NEVADA LITHIUM RESOURCES INC.

Consolidated Financial Statements

For the years ended April 30, 2023 and 2022

(Expressed in Canadian dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

SERVICE

INTEGRITY

TRUST

To the Shareholders of:
Nevada Lithium Resources Inc.

Opinion

We have audited the consolidated financial statements of Nevada Lithium Resources Inc. and its subsidiaries (collectively "the Company"), which comprise the consolidated statements of financial position as at April 30, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $1,152,298 during the year ended April 30, 2023, and as of that date, had accumulated losses since inception of $3,588,262. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report

Evaluation of Assessment of Impairment Indicators of Mineral Properties

As described in Note 5, the carrying value of the Company's exploration and evaluation assets is $8,675,464 as at April 30, 2023. Management assesses at each reporting period-end whether there is an indication that an asset or group of assets is impaired. If such indicator exists, the asset's recoverable amount is estimated. Assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (cash generating unit or CGU). An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Management applies significant judgement in order to assess whether indicators of impairment exist. Impairment indicators include internal and external factors, such as (i) evidence indicating that the company's right to explore the area has expired or will expire in the near future, (ii) management does not have any plans to continue exploration expenditures, (iii) lack of evidence to support technical feasibility or commercial viability, and (iv) facts and circumstances that suggest that the carrying amount exceeds recoverable amount. No impairment indicators were identified by management as at April 30, 2023.

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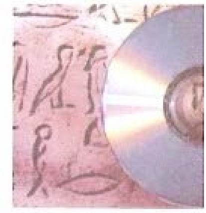
We considered this a key audit matter due to (i) the significance of exploration and evaluation assets in the consolidated financial statements, (ii) the level of subjectivity required in applying audit procedures to assess the factors considered by management in its assessment of impairment indicators, and (iii) the significant auditor attention and audit effort the matter required.



Audit Response
We responded to this matter by performing procedures over management's assessment of indicators of impairment which included the following:

- Obtained, for a sample of claims, by reference to government registries, evidence to support the right to explore the area and claim expiration dates;
- Reviewed internal and external resources, such as current year exploration expenditures and planned work programs and budgets to evidence continued and planned exploration expenditures;
- Assessed the Company's market capitalization to net assets ratio at April 30, 2023; and
- Assessed whether there are facts and circumstances that could indicate that the carrying values of the exploration and evaluation assets may not be recoverable, based on evidence obtained in other areas of the audit.

Other Information
Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

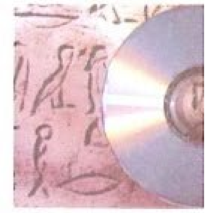
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
August 24, 2023

NEVADA LITHIUM RESOURCES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**April 30, 2023**	April 30, 2022
		$	$
ASSETS			
Current			
Cash		**8,830**	28,829
Restricted funds held in trust	8	**4,816,250**	-
Sales tax receivable		**37,657**	2,030
Prepaid expenses		**17,353**	102,370
		4,880,090	133,229
Exploration and evaluation assets	4	**8,675,464**	8,675,464
Total assets		**13,555,554**	8,808,693
LIABILITIES			
Current			
Accounts payable and accrued liabilities	5	**977,204**	285,003
Notes payable	6	**390,708**	-
Subscription receipts	8	**4,816,250**	-
Total liabilities		**6,184,162**	285,003
SHAREHOLDERS' EQUITY			
Share capital	7(b)	**9,389,697**	9,389,697
Reserves	7(d)	**1,398,986**	1,398,986
Special warrants	7(c)	**170,971**	170,971
Deficit		**(3,588,262)**	(2,435,964)
Total shareholders' equity		**7,371,392**	8,523,690
Total liabilities and shareholders' equity		**13,555,554**	8,808,693

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

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

/s/ "Scott Eldridge"	*/s/ "Jerry Wang"*
Director	Director

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

NEVADA LITHIUM RESOURCES INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except for per share amounts and number of shares)

	Note	Years ended April 30, 2023	2022
		$	$
Operating expenses			
Filing fees		**61,024**	109,600
General and administrative		**28,386**	19,011
Interest expense	6	**21,208**	-
Investor relations		**79,567**	686,525
Management and consulting fees	5	**366,944**	393,517
Professional fees		**581,618**	461,521
Share-based compensation	5, 7	**-**	624,655
		(1,138,747)	(2,294,829)
Foreign exchange loss		**(13,551)**	(1,997)
Net loss and comprehensive loss for the year		**(1,152,298)**	(2,296,826)
Net loss per share:			
Basic and diluted		**(0.02)**	(0.05)
Weighted average number of common shares:			
Basic and diluted		**61,814,890**	50,542,218

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

NEVADA LITHIUM RESOURCES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended April 30, 2023	2022
	$	$
Operating activities:		
Net loss and comprehensive loss for the year	**(1,152,298)**	(2,296,826)
Items not affecting cash:		
Interest expense	**21,208**	-
Share-based compensation	**-**	624,655
Unrealized foreign exchange loss	**13,551**	-
Changes in non-cash working capital items:		
Sales tax receivable	**(35,627)**	1,029
Prepaid expenses	**85,017**	(102,370)
Accounts payable and accrued liabilities	**678,650**	194,016
Cash used in operating activities	**(389,499)**	(1,579,496)
Investing activities:		
Property option payments	**-**	(5,157,720)
Cash used in investing activities	**-**	(5,157,720)
Financing activities:		
Proceeds from issuance of notes payable	**369,500**	-
Proceeds from issuance of common shares	**-**	261,031
Proceeds from issuance of special warrants	**-**	5,516,051
Special warrants issuance costs paid	**-**	(537,752)
Cash provided by financing activities	**369,500**	5,239,330
Net change in cash	**(19,999)**	(1,497,886)
Cash, beginning of year	**28,829**	1,526,715
Cash, end of year	**8,830**	28,829

For the years ended April 30, 2023 and 2022, the Company had no cash paid for income taxes.

NEVADA LITHIUM RESOURCES INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Subscriptions receivable	Reserves	Special warrants	Share subscription deposits	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 in private placements	2,480,000	496,000	31,225	-	-	(266,194)	-	261,031
Special warrants issued	-	-	-	-	5,516,051	-	-	5,516,051
Special warrants issuance costs	-	(691,641)	-	-	170,971	-	-	(520,670)
Private placements share issuance costs	-	(17,082)	-	-	-	-	-	(17,082)
Conversion of special warrants	12,621,890	4,921,356	-	612,895	(5,534,251)	-	-	-
Share-based compensation	-	-	-	624,655	-	-	-	624,655
Net loss and comprehensive loss	-	-	-	-	-	-	(2,296,826)	(2,296,826)
Balance, April 30, 2022	**61,814,890**	**9,389,697**	**-**	**1,398,986**	**170,971**	**-**	**(2,435,964)**	**8,523,690**
Net loss and comprehensive loss	-	-	-	-	-	-	(1,152,298)	(1,152,298)
Balance, April 30, 2023	**61,814,890**	**9,389,697**	**-**	**1,398,986**	**170,971**	**-**	**(3,588,262)**	**7,371,392**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevada Lithium Resources Inc. (the "Company" or "Nevada Lithium") 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 registered address of the Company's office and principal place of business is 1500-1055 West Georgia Street, P.O Box 11117, Vancouver, British Columbia, Canada, V6E 4N7. The Company's common shares are listed on the Canadian Securities Exchange in Canada under the ticker symbol "NVLH" and on the OTCQB Market under the symbol "NVLHF" and on the Frankfurt Stock Exchange under the symbol "87K".

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.

There has been no determination whether properties held contain mineral resources or mineral reserves that are economically recoverable. The recoverability of valuations assigned to mineral properties is dependent upon the discovery of economically recoverable mineral resources and mineral reserves, confirmation of the Company's interest in the properties, the ability to obtain the necessary financing to complete development, and future profitable production or proceeds from disposition.

These consolidated financial statements for the year ended April 30, 2023 and 2022 (the "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. At April 30, 2023, the Company had working capital deficit of $1,304,072 (April 30, 2022 working capital deficit - $151,774) and an accumulated deficit of $3,588,262 (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 creditors and shareholders. These Financial Statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern.

Arrangement to consolidate 100% ownership interest in Bonnie Claire lithium project

On July 07, 2023, the Company announced the completion of the previously announced plan of arrangement under the Business Corporations Act (British Columbia) (the "BCBCA"), whereby the Company acquired Iconic Minerals Ltd. ("Iconic")'s 50% interest in the Bonnie Claire Project (the "Arrangement"). Upon completion of the Arrangement, the Company now holds a 100% interest in the Bonnie Claire Project. In connection with the completion of the Arrangement, the Company will receive the gross proceeds from concurrent offerings totalling $10,785,000 (Note 13).

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on August 24, 2023.

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of presentation

These 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 financial statements have been prepared using the accrual basis of accounting except cash flow information.

c) Functional and presentation currency

The functional currency of the Company and its subsidiaries 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" and "US$" are to United States dollars.

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

These 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 financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at April 30, 2023 are as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Principal activity
Nevada Lithium Corp.	USA	100%	Holding company and head office function
1396483 B.C. Ltd. ("Nevada Lithium FinCo")	Canada	100%	Financing activities
1406917 B.C. Ltd. ("Nevada Lithium MergeCo")	Canada	100%	Financing activities
1406923 B.C. Ltd. ("Nevada Lithium SubCo")	Canada	100%	Financing activities

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash is comprised of cash held in a trust account and deposits in banks.

b) Restricted funds held in trust

Restricted funds held in trust consists of subscription receipts held in a lawyer's trust account.

c) Financial Instruments

<u>Classification</u>

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instrument	Classification
Financial assets	
Cash	Amortized cost
Restricted funds held in trust	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost

<u>Measurement</u>

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in net income (loss) in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTOCI are recognized in other comprehensive income (loss). The Company does not have any FVTOCI financial assets.

Financial assets at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in profit or loss, as an impairment loss (or reversal), the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

d) Exploration and evaluation assets

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties pursuant to the terms of the agreement. Exploration and evaluation expenditures, net of recoveries, are not capitalized but recorded in the consolidated statements of loss and comprehensive loss as incurred.

After an exploration and evaluation asset is determined by management to be commercially viable and technically feasible, exploration and evaluation expenditures on the property will first be assessed for impairment before being capitalized as property and equipment.

Option payments to acquire an exploration and evaluation asset made at the sole discretion of the Company under an option agreement, are capitalized at the time of payment.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company on a property, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management’s estimate of their net recoverable amount.

The recoverability of the carrying amount of mineral properties is dependent on successful development and commercial exploitation or, alternatively, the sale of the respective areas of interest.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and value in use ("VIU"). FVLCS is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

f) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value of the shares as of the date of issuance.

g) Valuation of equity units issued in private placements

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined based on the share price subscribed for in the private placement. The residual amount, if any, is allocated to attached warrants. Any fair value attributed to the warrants is recorded in reserves.

h) Share-based compensation

The Company has a stock option plan, which allows grants of options to purchase common shares by the Company's directors, officers, employees, and consultants. The Company accounts for the stock options at their fair value and recognizes the cost as compensation expense over the vesting period, with the offset recorded to reserve. The amount recognized as share-based compensation expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

The fair value of options granted to directors and employees is measured using the Black-Scholes option pricing model on the date of issuance. Share-based compensation to non-employees is measured at the fair value of the goods or services received, or at the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured and are recorded at the date the goods or services are received.

Consideration received on the exercise of stock options is recorded as share capital, and the amount previously recognized in stock options and warrants reserves is transferred to share capital. For options that expired and unexercised, the initial fair value recorded remains in reserve.

i) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

k) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses. At April 30, 2023 and 2022, the Company did not have any of these obligations.

l) Segment reporting

The Company operates in a single reportable operating segment - the acquisition, exploration and evaluation of mineral properties in Nevada, USA.

m) Significant accounting policy judgements and key sources of estimation uncertainty

The preparation of these financial statements requires management to exercise significant judgments in applying the Company’s accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company’s financial statements. Revisions to accounting estimates are accounted for prospectively.

Significant judgments exercised by management in applying the Company’s accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Going concern presentation

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Management assesses the Company’s ability to continue as a going concern at each reporting date using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates and assumptions of future cash flows and other events whose subsequent changes could materially impact the validity of the assessment.

Determination of functional currency

The functional currency for each of the Company’s subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgements to determine the primary economic environment of an entity. The Company re-evaluates the functional currency of its entities when there is a change in events and conditions which previously determined the primary economic environment of an entity.

Economic recoverability of future economic benefits of exploration and evaluation assets

Management has determined that exploration and evaluation of mineral properties and related costs incurred, which have been recognized on the statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

(Expressed in Canadian dollars, except where noted)

4. EXPLORATION AND EVALUATION ASSETS

On January 29, 2021, the Company purchased 100% of the issued and outstanding shares of Nevada Lithium Corp. which held the option to earn interest in the Bonnie Claire lithium project (“the Project”) . The acquisition was accounted for as the purchase of assets and assumption of liabilities as Nevada Lithium Corp. did not qualify as a business under IFRS 3 *Business Combinations.* As a result of the acquisition, the Company acquired exploration and evaluation assets of $1,490,064.

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 Project. 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 Project.

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

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

A summary of the Company’s mineral rights is as follows:

	Project
	$
Balance, April 30, 2021	3,517,744
Payments toward the mineral interests	5,157,720
Balance, April 30, 2023 and April 30, 2022	**8,675,464**

Subsequent to April 30, 2023, the Company completed the Arrangement and acquired the remaining 50% interest; the Company now holds a 100% interest in the Project (Note 13).

5. 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 include those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

As at April 30, 2023, accounts payable and accrued liabilities included $231,651 (April 30, 2022 - $59,422) due to related parties.

A summary of the Company’s related party transactions for the years ended April 30, 2023 and 2022 is as follows:

	2023	2022
	$	$
Management and consulting fees	**305,118**	222,836
Share-based compensation	**-**	216,516
	305,118	439,352

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 after the grant date on September 28, 2026. As at April 30, 2023, these options are still outstanding.

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 on September 28, 2024 if not converted into common shares. As at April 30, 2023, these RSUs are still outstanding.

(Expressed in Canadian dollars, except where noted)

6. NOTES PAYABLE

Summary of the Company's notes payable is as follows:

	$
Notes payable (convertible)	304,748
Notes payable (non-convertible)	75,000
Interest payable	10,960
Balance, April 30, 2023	**390,708**

During the year ended April 30, 2023, the Company entered into a number of short-term loan agreements with third parties:

- Promissory notes totaling $69,500 with an annual effective rate of 25%. On February 24, these notes were extinguished and their book value of $82,804 comprised of principal of $69,500 and accrued interest of $13,304 was converted into one convertible promissory note with a principal of $79,748 bearing interest at a rate of 12% per annum and maturing on February 24, 2024, with accrued interest of $3,056 forgiven. Interest accrued to April 30, 2023 from date of re-issuance totalled $1,672 (2022 - $nil). The principal amount of the convertible promissory note will automatically convert to a Nevada Lithium Unit (Note 8) at $0.125 per Nevada Lithium Unit upon closing of the Arrangement (Note 13).
- Convertible promissory notes totaling $225,000 and non-convertible promissory notes totalling $75,000, all bearing interest at 12% per annum with a maturity date of one year from their date of agreement. During the year ended April 30, 2023, the Company recorded accrued interest expense in connection with these notes of $9,288 (2022 - $nil) and did not make any payments of principal or interest. The principal amount of the convertible promissory notes will automatically convert to a Nevada Lithium Unit (Note 8) at $0.125 per Nevada Lithium Unit upon closing of the Arrangement (Note 13).

Notes payable continuity table is as follows:

	$
Balance, April 30, 2022 and 2021	-
Additions	449,248
Interest expense	24,264
Interest forgiven	(3,056)
Extinguished and re-instated	(79,748)
Balance, April 30, 2023	**390,708**

Subsequent to year end, the Company converted $304,748 of promissory notes to Nevada Lithium Units at $0.125 per Nevada Lithium Unit, and repaid $75,000 of promissory notes and accrued interest (Note 13).

7. SHARE CAPITAL AND RESERVES

a) Authorized share capital

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

b) Issued share capital

During the year ended April 30, 2023, the Company had no share capital transactions.

During the year ended April 30, 2022, the Company had the following share capital transactions:

- On May 7, 2021, the Company completed a non-brokered private placement for the issuance of 2,480,000 common shares at $0.20 per share 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 were 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 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.

(Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL AND RESERVES (continued)

c) Special warrants

A summary of the special warrant activity is as follows:

	Number of special warrants	Weighted average exercise price
	#	$
Balance, April 30, 2021	364,000	-
February 2021 special warrants converted to shares	(364,000)	-
November 2021 special warrants	7,916,444	0.45
December 2021 special warrants	4,341,446	0.45
Finder's warrants	860,491	0.45
Conversion of November 2021 special warrants	(7,916,444)	0.45
Conversion of December 2021 special warrants	(4,341,446)	0.45
Balance, April 30, 2023 and April 30, 2022	**860,491**	**0.45**

A summary of the Company's special warrants outstanding as at April 30, 2023 is as follows:

Date of expiry	Special warrants outstanding	Weighted average exercise price	Weighted average remaining life
	#	$	Years
November 30, 2023	604,776	0.45	0.59
December 15, 2023	255,715	0.45	0.63
	860,491	**0.45**	**0.60**

d) Reserves

<u>Warrants</u>

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, April 30, 2021	1,547,500	0.20
Conversion of November 2021 special warrants into units	3,958,222	0.75
Conversion of December 2021 special warrants into units	2,170,723	0.75
Balance, April 30, 2022	7,676,445	0.64
Expired	(1,547,500)	0.20
Balance, April 30, 2023	**6,128,945**	**0.75**

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.

On February 11, 2023, 1,547,500 warrants with an exercise price of $0.20 expired, unexercised.

A summary of the Company's warrants outstanding as at April 30, 2023 is as follows:

Date of expiry	Warrants outstanding	Weighted average exercise price	Weighted average remaining life
	#	$	Years
November 30, 2023	3,958,222	0.75	0.59
December 15, 2023	2,170,723	0.75	0.63
	6,128,945	**0.75**	**0.60**

(Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL AND RESERVES (continued)

Options

A summary of the company's stock option activity is as follows:

	Options outstanding and exercisable	Weighted average exercise price
	#	$
Balance, April 30, 2021	-	-
Granted	3,930,000	0.20
Balance, April 30, 2023 and April 30, 2022	**3,930,000**	**0.20**

A summary of the Company's options outstanding as at April 30, 2023 is as follows:

Date of expiry	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining life
	#	$	Years
January 25, 2025	30,000	0.45	1.74
September 28, 2026	3,900,000	0.20	3.42
	3,930,000	**0.20**	**3.40**

Restricted share units

On September 28, 2021, the Company granted 190,000 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 will expire on September 28, 2024 if not converted into common shares. The fair value of RSUs granted on September 28, 2021 was determined to be $38,000. As at April 30, 2023, these RSUs are still outstanding with average remaining life of 1.42 years.

8. SUBSCRIPTION RECEIPTS

On February 24, 2023, in connection with the Arrangement (Note 1), the Company and its wholly-owned subsidiary, Nevada Lithium FinCo, closed a concurrent private placement (the "Concurrent Financing") through the issuance of an aggregate of 38,530,000 subscription receipts (the "Subscription Receipts") at a price of $0.125 per Subscription Receipt for aggregate gross proceeds of $4,816,250.

Of the 38,530,000 Subscription Receipts issued pursuant to the Concurrent Financing, 14,780,000 Subscription Receipts (the "Nevada Lithium Subscription Receipts") were issued by Nevada Lithium and 23,750,000 Subscription Receipts (the "Nevada Lithium FinCo Subscription Receipts") were issued by Nevada Lithium FinCo. The Subscription Receipts issued pursuant to the Concurrent Financing will automatically convert upon the closing of the Arrangement as follows:

- Each Nevada Lithium Subscription Receipt will convert into one unit of Nevada Lithium (a "Nevada Lithium Unit"), consisting of one common share in the capital of Nevada Lithium (a "Nevada Lithium Share") and one-half of one common share purchase warrant of Nevada Lithium (each whole warrant, a "Nevada Lithium Warrant"). Each Nevada Lithium Warrant will entitle the holder thereof to acquire one additional common share of Nevada Lithium at an exercise price of $0.20 for a period of 24 months following the closing of the Arrangement.
- Each Nevada Lithium FinCo Subscription Receipt shall be converted into one unit (a "Nevada Lithium FinCo Unit"), consisting of one common share of Nevada Lithium FinCo (a "Nevada Lithium FinCo Share") and one-half of one share purchase warrant of Nevada Lithium FinCo (each whole warrant, a "Nevada Lithium FinCo Warrant"). Upon completion of the Arrangement, each Nevada Lithium FinCo Share and each Nevada Lithium FinCo Warrant will be exchanged on a one-for-one basis for, respectively, Nevada Lithium Shares and Nevada Lithium Warrants. Each Nevada Lithium Warrant will entitle the holder thereof to acquire one additional Nevada Lithium Share at an exercise price of $0.20 for a period of 24 months following the closing of the Arrangement.

In connection with the Concurrent Financing, the Company agreed to pay certain eligible finders a cash commission of $336,358, which will become payable upon the completion of the Arrangement, and issue 2,690,859 warrants to the finders. Each warrant is exercisable to acquire one Nevada Lithium Share at an exercise price of $0.125 for a period of 24 months following the closing of the Arrangement.

On July 07, 2023, the Company completed the Arrangement and issued 38,530,000 Nevada Lithium Units to its subscribers (Note 13).

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the consolidated statement of financial position, and how the entity manages these risks.

The Company's financial instruments consist of cash, restricted funds held in trust, accounts payables and accrued liabilities, and notes payable. The carrying values of these financial instruments approximate their respective fair values due to the short-term nature of these instruments. As at April 30, 2023, the Company had no financial instrument measured at fair value.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit 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.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with accounts payable and accrued liabilities and notes payable. 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 April 30, 2023, the Company has current liabilities totaling $6,184,162 (April 30, 2022 - $285,003), cash of $8,830 (April 30, 2022 - $28,829), and restricted funds held in trust of $4,816,250 (April 30, 2022 - $nil).

c) 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, and interest rate risk.

Interest rate risk

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.

Currency risk

Currency 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, for the year ended April 30, 2023, a change of 10% of the USD against the Canadian dollar would have had an impact of $15,182 (2022 - $3,440) on the statements of loss and comprehensive loss.

d) Commodity price risk

The ability of the Company to raise funds to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of lithium. As the Company is in the exploration stage, it is not directly exposed to commodity risk. However, the Company continues to monitor lithium prices to determine the appropriate course of action to be taken.

10. INCOME TAXES

The provision for income tax differs from the amount that would have been expected if the reported earnings had been subject to the Canadian statutory income tax rate of 27%. For years ended April 30, 2023 and 2022, a reconciliation between the expected and actual income tax expense is shown below:

	2023	2022
	$	$
Net loss for the year	**1,152,298**	2,296,826
Expected income tax recovery based on statutory rates	**(311,000)**	(620,000)
Permanent differences	**-**	169,000
Share issue costs	**-**	(145,000)
Change in unrecognized deductible temporary differences	**311,000**	596,000
Income tax expense	-	-

(Expressed in Canadian dollars, except where noted)

10. INCOME TAXES (continued)

The components of the Company's unrecognized deferred tax assets are as follows:

	2023	2022
	$	$
Share issue costs	**122,000**	165,000
Non-capital losses available for future periods	**865,000**	536,000
	987,000	701,000
Less: unrecognized deferred tax assets	**(987,000)**	(701,000)
Deferred income tax asset	**-**	-

The Company has non-capital losses, for which deductions against future taxable income are uncertain, of approximately $3,205,000 which, if not utilized, will expire over 2023 through 2043.

11. CAPITAL MANAGEMENT

The Company's capital consists of all components of shareholder's equity. 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 through issuance of equity and 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 year ended April 30, 2023. The Company is not subject to any external covenants.

12. 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.

13. SUBSEQUENT EVENTS

On May 12, 2023, the Company entered into additional promissory note agreements for an aggregate amount of $231,250. These proceeds were previously received on February 24, 2023 in the form of 1,850,000 Subscription Receipts at $0.125 per Subscription Receipt and were converted into promissory notes. The promissory notes accrued interest at a rate of 12% per annum with a maturity date of May 12, 2024. The promissory notes were converted into common shares upon closing of the arrangement on July 07, 2023 at $0.125 per Nevada Lithium Unit (Note 8) for settlement of the principal amount and accrued interest was paid in cash.

On June 20, 2023, the Company closed a concurrent non-brokered private placement in which the Company issued 41,333,333 Subscription Receipts at a price of $0.15 per Subscription Receipt for aggregate proceeds of $6,200,000. Upon closing of the Arrangement, each Subscription Receipt automatically converts into a unit consisting of one common share and one common share purchase warrant of the Company. Each warrant is exercisable into one common share at a price of $0.25 for a period of three years from the closing of the Arrangement.

On July 07, 2023, the Company executed the Arrangement and acquired the remaining 50% interest in Bonnie Claire lithium project. Pursuant to the close of the Arrangement, the following transactions occurred:

- The Company issued an aggregate of 66,912,827 common shares as consideration for the Arrangement, of which 60,221,528 shares were received by the shareholders of Iconic and 6,691,299 shares were received by Iconic.
- Promissory notes of the Company in the principal amount of $304,748 (Note 6) converted into Nevada Lithium Units of the Issuer on the same terms as the February Subscription Receipts immediately prior to the closing of the Arrangement.
- In connection with the completion of the Arrangement, the gross proceeds totalling $10,785,000, derived from the Company's February 24, 2023 non-brokered private placement of 36,680,000 subscription receipts ("February Offering") and the Company's June 20, 2023 non-brokered private placement offering of 41,333,333 subscription receipts (the "June Offering" and together with the February Offering, the "Concurrent Offerings") were released from escrow and the subscription receipts issued pursuant to the February Offering (the "February Subscription Receipts") and the subscription receipts issued pursuant to the June Offering (the "June Subscription Receipts") were automatically converted into Nevada Lithium Units. Officers and Directors received 233,333 Nevada Lithium Units in connection with the completion of the Arrangement.

13. SUBSEQUENT EVENTS (continued)

- The Company agreed to pay a $500,000 structuring fee and issued 4,000,000 common share purchase warrants to Iconic. Each common share purchase warrant is exercisable into one common share at a price of $0.20 for a period of two years after the close of the Arrangement.
- The Company issued 3,930,000 stock options to related parties of Iconic. Of the options issued, 3,900,000 options are exercisable to common shares at a price of $0.20 per common share until July 07, 2028 and 30,000 options are exercisable to common shares a price of $0.45 per common share until July 07, 2026.
- Nevada Lithium MergeCo and Iconic Merge amalgamated and continue as one corporation. Nevada Lithium SubCo and Nevada Lithium FinCo amalgamated and continue as one corporation.

On July 24, 2023, the Company issued an aggregate of 35,000 common shares and 17,500 common share purchase warrants pursuant to a finder warrant exercise, resulting in proceeds to the Company of $4,375.

On July 28, 2023, the Company repaid the remaining unconvertable promissory notes with an aggregate principal amount of $75,000 (Note 6) plus accrued interest of $5,400.

On August 16, 2023, the Company issued an aggregate of 100,000 common shares pursuant to a warrant exercise, resulting in proceeds to the Company of $20,000.

On August 18, 2023, the Company issued an aggregate of 17,500 common shares pursuant to a warrant exercise, resulting in proceeds to the Company of $3,500.

On August 22, 2023, the Company issued an aggregate of 20,000 common shares pursuant to a warrant exercise, resulting in proceeds to the Company of $4,000.