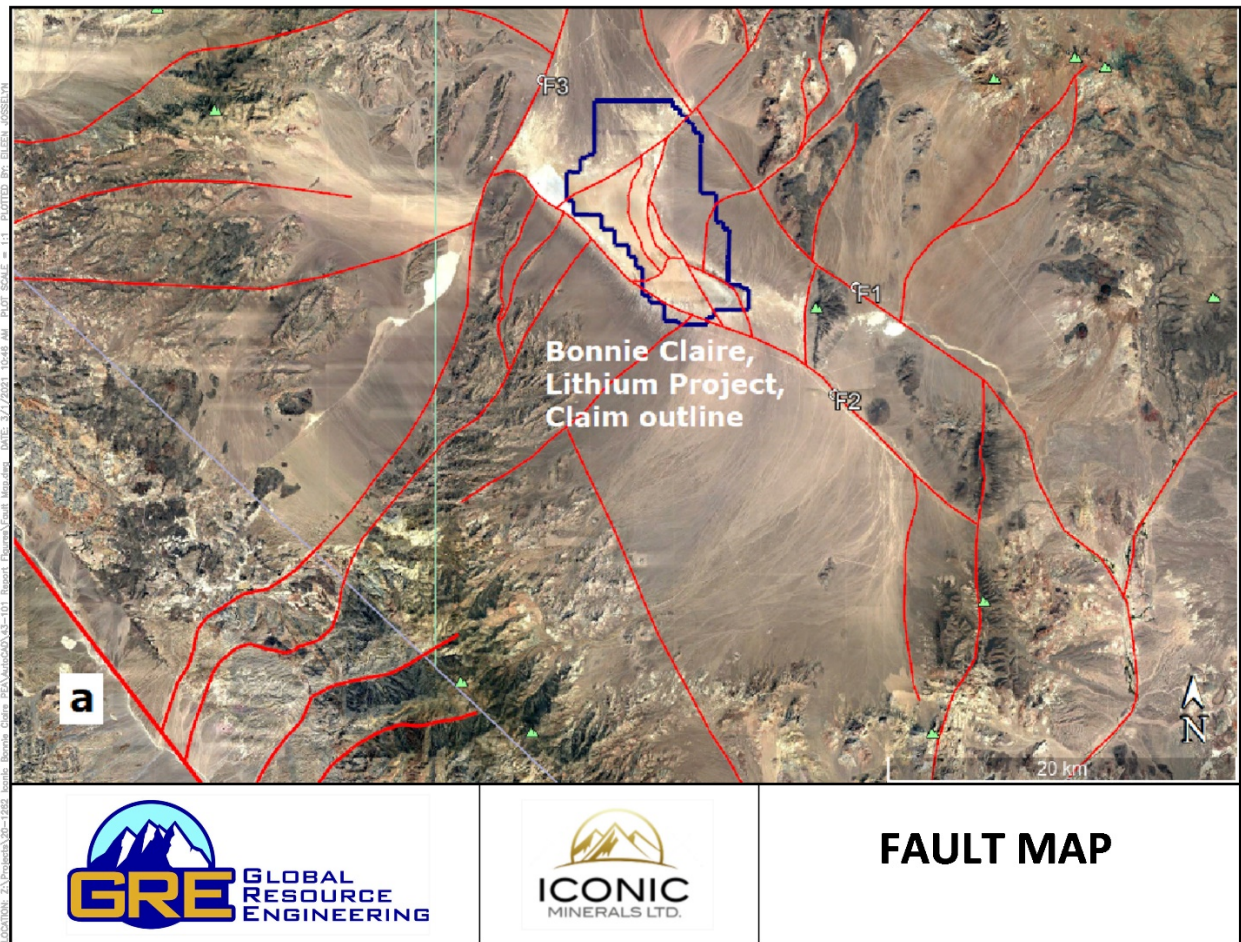


Figure 2: Fault Map Around Bonnie Claire

The general structure of the middle part of the Bonnie Claire basin is known from geophysical surveys to be a graben structure with its most down-dropped part on the east-northeast side of the basin along the extension of a few normal faults.

Multiple wetting and drying periods during the Pleistocene resulted in the formation of lacustrine deposits, salt beds, and lithium-bearing sediments in the Bonnie Claire basin. Extensive diagenetic alteration of vitric material to

zeolites and clay minerals has taken place in the tuffaceous Tertiary volcanic rocks, and anomalously high lithium concentrations accompany the alteration.

The area surrounding the Project area is dominated by uplifted basement rocks that were mostly built from silicic ash-flow tuff. The four-reverse circulation (“RC”) borings drilled on the Project (BC-1601, BC-1602, BC-1701 and BC-1801), with a maximum depth of 603.5 meters (1,980 feet) (BC-1602), did not encounter the bottom of the sediments.

Lithium mineralization comes from the evaporation of surface and groundwater. As a highly-soluble salt, lithium mobility and deposition are driven by the movement of surface and groundwater rich in lithium into a closed basin and by the concentration of salts resulting from evaporation.

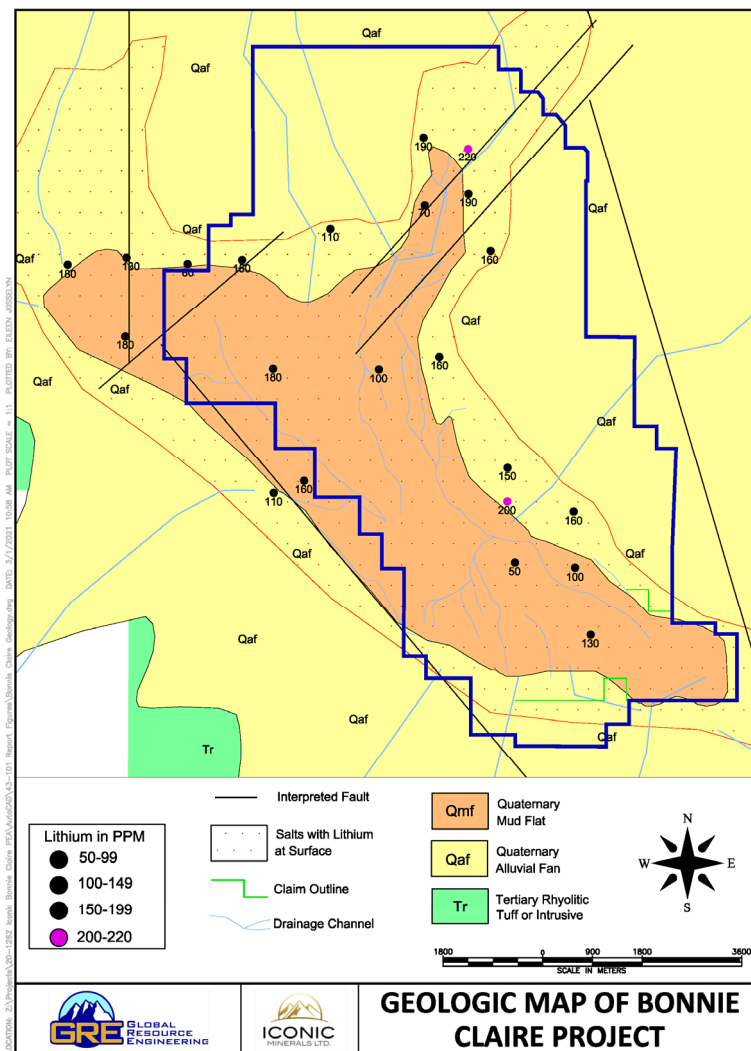


Figure 3: Geologic Map of Bonnie Claire

Significant lithium concentrations were encountered in the alluvial fans and playa within the Project area. Elevated lithium was encountered at ground surface and to depths of up to 603.5 meters (the deepest depth of RC-drilling so far). The lithium in the sediments at the Project occurs as lithium carbonate or lithium salts deposited in the fine grain clay, silt, and sand pore space. The lithium is not found within the clay crystal lattices as is common with most sediment hosted deposits. The overall mineralized sedimentary package is laterally and vertically extensive, containing roughly tabular zones of fine-grained sediments grading down to claystone.

The average grade of lithium appears to depend on the sedimentary layers:

- Sand or sandstone appears to have the lowest grade, averaging about 30 ppm Li near the surface to 570 ppm Li at depth;
- Silt or siltstone appears to have approximately 135 ppm Li near the surface to 1,270 ppm Li at depth; and
- Clay, claystone, and mudstone appear to have 300 ppm Li near the surface to 2,550 ppm Li at depth.

The Bonnie Claire lithium deposit appears to be a lacustrine salt deposit hosted in sediments. The Project area as a sedimentary basin, from an environment and geology point of view, is reasonably well represented by the USGS preliminary deposit model, which describes the most readily ascertainable attributes of such deposits as light-colored, ash-rich, lacustrine rocks containing swelling clays, occurring within hydrologically closed basins with some abundance of proximal silicic volcanic rocks. The geometry of the Bonnie Claire deposit is roughly tabular, with the lithium concentrated in gently dipping, locally undulating quaternary sedimentary strata. The sedimentary units consist of interbedded calcareous, ash-rich mudstones and claystones, and tuffaceous mudstone/siltstone and occasional poorly cemented sandstone and siltstone.

From a lithium deposit point of view, Bonnie Claire is interpreted to be a new type of sediment-hosted lithium deposit whereby lithium compounds such as lithium carbonate and lithium salts have been deposited within the fine grain clay, silt, and sand pore space. Although most of the sediment-hosted lithium in the literature occurs in clays, it does not at Bonnie Claire.

Lithium is known to occur in potentially economic concentrations in three types of deposits: pegmatites, continental brines, and sediments (dominantly clays). Currently, lithium is produced from both pegmatites and continental brines; however, brines are the most important source of lithium worldwide.

Exploration

Iconic began exploring the Project in 2015. Exploration activities carried out by Iconic included drilling, detailed geologic mapping, surface sampling, and geophysical surveying.

Iconic has conducted general geologic surface mapping over most of the project area. The total mapped surface is roughly 235 km². The surficial geologic maps are used as a general guide for exploration planning in conjunction with soil sampling and drilling results.

Surface samples were collected by geologists from Iconic in two periods: Samples BC-1 to BC-22 were collected in October 2015 and Samples BG-1 to BG-318 were collected in May and June, 2017. In total, Iconic has submitted 330 soil samples for laboratory analysis by 33 element 4-acid ICP-AES. Analytical results indicate elevated lithium concentrations at ground surface over nearly the full extent of the area sampled. The highest-grade for the BC-1 through BC-22 sampling set, which is which (150ppm<=Li<200ppm), came from the central portion of the Bonnie Claire property, near the contact between the alluvial fans and the mud flat. The 2017 sample collection was conducted using systematic grid dimensions of 400 m x 200 m in the central and southern portions of the Project area. This surface sampling yielded an average lithium grade of 262ppm.

Fritz Geophysics conducted a ground geophysical campaign at the Project in July 2016. The geophysical study included the survey design, survey supervision, and the interpretation of two different geophysical methods: a MagnetoTelluric (“MT”) survey and a gravitation survey. The MT data was collected by Zonge Engineering of Reno Nevada on nine East-West lines of various lengths. A total of about 52.2 km of data was collected with a consistent 200 m receiver dipole. The MT data and inversions suggest a well-developed very low resistivity layer (“VLRL”) in the subsurface covering approximately 25 km² in the southern two-thirds of the Bonnie Claire basin. Based on the MT survey, the VLRL has the characteristics of a possible lithium brine source. The MT inversions can only show the distribution of the VLRL; they cannot ascertain the economic value of a lithium resource.

The geophysical survey data suggests that the basin is surrounded by volcanic rocks with a higher resistivity (in the 100s Ωm range). Typical alluvial-filled basins with groundwater have resistivities in the 20 to 50 Ωm range, but dry

alluvium, sometimes seen near surface, will have a higher resistivity. A VLRL will have resistivity around 1 Ω m. As a result, the expected brine layer within the basin appears to have a resistivity significantly lower than the typical host alluvium, making the MT survey an effective tool in identifying potential lithium brines and in defining the potential resource model.

The nine sections are interpreted into different resistivity categories including: basement rocks, dry alluvium, wet alluvium, surface salt pans, and possible VLRL brines. These sections show that the northern third of the basin is separated from the southern two thirds by a probable east-northeast structure near Line 4,120,500N. This probable structure appears to have an impact on the location of VLRL zones. The southern two-thirds of the basin shows a well-defined VLRL.

Existing gravity geophysical survey data helps define the geometry of the basin. The data suggests the deepest part of the basin to be in the northern one-third of the total basin area. In general, the basin depth is approximately 1,600 meters below ground surface. The eastern side appears to be defined by a sharp basin and range fault, while the western side appears to have several smaller offset faults, typically in a northerly direction. But the gravity data does not allow definition of specific faults. For example, easterly structures are suggested but not defined.

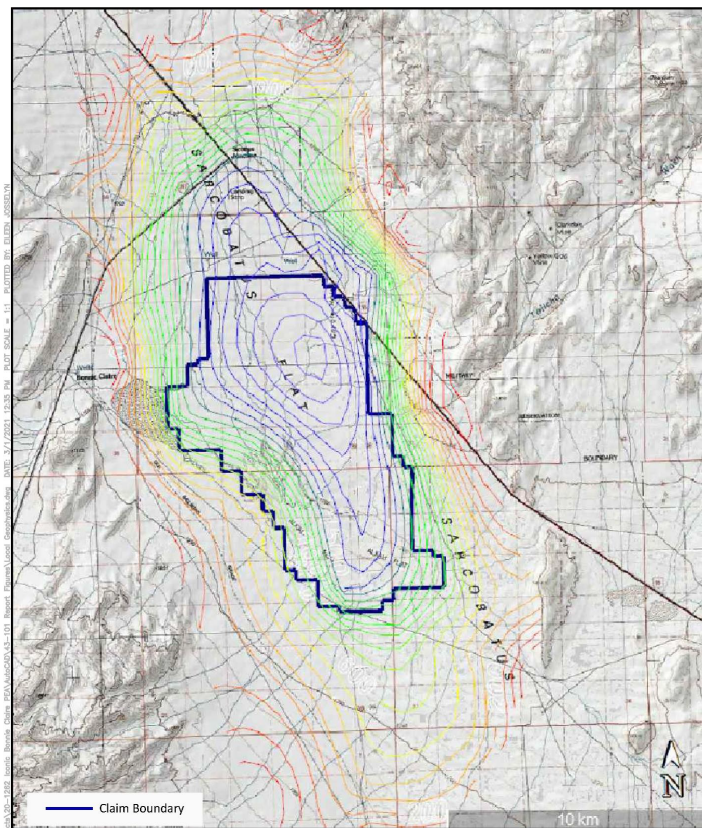


Figure 5: Bonnie Claire Local Geophysics-Gravity

Drilling

Iconic conducted exploration drilling in 2016, 2017, 2018 and 2020, for a total of 10 holes including eight vertical RC and two vertical diamond core holes (“DH”), totalling 2,278.0 meters drilled.

Campaign Year	Drill Method	Meters	Number of Holes
2016	RC	1079	2
2017	RC	91.4	1
2018	RC	566.9	1

Campaign Year	Drill Method	Meters	Number of Holes
2020	RC	319.43	4
	DH	221.27	2
Total		2278.00	10

Table 1: Iconic Drilling Summary

Although the drill holes are widely spaced, averaging 1,100 meters between holes, the lithium profile with depth is consistent from hole to hole. The unweighted lithium content averages 778 ppm for all 435 samples assayed, with an overall range of 18 to 2,250 ppm. The average sample interval length is 6.09 meters (20 feet).

Three drill programs were completed at the Project between 2016 and 2018. Iconic conducted drilling exploration at the Project in 2016, 2017, and 2018. A total of four vertical, RC holes were drilled. The drill hole details are as summarized in Table 2.

Campaign years	Drill Method	Drill hole ID	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip
2016	RC	BC-1601	496,904.00	4,118,949.00	1204	475.5	0	-90
		BC-1602	498,646.00	4,117,454.00	1210	603.5	0	-90
2017	RC	BC-1701	499,078.00	4,115,000.00	1204	91.4	0	-90
2018	RC	BC-1801	498,480.00	4,118,963.00	1210	566.9	0	-90

Table 2: Bonnie Claire Drill Hole Summary (2016-2018)

Based on drilling exploration campaigns from 2016 to 2018, the subsurface stratigraphy consists of variably interbedded lakebed deposits of sand, silt, clay, mudstone (both calcareous and ash-rich), and claystone. In addition, there are occasional tuffaceous sandstone lenses.

The drilling results generally indicate a particularly favorable deposit of ash-rich mudstones that extend to depths of up to 600 meters. Within this mudstone, there exists a tabular oxidation/reduction zonation. The color change in freshly-drilled samples is dramatic, with green to olive green mudstones and claystone changing to grey, grey-green, blue and black. The lithium content is often higher within the oxidized sediments, though any specific significance of the oxidation horizon regarding lithium mineralization is not yet well understood.

Although the drill holes are widely spaced, averaging 1,100 meters between holes, the lithium profile with depth is mostly consistent from hole to hole. The average Li for all 434 samples assayed is 778 ppm, with an overall range of 18 to 2,550 ppm Li.

In 2020, Iconic conducted additional drilling at the Project, pursuant to which a total of four vertical RC and two vertical DH were drilled, with the details as outlined in Table 3 below.

Campaign years	Drill Method	Drill hole ID	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip
2020	RC	BC2003	498,619.00	4,115,566.00	1177.14	57.91	0.00	-90.00
		BC2004	500,372.00	4,114,593.00	1173.48	91.44	0.00	-90.00
		BC2005	500,930.00	4,113,144.00	1085.70	60.96	0.00	-90.00
		BC2006	499,243.00	4,114,933.00	1173.48	109.12	0.00	-90.00
	DH	BC2001C	499,245.00	4,114,930.00	1179.27	121.30	0.00	-90.00
		BC2002C	500,321.00	4,113,676.00	1181.41	99.97	0.00	-90.00

Table 3: Bonnie Claire Project Drill Hole Summary (2020)

A total of 540.71 meters of drilling was performed in 2020. For this campaign, the average sample interval length is 3.048 meters (10 feet) for both RC and DH drillings.

The result of drilling exploration in 2020 confirmed the same subsurface stratigraphy mentioned in previous drilling campaigns. The core samples of BC2001C and BC2002C in 2020 showed that the subsurface stratigraphy consists of variably sedimentary deposits of sand, silt, clayey silt, silty clay, mudstone, and claystone with a wide color variety of green and brown.

Sampling, Analysis, and Data Verification

Sampling

From 2016 to 2018, sampling at Bonnie Claire has consisted of both surface samples and drilled materials from RC drilling. Drill material samples were collected in a fine mesh screen from the outflow of the mud rotary hole, accounting for flow rate of the recovery. All samples taken at Bonnie Claire were placed into sample bags at the sample location, labeled, sealed, and subsequently delivered to ALS Chemex in Reno, Nevada. While in transport, the samples never left the custody of the site geologist or geologic technician. The mud rotary chip samples with a typical 20-foot sample interval. The sample interval was split into two samples: one was removed daily, securely stored, and shipped to the geochemistry lab, and one backup was taken to secure storage for later re-checks and metallurgical testing. In addition, RC chips were collected for geologic logging.



Figure 4: Photograph of samples collected for geological logging

Surface samples consisting of salt-pan sediments were collected by Iconic geologists using standard hand tools. These samples typically consisted of roughly 5 kilograms of soil, which was placed directly into a cloth sample bag and marked with a blind sample number.

In 2020, sampling at Bonnie Claire consisted of drilled materials from RC and vertical DH. First, one large and one small cloth sample bag were labeled with hole number and depth information before each 10-foot segment of drill pipe was added. Aluminum tags with the hole number and footage were also added to the bags in case mud made the labels written on the bags unreadable. While the RC drill was running and chips were being generated, said chips were deposited into a large cloth sample bag beneath the cyclone (the cyclone was not run during the drill program, but it was the outlet for cuttings). The air was kept on for a while longer at the end of each rod to ensure all material from that drilled segment had time to travel up the pipe string and into the sample bag. The material in the large sample bag would then be manually agitated to provide a greater degree of sample homogeneity before a smaller, less than ten-pound sample was retrieved from the larger sample. The large and small bags would then be tied securely shut by the site field technician, with the larger bag becoming the sample reject and the smaller bag the sample which would be assayed. Before the next sample was taken, a new ten-foot drill rod would be added, and the hole would be circulated with air. This cleaning of the hole would often push some volume of water from the hole as well, which was sampled every twenty feet if present. The process would then repeat until the total depth of the hole was reached. The only hole to deviate from this procedure was BC2006, which had a starting sample interval of eight feet to match the sample lengths from BC2001C, because the holes are in the same location.

For core sampling, at first a cardboard core box was labeled with hole location and name information. At the end of each 10-foot drill section, core was extracted from the core barrel and pushed into the hands of a driller's helper, who would then place the core directly into the sample box. Recovery was not always perfect, so the amount of footage in a box varied and would need to be written on the box by the site field technician at the end of every rod. Wooden blocks with footage markers were also added to aid in footage identification and mark the start and end of sample lengths. In diamond drilling, the core was first transported north to Tonopah, where the site geologist and field technician sawed the core into one half and two quarters and logged the cores.

Analysis

Samples from drilling from 2016 to 2018 to be analyzed were transported by the site geologist or geologic technician to ALS Chemex, Reno, Nevada. The samples for BC-1601 and BC-1602 were dried, crushed, then had 250-gram splits pulverized to 85% less than 75 microns at the lab. The samples were then subjected to 33-element 4-acid ICP-AES multi-element analysis. The samples for BC-1801 were treated with the same preparation at the lab, and then subjected to aqua regia digestion followed by inductively coupled plasma mass spectrometry and ICP-AES multi-element analysis.

With respect to samples from the drill program in 2020, the samples were also transported by the site geologist to ALS, Reno, Nevada. The samples for BC-2001C, BC-2002C, BC-2003, BC-2004, BC-2005 and BC-2006 were all subjected to the same previous process of analytical procedure (2016 to 2018) at ALS. The samples were initially weighed, dried (if needed), crushed to 70% <2 millimeters, then pulverized to 85% <75 microns and split using a riffle splitter. The samples were then packed and shipped to another ALS lab, where they were digested using aqua regia. The sample was then subjected to ALS's MS-MS-41 method, which is an ICP-MS and ICP-AES analysis of a digested 0.5-gram samples. ALS notes the method has a precision of 10% for samples containing between 10 ppm and 1% lithium.

For both the 2016 to 2018, and the 2020 drill programs, Iconic maintained formal chain-of-custody procedures during all segments of sample transport, as outlined in further detail in the Technical Report.

Data Verification

Data verification efforts included: an on-site inspection of the Project site and chip tray storage facility, check sampling, and manual auditing of the Project database.

Site visits were conducted by qualified persons in August 2018 and October 2020.

During the site visit on August 24, 2018, 98 chip sample intervals from three separate drill holes of the 2016 to 2018 drilling program were selected for visual inspection based on a review of the drill hole logs. Without exception, the samples inspected accurately reflect the lithologies and sample descriptions recorded on the associated drill hole logs and within the Project database. On October 10, 2020, all core sample intervals were inspected visually, and all intervals reflected the lithology presented in log sheets, using the Logplot software by an Iconic geologist.

In 2018, to verify the assay results, the qualified person inspecting the site collected a total of 11 check samples (from three separate drill holes from the 2016 to 2018 drilling campaigns) that were delivered to ALS Chemex (Reno) for analysis using the same sample preparation and analytical procedures as were used for the original samples. A comparison of the original versus check assay values for all of the 11 samples shows good correlation between the results, with an R^2 of 0.9946.

Because all diamond holes were drilled at the time of the field visit, on October 10, 2020, all core boxes of holes BC2001C and BC2002C were inspected visually at the Iconic storage facility in Reno, Nevada. The QPs also visited the Iconic core facility in Tonopah, Reno, where HQ cores first were logged and then cut longitudinally into one half and two quarters.

In 2020, a check assay program was started by the QPs when they were onsite from October 9 through October 10, 2020. After checking all core sample intervals from two drill holes (BC2001C and BC2002C) and samples from RC hole BC2003, 17 check samples were selected. All sample intervals selected by the QPs for check assay were selected from two diamond holes by taking $\frac{1}{4}$ splits of the remaining cores in the core boxes (at core storage in Reno) and roughly $\frac{1}{4}$ of the remaining RC samples (at the project site). All samples were bagged and labeled by the QPs. A total of 17 check samples including 11 core sample intervals and six RC samples were selected, packed, and delivered by the qualified persons to Hazen Research Inc. (Hazen) in Golden, Colorado, USA, for analysis using the same sample preparation and analytical procedures as were used for the original samples. Samples were transported by UPS in a secure manner from Reno to Golden, Colorado, USA.

On November 5, 2020, the qualified persons received analytical reports on the 17 selected samples by ICP method for 33 elements, where 35% of the check samples were selected as duplicate samples. A comparison of the original versus check assay values for all 17 samples shows good correlation between the results, with an R^2 of 0.9842. Standard t-Test statistical analysis was completed to look for any significant difference between the original and check assay population means. The results of the t-Test showed no statistically significant difference between the means of the two trials (original versus check assay).

In addition, the QPs conducted a manual audit of the digital Project database by comparing drill hole logs to corresponding information contained in the database. The manual audit found no discrepancies between the hard-copy information and digital data.

Mineral Processing and Metallurgical Testing

The following are conclusions and interpretations of the metallurgical work:

- Pre-concentration of the lithium and rejection of calcite through size separation was shown to be effective. At a cut size of 45 microns (μm), the coarse fraction contained approximately 90% of the calcite and less than 2% of the lithium. The mass rejection was approximately 25%.
- To date, two lithium extraction systems have been advanced: acid treatment, and thermal treatment. Of these two methods, thermal treatment is favored and presented as the base case for the PEA, having demonstrated better overall lithium extraction and recovery performance.
- Thermal treatment includes calcination of the material with the addition of sodium sulfate followed by hot water leaching. High lithium extractions (up to 80%) were achieved. Significant optimization potential exists through additional test work.
- The thermal leach liquors are easier to treat (compared to the acid treatment approach) in the solution purification system because minimal deleterious minerals are solubilized. The lithium can be readily recovered from the leach solutions using conventional commercial processes.
- The acid treatment demonstrated that the lithium in the sediments is readily soluble in a strong sulfuric acid solution, achieving extractions of approximately 90%. However, conventional downstream purification of the

acid liquor was shown to be ineffective, resulting in high lithium losses (up to 74%). Acid consumptions were also high due to the high calcite content of the materials, emphasizing the benefits of pre-concentration methods.

- As a result of the lithium losses associated with the downstream recovery process, acid treatment is not considered a viable process at this stage. Further test work is required to develop an alternative purification system for these solutions.
- Testing indicated that secondary lithium product purification may be necessary using the bicarbonate process.
- Membrane technologies are currently being explored for lithium processing and may provide an alternative purification path.
- No secondary products production has been investigated; however, the Bonnie Claire material does contain significant sodium and potassium.

Mineral Resource and Mineral Reserve Estimates

The Mineral Resource Estimate for the Project was performed using Leapfrog® Geo and Leapfrog® Edge software. Leapfrog® Geo was used to update the geologic model, and Leapfrog® Edge was used for geostatistical analysis and grade modeling in the block model.

The drill hole database used for the estimation included:

- 10 exploration drill holes, including eight RC holes and two DH holes,
- 2,278.1 meters of drilling in exploration drill holes,
- 434 assay intervals in exploration drill holes,
- Minimum grade of 18 ppm Li in exploration drill holes, and
- Maximum grade of 2,550 ppm Li in exploration drill holes.

The Mineral Resource Estimate for the Project is presented in Table 4.

Cautionary Statements Regarding Mineral Resource Estimates:

*Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves. Inferred mineral resources are that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling (“**Inferred Mineral Resources**”). Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. It is reasonably expected that, with continued exploration, the majority of Inferred Mineral Resources could be upgraded to indicated mineral resources, which is that part of the mineral resource for which quantity, grade or quality, densities, share and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit.*

Table 4: Bonnie Claire Statement of Mineral Resource

Class	Extraction Method Applied for Constraint	Mass (Million Tonnes)	ID2 Li Grade (ppm)	Li (Million kg)	Li Carbonate Equivalent (Million kg)
Inferred	Borehole	3,407.3	1,013.0	3,451.5	18,372.3

1. Cutoff grade of 700 ppm Li
2. The effective date of the Mineral Resource is August 20, 2021.
3. The Qualified Person for the estimate is Terre Lane of GRE.
4. Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.
6. Assumes 68% recovery by borehole

The qualified person completing the Technical Report restated a prior resource statement, which was published in an earlier technical report related to the Project and summarized in the Long Form Prospectus, to include only the borehole mineable resource with a cutoff grade of 700 ppm.

The calculated economic cutoff grade is:

Mining	\$7.96/tonne
Process & G&A	\$26.84/tonne
Total	\$34.80/tonne

At 75% recovery, the cost is \$46.59/tonne, and with production of 5.323 kg LiCO₃ per kg of Li contained and a price of \$13,400/tonne Li₂CO₃, the calculated cutoff grade is:

$$\frac{\$46.59}{\text{tonne Li}} \times \frac{1 \text{ kg Li}}{5.323 \text{ kg Li}_2\text{CO}_3} \times \frac{\text{tonne Li}_2\text{CO}_3}{\$13,400} = 653 \text{ ppm or approximately } 700 \text{ ppm.}$$

The mineral resources are stated at a borehole mining cutoff grade of 700 ppm.

The mineral resource that may be “potentially borehole mineable” is the estimated mineral resource at Bonnie Claire that could be extracted using borehole mining techniques. The mineral resources that may be potentially borehole mineable assume a 68% mining recovery and 5% mining dilution but do not include plant recovery or refining penalties. Ms. Lane, one of the qualified persons that authored the Technical Report, has had prior experience with borehole mining and it is her opinion that it may be a viable option for Bonnie Claire. The mineral resources that are potentially borehole mineable are important for Bonnie Claire because some of the resource mineralization may be recovered using in situ leaching or other borehole extraction methods. These methods have not been demonstrated at Bonnie Claire. Ms. Lane recommends conducting tests for these types of methods to ascertain their viability at Bonnie Claire.

The reader is cautioned that the results for the mineral resources that may be potentially borehole mineable do not represent an attempt to estimate mineral reserves. There are presently no mineral reserves on the Project.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to the Offering, on the share and loan capital of the Company since October 31, 2021, the date of the Company’s most recently filed financial statements. This table should be read in conjunction with the Interim Financial Statements and Interim MD&A that are incorporated by reference in this Prospectus.

	As at October 31, 2021 before giving effect to the Offering	As at October 31, 2021 after giving effect to the Offering	As at October 31, 2021 after giving effect to the Offering and the exercise of the Special Warrants
Share Capital ⁽¹⁾	\$5,195,264.00	\$10,292,979.80	\$10,292,979.80
Common Shares (Authorized: unlimited)	49,202,130	49,202,130	61,460,020
Warrants	1,547,500	1,547,500	7,676,445
Special Warrants	Nil	12,257,890	12,257,890
Agents’ Options	Nil	421,545	421,545
Stock Options	3,900,000	3,900,000	3,900,000
RSUs	190,000	190,000	190,000
Deficit	(\$1,469,672)	(\$1,469,672)	(\$1,469,672)
Equity Reserves ⁽²⁾	\$751,892	\$751,892	\$751,892

	As at October 31, 2021 before giving effect to the Offering	As at October 31, 2021 after giving effect to the Offering	As at October 31, 2021 after giving effect to the Offering and the exercise of the Special Warrants
Total Shareholder's Equity	\$4,477,484.00	\$9,575,199.75	\$9,575,199.75

Notes:

- (1) The effect on share capital after giving effect to the Offering is \$5,097,715.75.

There have been no material changes to the Company's share and loan capitalization on a consolidated basis since October 31, 2021.

USE OF PROCEEDS

Use of Proceeds

The Company has received gross proceeds of approximately \$5,516,050.50 from the sale of the Special Warrants. The net proceeds to the Company from the Offering is approximately \$5,097,715.75 after deducting the Agents' Fee, the Work Fee and expenses in connection with the Offering and the estimated expenses of the Company in connection with the qualification for distribution of the Units. The Company intends to use the net proceeds from the Offering as set out in the table below:

Acquisition of additional 30% interest in the Project ⁽¹⁾	\$5,097,715.75 ⁽²⁾
Total	\$5,097,715.75

Notes:

- (1) On September 22, 2021, the Company entered into a Fourth Amendment Agreement to the option agreement among Nevada Lithium Corp., Iconic Minerals Ltd. and Bonaventure Nevada Inc., as amended December 14, 2020, December 23, 2020 and May 3, 2021 (the "**Option Agreement**") pursuant to which the parties thereto agreed to amend the Option Agreement such that payment to exercise the Phase II Option (as defined in the Long Form Prospectus) may be made by December 1, 2021, rather than October 1, 2021. All other terms in respect of the Option Agreement remain the same. On November 29, 2021, the Company entered into a Fifth Amendment Agreement to the Option Agreement pursuant to which the parties thereto agreed to amend the Option Agreement such that payment to exercise the Phase III Option (as defined in the Long Form Prospectus) may be made by December 15, 2021, rather than December 1, 2021.
- (2) Based on a payment obligation for each of Phase II Option and Phase III Option (as defined in the Long Form Prospectus) under the Option Agreement, being an aggregate of US\$4,000,000.00, and an exchange rate of US\$1.00 to \$1.2758, being the Bank of Canada rate on the day prior to the filing of this Prospectus.

Although the Company intends to use the proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary depending on future developments or unforeseen events.

As at October 31, 2021, the Company has working capital of approximately \$959,740.

The Company has no history of revenue from its operating activities. During the three months ended October 31, 2021, the Company had negative cash flow from operating activities, reported a net comprehensive loss of \$1,214,788 and net loss per share of \$0.03. The Company anticipates it will continue to have negative cash flow from operating activities and net losses in future periods unless and until commercial sales are achieved for one or more of the Company's products. A portion of the proceeds from the Offering will be used to fund negative cash flow from operating activities in future periods.

Business Objectives and Milestones

The Company intends to use the Technical Report as the basis for exploration and development of the Project, and such exploration remains the sole business objective of the Company. Exploration activities necessarily involve field

operations and other activities which require compliance with applicable health and safety guidelines associated with the COVID-19 pandemic, including physical distancing and enhanced hygiene protocols, as well as travel into the jurisdiction of operations, which may be restricted by regulatory mandate, Company policy, or otherwise. At this time, the Company does not anticipate an impact on its proposed milestones, listed below, or the estimated cost and completion date, however the COVID-19 pandemic results in reduced predictability of the landscape in which all similar exploration companies would be operating, and the situation is continually evolving. Please see “*Risk Factors*” for additional details with respect to risks related to the COVID-19 pandemic.

Milestone	Estimated Completion Date	Estimated Cost (USD)	Cost to the Company assuming 50% interest in the Project (USD)
Completion of drilling, surface sampling, and geochemistry down-hole surveys	Q1 2023	\$3,000,000	\$1,500,000
Borehole mining testing	Q3 2022	\$3,000,000	\$1,500,000
Completion of metallurgical test work	Q2 2023	\$150,000	\$75,000
Updating of NI 43-101 technical report	Q4 2023	\$450,000	\$225,000
Phase I Environmental Permitting	Q2 2023	\$400,000	\$200,000
Completion of a hydrogeology study	Q3 2023	\$900,000	\$450,000
Completion of geotechnical test work	Q3 2023	\$500,000	\$250,000
Completion of market analysis with respect to the Bonnie Claire Project	Q4 2023	\$50,000	\$25,000

The Company funded the initial work program approved under the Option Agreement through the payments related to the exercise of Phase I, Phase II, and Phase III (as such terms are defined in the Long Form Prospectus). Subsequent work programs as may be approved in connection with the Company’s pending joint venture agreement with Iconic would require additional funding, and as such planned expenditures may be subject to change. In connection with the Technical Report, an additional expenditure is contemplated subsequent to the initial program under the Option Agreement, being US\$3 million for borehole mining testing, as outlined in the table above. 50% of the costs related to the borehole mining testing, being outside the initial work program, would need to be paid by the Company outside the payments made in connection with the Phase I, Phase II, and Phase III options. Any work programs completed following the expenditure of the initial Option Agreement earn in amount for the Company to obtain its 50% interest, will be split 50/50 between the Company and Iconic.

To the date of this Prospectus, the Company has spent the proceeds of the Offering on payment obligations related to Phase II and Phase III.

PLAN OF DISTRIBUTION

This Prospectus is being filed in the Provinces of British Columbia, Alberta and Ontario to qualify the distribution of 12,257,890 Units issuable upon the exercise or deemed exercise of 12,257,890 Special Warrants.

On November 30, 2021 and December 15, 2021, the Company completed the Offering of 12,257,890 Special Warrants, in two tranches, pursuant to prospectus exemptions under applicable securities legislation in each of the Provinces of British Columbia, Alberta, and Ontario (and in jurisdictions outside of Canada in compliance with laws applicable therein), on a commercially reasonable best efforts private placement basis at the Offering Price per Special Warrant, which was determined by arm's length negotiation between the Company and the Agent. The Special Warrants were issued pursuant to the terms of the Special Warrant Indenture. Pursuant to the terms of the Agency Agreement, the Company and the Agents may complete additional tranches for gross proceeds of up to approximately \$2,484,000.

Each Special Warrant entitles its holder to receive, upon exercise or deemed exercise, one Unit at no additional cost. Each Special Warrant shall be deemed exercised on behalf of, and without any required action on the part of, the holder thereof, on the Automatic Exercise Date. The Company has agreed to use reasonable commercial efforts to file, and obtain a receipt for a final short form prospectus qualifying the Units issuable upon exercise of the Special Warrants as soon as reasonably practicable after the Closing Date. Notwithstanding the foregoing, in the event a receipt for the final short form prospectus has not been issued on or before April 1, 2022, being the date that is 120 days following the Closing Date, each unexercised Special Warrant will thereafter entitle the holder to receive upon exercise thereof, for no additional consideration and without any action on the part of the holder thereof, an additional 0.10 Penalty Units, provided, however, that any fractional entitlement to a Penalty Unit will be rounded down to the nearest whole Penalty Unit. This Prospectus also qualifies the distribution of any Penalty Units upon the deemed exercise of the Special Warrants.

The Warrants are issuable pursuant to the Warrant Indenture. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.75 per Warrant Share for a period of 24 months following the Closing Date.

Pursuant to the Agency Agreement, the Company paid to the Agents the Agents' Commission and the Advisory Fee, subject to no Agents' Commission being payable for Special Warrants sold by the Agents to certain purchasers designated by the Company on the President's List. As additional compensation, the Company also issued Compensation Options and Advisory Option to the Agents. The Compensation Options entitle the Agents to purchase that number of Agents' Units as is equal to 6.0% of the total number of Special Warrants and the Advisory Options entitle the Agents to purchase that number of Agents' Units as is equal to 2.0% of the total number of Special Warrants, subject to no Agents' Options being issued to the Agents in respect of purchasers on the President's List, sold under the Offering, at an exercise price per Agents' Unit equal to the Offering Price for a period of 24 months from the Closing Date. If the Qualification Date does not occur on or before April 1, 2022, each Agents' Option that has not been exercised shall be exercisable to acquire one-and-one tenth (1.10) Agents' Units. This Prospectus qualifies the distribution of any Agents' Units issued prior to April 2, 2022. The Company has also paid the Lead Agent the Work Fee. The Company has agreed to reimburse the Agents for certain expenses related to the Offering. There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments that have been made to the Agents in accordance with the Agency Agreement and 426,766 Compensation Options paid to a finder for introductions to eligible subscribers that participated in the Offering.

The Company has agreed to cause all directors, senior officers and insiders of the Corporation, to enter into agreements in favour of the Agents in which they will covenant and agree that they will not, for a period of 120 days following Closing, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, securities of the Company held by them or their respective Associates (as such term is defined in the *Securities Act* (British Columbia)), directly or indirectly, without prior consent of the Lead Agent, which consent will not be unreasonably withheld or delayed, provided that the Lead Agent's consent shall not be required in connection with (a) the exercise of previously issued options or other convertible securities, (b) transfers among a shareholder's Affiliates for tax or other planning

purposes, or (c) a tender or sale by a shareholder of securities of the Corporation in or pursuant to a take-over bid or similar transaction involving a change of control of the Corporation.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, any U.S. person or any person in the United States. None of Special Warrants, the Units underlying the Special Warrants, the Unit Shares and Warrants comprising the Units, or the Warrant Shares issuable upon exercise of the Warrants, have been or will be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. “United States” and “U.S. person” have the meanings ascribed to such terms in Rule 902 of Regulation S under the U.S. Securities Act.

The Special Warrants may not be exercised by or on behalf of a U.S. person or a person in the United States unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. The Unit Shares and Warrants underlying any Units issued within the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, will be “restricted securities” (as defined in Rule 144 under the U.S. Securities Act) and any certificates or other instruments representing such securities will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

The Warrants may not be exercised by or on behalf of a U.S. person or a person in the United States unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. Any Warrant Shares issued within the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, will be “restricted securities” and any certificates or other instruments representing such securities will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

The Company has agreed, pursuant to the Agency Agreement, to indemnify the Agents and their respective affiliates and directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the Agents or their affiliates against certain liabilities, including liabilities under Canadian securities legislation in certain circumstances or to contribute to payments the Agents may have to make because of such liabilities.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Description of Special Warrants

The Special Warrants are governed by the terms and conditions set forth in the Special Warrant Indenture. An aggregate of 12,257,890 Special Warrants are outstanding as of the date of this Prospectus. The material terms and conditions of the Special Warrants are summarized below:

- each of the Special Warrants entitles the holder thereof to acquire, for no additional consideration to the Company, one Unit for each Special Warrant, subject to adjustment as provided for in the Special Warrant Indenture;
- the Special Warrants will be deemed to be exercised on the Automatic Exercise Date;
- the Special Warrant Indenture provides for and contains provisions designed to keep the holders of the Special Warrants unaffected by the possible occurrence of certain corporate events, including the amalgamation, merger or corporate reorganization of the Company;
- the holders of Special Warrants do not have any right or interest whatsoever as shareholders of the Company, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of shareholders or any other proceedings of the Company or any right to receive any dividend or other distribution;
- the rights of holders of Special Warrants may be modified by extraordinary resolution at a meeting of Special Warrant holders. The Special Warrant Indenture provides for meetings by holders of Special

Warrants and the passing of resolutions and extraordinary resolutions by such holders which are binding on all holders of Special Warrants. Certain amendments to the Special Warrant Indenture may only be made by “extraordinary resolution”, which is defined in the Special Warrant Indenture as a resolution proposed at a meeting of Special Warrant holders duly convened for that purpose at which there are present in person or by proxy Special Warrant holders holding at least 25% of the aggregate number of the then outstanding Special Warrants passed by the affirmative votes of Special Warrant holders holding not less than 66⅔% of the aggregate number of the then outstanding Special Warrants represented at the meeting and voted on the poll upon such resolution;

- Olympia and the Company, without the consent of the holders of Special Warrants, may be able to amend or supplement the Special Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Special Warrant Indenture or in any deed or indenture supplemental or ancillary to the Special Warrant Indenture, provided that, in the opinion of Olympia, relying on the opinion of legal counsel, the rights of the holders of Special Warrants, as a group, are not prejudiced thereby; and
- the Company has agreed to provide to the holders of the Special Warrants a contractual right of rescission. See “Contractual Rights of Rescission” below.

The foregoing is a summary description of certain material provisions of the Special Warrant Indenture, it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Special Warrant Indenture between the Company and Olympia, as Special Warrant Agent, a copy of which may be obtained on request without charge from the Company at its registered office or electronically on SEDAR at www.sedar.com.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, and at the date of this Prospectus, a total of 49,557,000 Common Shares are issued and outstanding.

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company’s board of directors at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

The Warrants will be governed by the terms of the Warrant Indenture. The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering. A register of holders will be maintained at the principal offices of Olympia in Vancouver, BC.

Each Warrant will entitle the holder to acquire, subject to the Company’s right to accelerate the Expiry Date to a date that is not less than 30 days following delivery of a notice of acceleration delivered to the holders of Warrants if, at any time on or after the date that is four months and one day after the Closing Date, the trading price of the Common Shares equals or exceeds \$1.10 for a period 10 consecutive trading days on the CSE and adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.75 for a period of 24 months, after which time the Warrants will be void and of no value.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable or exercisable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of warrants or options of the Company);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange, exercise or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, for the Common Shares on such record date; and
- (v) the issuance or distribution to all or substantially all of the holders of Common Shares of (i) securities of any class, whether of the Corporation or any other person (other than the Common Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a rights offering (iii) evidences of indebtedness or (iv) any property or assets, including cash.

The Warrant Indenture will also provide for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or exchange or change of the Common Shares into other shares, or capital reorganization of the Company (other than as described in clauses (i), (ii) or (iii) above) or consolidations, amalgamations, arrangements, mergers or other form of business combination of the Company with or into another entity that results in any reclassification of the Common Shares or any change or exchange of the Common Shares into or for other securities or any sale, lease, exchange, transfer or conveyance of the property, undertaking and assets of the Company as entirety or substantially as an entirety of another entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, not less than 14 days prior to such applicable record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Warrant Indenture will provide that, from time to time, Olympia and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of Olympia, relying on the opinion of legal counsel, the rights of the holders of Warrants, as a group, are not prejudiced thereby.

The Warrant Indenture will contain provisions making binding upon all holders of Warrants resolutions passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants. Any amendment or supplement to the Warrant Indenture that is

prejudicial to the interests of the holders of Warrants, as a group, and certain other amendments or other actions, will be subject to approval by an “Extraordinary Resolution”, which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66^{2/3}% of the aggregate number of Warrants represented at the meeting in person or by proxy and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66^{2/3}% of the number of all of the then outstanding Warrants.

The principal transfer office of Olympia in Vancouver, British Columbia is the location at which Warrants may be surrendered for exercise or transfer.

PRIOR SALES

The following table summarizes details of the securities issued by the Company during the 12-month period prior to the date of this Prospectus.

Date	Number of Securities	Issue Price or Exercise Price Per Security	Aggregate Issue Price
January 6, 2021	7,500,000 Common Shares	\$0.005	\$37,500
January 21, 2021	10,725,000 Common Shares	\$0.02	\$214,500
January 22, 2021	4,775,000 Common Shares	\$0.02	\$95,500
January 27, 2021	7,000,000 Common Shares	\$0.20	\$1,400,000
February 10, 2021	364,000 Special Warrants	\$0.05	\$18,200
February 11, 2021	15,475,000 Common Shares	\$0.20	\$3,095,000
February 11, 2021	1,238,000 Common Shares (issued as Finder’s Shares)	\$0.20	\$247,600
February 11, 2021	1,547,000 Finder’s Warrants	\$0.20	N/A
May 7, 2021	2,480,000 Common Shares	\$0.20	\$496,000
November 30, 2021	7,916,444 Special Warrants	\$0.45	\$3,562,399.80
November 30, 2021	68,307 Agent’s Compensation Options	\$0.45	N/A
November 30, 2021	156,369 Agent’s Advisory Options	\$0.45	N/A
November 30, 2021	380,100 Finder’s Warrants	\$0.45	N/A
December 15, 2021	4,341,446 Special Warrants	\$0.45	\$1,953,650.70
December 15, 2021	110,040 Agent’s Compensation Options	\$0.45	N/A
December 15, 2021	86,829 Agent’s Advisory Options	\$0.45	N/A
December 15, 2021	46,666 Finder’s Warrants	\$0.45	N/A

TRADING PRICE AND VOLUME

The Common Shares commenced trading on the CSE on September 29, 2021 under the trading symbol “NVLH”. The following table sets forth information relating to the trading of the Common Shares on the CSE for the months indicated. On February 3, 2022, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.35.

CSE Price Range (\$)

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Total Volume</u>
September 29 – 30, 2021	\$0.47	\$0.325	134,241
October 2021	\$0.78	\$0.30	4,039,728
November 2021	\$0.60	\$0.385	6,339,483
December 2021	\$0.51	\$0.38	5,675,943
January 2022	\$0.45	\$0.30	2,005,093
February 1 - 3, 2022	\$0.38	\$0.35	165,902

RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

Prospective investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section titled "Risk Factors" in the Long Form Prospectus which is incorporated by reference in this Prospectus and which may be accessed on the Company's SEDAR profile at www.sedar.com, and the information contained in the section entitled "Cautionary Statement Regarding Forward-Looking Information". Additionally, purchasers should consider the risk factors set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company's business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

Return on Investment is not Guaranteed

There is no guarantee that an investment in the securities described herein will provide any positive return in the short term or long term. An investment in the securities of the Company is speculative and involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company described herein is appropriate only for holders who have the capacity to absorb a loss of some or all of their investment.

Discretion in the Use of Proceeds from the Offering

The Company intends to use the net proceeds from this Offering as set forth under "Use of Proceeds"; however, the Company maintains broad discretion concerning the use of the net proceeds from the Offering, as well as the timing of its expenditures in ways that it deems most efficient, and there can be no assurance as to how the funds will be allocated, especially if the Company determines to revise its business plan and growth strategy. The application of the proceeds to various items may not necessarily enhance the value of the Common Shares. The failure to apply the net proceeds as set forth under "Use of Proceeds" and other financings could adversely affect the Company's business and, consequently, could adversely affect the price of the Common Shares on the open market.

Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Company's board of directors. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the net proceeds of the Offering. The results and the effectiveness of

the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company's business, prospects, financial condition and results of operations may suffer, which could have a material and adverse effect on the trading price of the Common Shares and the Warrants in the market.

Negative Cash Flow from Operations

For the period ended October 31, 2021, the Company had negative cash flow from operating activities, reported a net comprehensive loss of \$1,214,788 and net loss per share of \$0.03. The Company anticipates it will have negative cash flow from operating activities in future periods. To the extent that the Company has negative cash flow in any future period, certain of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities, if any.

Risk Factors Related to Dilution

While the net proceeds of the Offering are expected to enhance the Company's liquidity, to the extent that a portion of the net proceeds of the Offering remains as cash, the Offering may dilute the interest of holders of Common Shares. The Company may issue additional Common Shares or securities convertible into Common Shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options under the Company's stock option plan and upon the exercise of outstanding warrants.

Market Price of Common Shares

The trading prices of CSE-listed companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada, North America and globally, and market perceptions of the attractiveness of particular industries. The trading price of the Common Shares is also likely to be significantly affected by changes from time to time in the Company's operating results, financial condition, liquidity and other internal factors.

No Market for Warrants

There is currently no market through which the Warrants may be sold. Accordingly, the purchasers may not be able to resell the securities qualified under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation.

Holders of Warrants Have no Rights as a Shareholder

Until a holder of Warrants acquires Warrant Shares upon the due exercise of Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Warrants. Upon due exercise of such Warrants, such holder will be entitled to exercise the rights of a holder of Common Shares only as to matters for which the record date occurs after the exercise date.

PROMOTERS

The Company has determined that Ravinder Kang is a promoter of the Company under applicable securities laws.

Ravinder Kang holds 247,056 Common Shares, representing approximately 0.5% of the issued and outstanding Common Shares.

Except as disclosed in this Prospectus, to the best of the Company's knowledge, no person who was a promoter of the Company within the last two years:

- (a) received anything of value directly or indirectly from the Company or a subsidiary; or
- (b) sold or otherwise transferred any asset to the Company or a subsidiary within the last two years.

AUDITORS, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT

The current auditor of the Company is Davidson & Company LLP, with offices at 1200-609 Granville St, Vancouver, BC V7Y 1G6.

The Company has appointed Olympia as the transfer agent and registrar for the Company's Common Shares at its Vancouver office located at 925 W Georgia St, Suite 1900, Vancouver, BC V6C 3L2.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon by McMillan LLP, on behalf of the Company and by Cassels Brock & Blackwell LLP, on behalf of the Agents.

INTEREST OF EXPERTS

Name of Experts

The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this Prospectus either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

- Davidson & Company LLP, the Company's independent auditors, prepared an independent audit report dated September 14, 2021 in respect of the Annual Financial Statements incorporated by reference into this Prospectus;
- Dr. Hamid Samari, Dr. J. Todd Harvey, and Ms. Terre Lane of Global Resource Engineering Ltd., prepared the Technical Report, summarized and incorporated by reference into this Prospectus;
- Cassels Brock Blackwell LLP, the Agents' legal counsel; and
- McMillan LLP, the Company's legal counsel.

Interests of Experts

Davidson & Company LLP has confirmed that they are independent with respect to the Company within the meaning of the 'Rules of Professional Conduct' of the Chartered Professional Accountants of British Columbia and any applicable legislation or regulations.

Information of a scientific or technical nature regarding the Project included in this Prospectus is excerpted or derived from the Technical Report. As at the date hereof, the authors of the Technical Report, Dr. Hamid Samari, Dr. J. Todd Harvey, and Ms. Terre Lane, do not beneficially own, directly or indirectly, any of the outstanding securities of the Company.

As at the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual*

Information Form) of McMillan LLP beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares and hold no other securities of the Company.

As at the date hereof, the “designated professionals” (as such term is defined in Form 51-102F2 – *Annual Information Form*) of Cassels Brock and Blackwell LLP beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares and hold no other securities of the Company.

None of the aforementioned persons nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of this right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHT OF RESCISSION

Pursuant to the terms of the Agency Agreement and the subscription agreements between the Company and the purchasers of Special Warrants, the Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires Units on the exercise or deemed exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder’s exercise or deemed exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and
- (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.

CERTIFICATE OF THE COMPANY

Dated: February 4, 2022

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, and Ontario.

“Stephen Rentschler”
Stephen Rentschler
Chief Executive Officer

“Kelvin Lee”
Kelvin Lee
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Scott Eldridge”
Scott Eldridge
Director

“Jeff Wilson”
Jeff Wilson
Director

CERTIFICATE OF THE AGENTS

Dated: February 4, 2022

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, and Ontario.

RESEARCH CAPITAL CORPORATION

” Jovan Stupar ”

Jovan Stupar
Managing Director

ECHELON WEALTH PARTNERS INC.

“Jason Yeung”

Jason Yeung
Managing Director

CERTIFICATE OF THE PROMOTER

Dated: February 4, 2022

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta and Ontario.

“Ravinder Kang”

Ravinder Kang