

NEVADA LITHIUM RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2022 AND 2021

(Unaudited - expressed in Canadian dollars - Restated)

NEVADA LITHIUM RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
As at October 31, 2022 and April 30, 2022
(Unaudited - expressed in Canadian dollars - Restated)

	Note	October 31, 2022	April 30, 2022
		\$	\$
ASSETS			
Current			
Cash		19,102	28,829
Sales tax receivable		16,375	2,030
Prepaid expenses		17,555	102,370
		53,032	133,229
Exploration and evaluation assets	4	8,675,464	8,675,464
Total assets		8,728,496	8,808,693
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	578,905	285,003
Notes payable	5	77,219	-
Total liabilities		656,124	285,003
SHAREHOLDERS' EQUITY			
Share capital	7	9,389,697	9,389,697
Reserves	7	1,398,986	1,398,986
Special warrants	7	170,971	170,971
Deficit		(2,887,282)	(2,435,964)
Total shareholders' equity		8,072,372	8,523,690
Total liabilities and shareholders' equity		8,728,496	8,808,693

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

Approved and authorized for issue on behalf of the Board of Directors:

<u>“Scott Eldridge”</u> Director	<u>“Kelvin Lee”</u> Director
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NEVADA LITHIUM RESOURCES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, except number of shares - Restated)

	Note	Three months ended October 31,		Six months ended October 31,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Operating expenses					
Filing fees		16,404	36,091	33,460	42,367
General and administrative		4,910	9,196	13,236	13,612
Investor relations		7,923	323,816	72,968	377,736
Interest expense	5	4,343	-	7,719	-
Management and consulting fees	6	121,687	67,409	208,705	108,660
Share-based compensation	6	-	590,456	-	590,456
Professional fees		87,035	185,823	115,504	195,706
		242,302	1,212,791	451,592	1,328,537
Foreign exchange loss (gain)		-	1,997	(274)	1,997
Loss and comprehensive loss		242,302	1,214,788	451,318	1,330,534
Loss per share:					
Basic and diluted		0.00	0.03	0.01	0.03
Weighted average number of shares outstanding:					
Basic and diluted		61,814,890	49,202,130	61,814,890	49,379,565

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

NEVADA LITHIUM RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended October 31, 2022 and 2021
(Unaudited - expressed in Canadian dollars - Restated)

	2022	2021
	\$	\$
Operating activities		
Loss and comprehensive loss	(451,318)	(1,330,534)
Adjustments for non-cash items:		
Interest expense	7,719	-
Share-based compensation	-	590,456
Foreign exchange gain	(274)	-
Changes to non-cash working capital items:		
Sales tax receivable	(14,345)	(9,404)
Prepaid expenses	84,815	(109,055)
Accounts payable and accrued liabilities	294,176	(65,067)
Net cash used in operating activities	(79,227)	(923,604)
Financing activities		
Proceeds from issuance of notes payable	69,500	-
Proceeds from issuance of common shares	-	261,031
Net cash provided by financing activities	69,500	261,031
Net change in cash	(9,727)	(662,573)
Cash, beginning of period	28,829	1,526,715
Cash, end of period	19,102	864,142

Supplemental disclosures with respect to cash flows:

During the six months ended October 31, 2022:

1. There were no cash flows pertaining to investing activities.
2. There were no cash payments of interest and no cash payments of income taxes.

During the six months ended October 31, 2021:

1. There were no cash flows pertaining to investing activities.
2. Proceeds from issuance of common shares include a receipt of \$31,225 of subscriptions receivable from a private placement on January 21, 2021, and proceeds of \$229,806 from a private placement on May 7, 2021.
3. Share issue costs of \$17,082 related to a private placement on May 7, 2021 was included in accounts payable and accrued liabilities.

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

NEVADA LITHIUM RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, except number of shares - Restated)

	Common shares	Share capital	Subscriptions receivable	Reserves	Special warrants	Share subscription deposit	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$	\$
Balance, April 30, 2021	46,713,000	4,681,064	(31,225)	161,436	18,200	266,194	(139,138)	4,956,531
Shares issued – private placements	2,480,000	496,000	31,225	-	-	(266,194)	-	261,031
Share issue costs - private placements	-	(17,082)	-	-	-	-	-	(17,082)
Conversion of special warrants	364,000	18,200	-	-	(18,200)	-	-	-
Share-based compensation	-	-	-	590,456	-	-	-	590,456
Loss and comprehensive loss	-	-	-	-	-	-	(1,330,534)	(1,330,534)
Balance, October 31, 2021	49,557,000	5,178,182	-	751,892	-	-	(1,469,672)	4,460,402
Special warrants issued	-	-	-	-	5,516,051	-	-	5,516,051
Special warrants issuance costs	-	(691,641)	-	-	170,971	-	-	(520,670)
Conversion of special warrants	12,257,890	4,903,156	-	612,895	(5,516,051)	-	-	-
Share-based compensation	-	-	-	34,199	-	-	-	34,199
Loss and comprehensive loss	-	-	-	-	-	-	(966,292)	(966,292)
Balance, April 30, 2022	61,814,890	9,389,697	-	1,398,986	170,971	-	(2,435,964)	8,523,690
Loss and comprehensive loss	-	-	-	-	-	-	(451,318)	(451,318)
Balance, October 31, 2022	61,814,890	9,389,697	-	1,398,986	170,971	-	(2,887,282)	8,072,372

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

NEVADA LITHIUM RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted - Restated)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevada Lithium Resources Inc. (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on December 17, 2020. The address of the Company's registered and records office and principal place of business is 1500-1055 West Georgia Street, P.O Box 11117, Vancouver, British Columbia, Canada, V6E 4N7.

On January 29, 2021, the Company acquired Nevada Lithium Corp, based in Nevada, USA. Nevada Lithium Corp is a 100% owned subsidiary of the Company.

On February 22, 2022, the Company announced that it completed the application process that allows its shares to begin trading on the OTCQB Market ("OTCQB") under the symbol "NVLHF". The Company's common shares are listed on the Canadian Securities Exchange in Canada under the ticker symbol "NVLH".

The Company's exploration and evaluation assets do not presently host any known mineral deposits, and due to the high degree of risk involved, there can be no assurance that the Company's exploration activities will result in any deposits being located, or that the Company's exploration activities will result in a profitable mining operation in the future.

These condensed interim consolidated financial statements for the three and six months ended October 31, 2022 and 2021 (the "interim financial statements") have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at October 31, 2022, the Company had working capital deficiency of \$603,092 (April 30, 2022 - \$151,774) and an accumulated deficit of \$2,887,282 (April 30, 2022 - \$2,435,964). The Company has no sources of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of its mineral property projects. These factors present a material uncertainty that casts significant doubt over the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its shareholders. These interim financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern.

As of the date of these interim financial statements the ongoing coronavirus pandemic, COVID-19, has not had an impact on the Company's ability to access capital and conduct exploration and evaluation activities. However, the ongoing COVID-19 pandemic continues to develop and may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

2. BASIS OF PRESENTATION

a) Statement of compliance

These interim financial statements were approved and authorized for issuance on February 15, 2023 by the directors of the Company.

These interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These interim financial statements do not include all disclosures required for audited annual financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited annual consolidated financial statements for the year ended April 30, 2022 and the period from incorporation on December 17, 2020 to April 30, 2021, which include the information necessary and useful to understanding the Company's business and financial statement presentation. In particular, the Company's use of judgements and estimates and significant accounting policies were presented in Note 3 of the audited annual consolidated financial statements and have been consistently applied in the preparation of these interim financial statements.

b) Basis of measurement

These interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the significant accounting policies set out in Note 3. In addition, these interim financial statements have been prepared using the accrual basis of accounting except cash flow information.

NEVADA LITHIUM RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted - Restated)

2. BASIS OF PRESENTATION (continued)

c) Principles of consolidation

These interim financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the interim financial statements from the date control commences until the date control ceases.

These interim financial statements include accounts of the Company and its wholly owned subsidiary, Nevada Lithium Corp.

d) Functional and presentation currency

The functional currency of the Company and its subsidiary, Nevada Lithium Corp., is the Canadian dollar which is the primary economic environment in which the entity operates. The Company's presentation currency is the Canadian dollar. References to "USD" are U.S. dollars.

e) Reclassification of prior year amounts

The Company has reclassified certain comparative information on the condensed interim consolidated statements of loss and comprehensive loss and the condensed interim consolidated statements of changes in equity to conform with the current period presentation.

f) Restatement

These interim financial statements have been restated to amend the following note disclosures:

- Note 4 has been amended to include disclosure supporting the Company's initial acquisition of Nevada Lithium Corp. and the resulting exploration and evaluation assets of \$1,490,064.
- Note 6 has been amended to correct the management and consulting fees paid to key management personnel for the three and six months ended October 31, 2021. The previously disclosed amounts for the three and six months ended October 31, 2021 were \$11,070 and \$40,167, respectively. These amounts have been amended to \$40,167 and \$69,264, respectively.
- Note 7(a) has been amended correct the dates and weighted average remaining life of special warrants outstanding and exercisable at October 31, 2022.
- Note 11, Subsequent events, has been added to include subsequent events to the approval of these restated interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

In the preparation of these interim financial statements, the Company used the same accounting policies as in the most recent audited annual financial statements for the year ended April 30, 2022 and the period from incorporation on December 17, 2020 to April 30, 2021.

Critical accounting estimates, judgments and assumptions

The preparation of these interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

NEVADA LITHIUM RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted - Restated)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In the preparation of these interim financial statements, the Company applied the same critical accounting estimates, judgements, and assumptions as in the most recent audited annual financial statements for the Company for the year ended April 30, 2022 and the period from incorporation on December 17, 2020 to April 30, 2021.

4. EXPLORATION AND EVALUATION ASSETS

On January 29, 2021, the Company purchased 100% of the issued and outstanding shares of Nevada Lithium Corp. Total consideration was paid through the issuance of 7,000,000 common shares with a fair value of \$1,400,000. Nevada Lithium Corp. is in the business of the exploration and evaluation of mineral properties.

The acquisition has been accounted for by the Company as a purchase of assets and assumption of liabilities. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes and outputs, that together constitute a business, did not exist in Nevada Lithium Corp. at the time of acquisition.

The following table summarizes the purchase price allocation:

Purchase price:	\$
Shares paid by the Company (7,000,000 shares at \$0.20 per share)	1,400,000
Total consideration	1,400,000
Net assets acquired:	
Exploration and evaluation assets - Bonnie Claire	1,490,064
Accounts payable and accrued liabilities	(90,064)
Total net assets acquired	1,400,000

The Company's subsidiary, Nevada Lithium Corp., entered into an option agreement dated November 30, 2020 (the "Option Agreement"), to earn up to a 50% interest in certain claims (the "Mineral Rights") relating to the Bonnie Claire lithium project located in Nevada, USA. The Company, through its subsidiary, Nevada Lithium Corp., is required to pay a 2.0% net smelter return upon commencement of commercial production of the Bonnie Claire property.

Pursuant to the Option Agreement, the Company made payments totaling \$7,185,400 (USD\$5,600,000) for the Mineral Rights as follows:

- During the period ended April 30, 2021, the Company earned a 20% interest in the Mineral Rights through the payment of \$2,027,680 (USD\$1,600,000).
- On December 1, 2021, the Company paid \$2,573,580 (USD\$2,000,000) and achieved a total 35% interest in the Mineral Rights.
- On December 15, 2021, the Company paid \$2,584,140 (USD\$2,000,000) and achieved the maximum 50% interest in the Mineral Rights of the Bonnie Claire lithium project.

	Bonnie Claire Property
	\$
Balance, April 30, 2021	3,517,744
Payments toward the Mineral interests	5,157,720
Balance, April 30, 2022 and October 31, 2022	8,675,464

NEVADA LITHIUM RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted - Restated)

5. NOTES PAYABLE

	\$
Balance, April 30, 2021 and 2022	-
Additions	69,500
Interest expense	7,719
Balance, October 31, 2022	77,219

On May 11, 2022 the Company entered into a promissory note agreement for \$17,500. The promissory note is repayable on demand and accrues interest at a rate of 25% per annum. During the three and six months ended October 31, 2022, interest expense of \$1,093 and \$2,058, respectively, (2021 - \$nil and \$nil, respectively), was recorded and no payments were made.

On May 24, 2022 the Company entered into a promissory note agreement for \$52,000. The promissory note is repayable on demand and accrues interest at a rate of 25% per annum. During the three and six months ended October 31, 2022, interest expense of \$3,250 and \$5,661, respectively, (2021 - \$nil and \$nil, respectively), was recorded and no payments were made.

6. RELATED PARTY TRANSACTIONS

The Company's related parties include subsidiaries, affiliated entities and key management personnel. Transactions with, and amounts due to or from, related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are those having the authority and responsibility for planning, directing, and controlling the Company.

As at October 31, 2022, accounts payable and accrued liabilities included \$202,816 (April 30, 2022 - \$59,422) due to related parties.

For the three and six months ended October 31, 2022 and 2021, key management personnel compensation consisted of:

	Three months ended		Six months ended	
	2022	October 31, 2021	2022	October 31, 2021
	\$	\$	\$	\$
Management and consulting fees	94,443	40,167	153,036	69,264
Share-based compensation	-	188,795	-	188,795
	94,443	228,962	153,036	258,059

On September 28, 2021, the Company granted 1,200,000 share options to directors and officers of the Company. The options are exercisable into one common share at a price of \$0.20 per option. The options vested immediately and expire five years from the grant date.

On September 28, 2021, the Company granted 190,000 restricted share units ("RSUs") to an officer of the Company. The RSUs vested after four months and may be converted into common shares at the discretion of the beneficiary or the Company. The RSUs expire three years after the grant date if not converted into common shares.

7. SHARE CAPITAL AND RESERVES

The Company is authorized to issue an unlimited number of common shares.

Share capital transactions***During the six months ended October 31, 2022***

There were no share capital transactions that occurred during the six months ended October 31, 2022.

NEVADA LITHIUM RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted - Restated)

7. SHARE CAPITAL AND RESERVES (continued)

During the year ended April 30, 2022

On May 7, 2021, the Company completed a non-brokered private placement for the issuance of 2,480,000 common shares at \$0.20 for gross proceeds of \$496,000. During the year ended April 30, 2021, \$266,194 was received in the form of subscription deposits. The remaining funds of \$229,806 was received by October 31, 2021.

On June 11, 2021, pursuant to the terms of the special warrants, the Company issued 364,000 common shares. As a result, \$18,200 was reclassified from special warrants to share capital.

On June 14, 2021, the Company received \$31,225 that had been recorded as subscriptions receivable at April 30, 2021, for shares issued in a private placement that closed on January 21, 2021.

On March 29, 2022, pursuant to the receipt of a final short-form prospectus qualifying the distribution of 12,257,890 units issuable upon the deemed exercise of the November 2021 special warrants and the December 2021 special warrants, 12,257,890 special warrants were exercised into 12,257,890 units consisting of one common share and one-half of one common share purchase warrant. As a result, \$4,903,156 was reclassified from the special warrants reserve to share capital and \$612,895 was reclassified to reserves, applying the residual accounting method.

Reserves

a) Special warrants

During the six months ended October 31, 2022

There were no special warrants issued during the six months ended October 31, 2022.

During the year ended April 30, 2022

On November 12, 2021, the Company announced a brokered private placement of special warrants at a price of \$0.45 per special warrant for gross proceeds of up to \$8,000,000 (the "November 2021 Special Warrant Offering"). Each special warrant automatically converts into a unit consisting of one common share and one-half of one common share purchase warrant on the earlier of approval from securities commissions in the provinces and territories where the special warrants are sold, and 120 days after the closing date of the offering. Each whole warrant is exercisable into one common share of the Company at a price of \$0.75 per share for a period of 24 months following the closing date of the offering.

On November 30, 2021, pursuant to the November 2021 Special Warrant Offering, the Company closed the first tranche of special warrants wherein the Company issued 7,916,444 special warrants (the "November 2021 Special Warrants") at a price of \$0.45 per special warrant for gross proceeds of \$3,562,400. For no additional consideration, the special warrants automatically converted into units consisting of one common share and one-half of one common share purchase warrant on March 29, 2022. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.75 per share and expires on November 30, 2023.

In connection with the November 2021 Special Warrants, share issuance costs consisted of cash commission and legal fees of \$372,148 and the issuance of 604,776 special warrants to finders that are exercisable into units at a price of \$0.45 per special warrant, expiring on November 30, 2023. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$0.75 per share and expires on November 30, 2023. The fair value of the special warrants issued to finders was recorded in the special warrants reserve and was determined to be \$120,163 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.40; exercise price of \$0.45; expected life of two years; volatility of 100%; dividend yield of 0%; and risk-free rate of 0.95%.

On December 15, 2021, pursuant to the November 2021 Special Warrant Offering, the Company closed the second tranche of special warrants wherein the Company issued 4,341,446 special warrants (the "December 2021 Special Warrants") at a price of \$0.45 per special warrant for gross proceeds of \$1,953,651. For no additional consideration, the special warrants automatically converted into units consisting of one common share and one-half of one common share purchase warrant on March 29, 2022. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.75 per share and expires on December 15, 2023.

NEVADA LITHIUM RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted - Restated)

7. SHARE CAPITAL AND RESERVES (continued)

In connection with the December 2021 Special Warrants, share issuance costs consisted of cash commission and legal fees of \$148,522 and the issuance of 255,715 special warrants to finders that are exercisable into units at a price of \$0.45 per special warrant, expiring on December 15, 2023. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$0.75 per share and expires on December 15, 2023. The fair value of the special warrants issued to finders was recorded in the special warrants reserve and was determined to be \$50,808 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.40; exercise price of \$0.45; expected life of two years; volatility of 100%; dividend yield of 0%; and risk-free rate of 0.95%.

On March 29, 2022, pursuant to the receipt of a final short-form prospectus qualifying the distribution of 12,257,890 units issuable upon the deemed exercise of the November 2021 Special Warrants and the December 2021 Special Warrants, 12,257,890 special warrants were exercised into 12,257,890 units consisting of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.75 per share and expires 24 months from the original issue date of the respective special warrant. Based on the residual value method, \$612,895 was allocated to special warrants reserves.

The following table displays the special warrants that are outstanding and exercisable at October 31, 2022:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life
	#	\$	Years
November 30, 2023	604,776	0.45	1.08
December 15, 2023	255,715	0.45	1.12
	860,491	0.45	1.09

b) Warrants

In connection with the private placement on February 11, 2021, the Company issued 1,547,500 finder's warrants exercisable at a price of \$0.20 per finder's warrant expiring on February 11, 2023. The fair value of the warrants granted was recorded as share issue costs to reserves and was determined to be \$161,436 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.20; exercise price of \$0.20; expected life of two years; volatility of 100%; and risk-free rate of 0.23%.

In connection with the November and December 2021 Special Warrants, 12,257,890 special warrants were converted to 6,128,945 common share purchase warrants. Based on the residual value method, \$612,895 was allocated to reserves.

The following table displays outstanding and exercisable warrants at October 31, 2022:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life
	#	\$	Years
February 11, 2023	1,547,500	0.20	0.28
November 30, 2023	3,958,222	0.75	1.08
December 15, 2023	2,170,723	0.75	1.12
	7,676,445	0.64	0.93

c) Options

On September 28, 2021, the Company granted 3,900,000 share options exercisable into one common share at a price of \$0.20 per options. The options vested immediately and expire five years from the grant date. The fair value of options granted on September 28, 2021 was recorded as share-based compensation to reserves and was determined to be \$580,177 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.20; exercise price of \$0.20; expected life of five years; volatility of 100%; and risk-free rate of 1.11%.

On January 25, 2022, the Company granted 30,000 share options exercisable into one common share at a price of \$0.45 per option. The options vested immediately and expire three years from the grant date.

NEVADA LITHIUM RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted - Restated)

7. SHARE CAPITAL AND RESERVES (continued)

The fair value of options granted on January 25, 2022 was recorded as share-based compensation to reserves and was determined to be \$6,478 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.37; exercise price of \$0.45; expected life of three years; volatility of 100%; and risk-free rate of 1.40%.

No options were exercised, forfeited, cancelled, or expired during the six months ended October 31, 2022.

The following table displays outstanding and exercisable options at October 31, 2022:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life
	#	\$	Years
September 28, 2026	3,900,000	0.20	3.91
January 25, 2025	30,000	0.45	2.24
	3,930,000	0.20	3.90

d) Restricted share units

On September 28, 2021, the Company granted 190,000 restricted share units ("RSUs") to an officer of the Company. The RSUs vested after four months and may be converted into common shares at the discretion of the beneficiary or the Company. The RSUs expire three years after the grant date if not converted into common shares.

The fair value of RSUs granted on September 28, 2021 was determined to be \$38,000 using the Black-Scholes Option Pricing Model with the following inputs: share price of \$0.20; exercise price of \$nil; expected life of three years; volatility of 100%; and risk-free rate of 0.67%.

No RSUs were forfeited, cancelled, or expired in the three and six months ended October 31, 2022.

The following table displays outstanding and exercisable RSUs at October 31, 2022:

Expiry date	Outstanding and exercisable	Weighted average remaining contractual life
	#	Years
September 28, 2024	190,000	1.91

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**a) Fair value measurement of financial assets and liabilities**

For the periods presented in these interim financial statements, the Company's financial instruments other than equity instruments consisted of cash, accounts payable and accrued liabilities, and notes payable, which are all measured at amortized cost. The carrying values of cash, accounts payable and accrued liabilities, and notes payable approximate their respective fair values due to the short-term nature of these instruments.

b) Risk ManagementCredit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company's cash is exposed to credit risk. The Company reduces the credit risk on cash by placing this instrument with financial institutions of high credit worthiness.

NEVADA LITHIUM RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended October 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted - Restated)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. As at October 31, 2022, the Company has current liabilities totaling \$656,124 (April 30, 2022 - \$285,003) and cash of \$19,102 (April 30, 2022 - \$28,829). Due to the Company's current working capital deficit, the Company is exposed to liquidity risk. As a result, the Company will need to raise funds to continue operations. The Company intends to raise further funds in the form of debt and equity financing.

Market risk

Market risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk, and other price risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk from accounts payable and accrued liabilities denominated in USD. Assuming all other variables constant, a change of 10% of the USD against the Canadian dollar would have had negligible impact on the statements of loss and comprehensive loss for the three and six months ended October 31, 2022.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as its notes payable have a fixed rate of interest.

The Company does not use derivative instruments to manage its exposure to market risks.

9. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholder's equity and notes payable. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations including corporate and administrative functions to support operations.

The Company obtains funding primarily through issuing common stock but may also incur debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the six months ended October 31, 2022. The Company is not subject to any external covenants.

10. SEGMENT INFORMATION

The Company operates in a single reportable operating segment - the acquisition, exploration and evaluation of mineral properties. The Company's exploration and evaluation assets are located in Nevada, United States.

11. SUBSEQUENT EVENTS

On December 22, 2022, the Company entered into three promissory note agreements with third party lenders. Each promissory note has a principal amount of \$25,000 and accrues interest at a rate of 1.0% per month. The principal and interest are due and payable on December 22, 2023.

On February 6, 2023, the Company entered into two promissory note agreements with third party lenders. Each promissory note has a principal amount of \$50,000 and accrues interest at a rate of 1.0% per month. The principal and interest are due and payable on February 6, 2024.

On February 9, 2023, the Company entered into a promissory note agreement with a third party. The promissory note has a principal amount of \$25,000 and accrues interest at a rate of 1.0% per month. The principal and interest are due and payable on February 9, 2024.