



NEVADA LITHIUM RESOURCES INC.

Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended July 31, 2023 and 2022.

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Nevada Lithium Resources Inc. for the interim periods ended July 31, 2023 and 2022, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, WDM Chartered Professional Accountants, have not performed a review of these unaudited condensed interim consolidated financial statements.

September 29, 2023

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

	Note	July 31, 2023	April 30, 2023
		\$	\$
ASSETS			
Current			
Cash		8,400,545	8,830
Sales tax receivable		59,568	37,657
Prepaid expenses		19,089	17,353
Restricted funds held in trust	8	-	4,816,250
		8,479,202	4,880,090
Exploration and evaluation assets	4,5	32,078,087	8,675,464
Total assets		40,557,289	13,555,554
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	1,133,377	977,204
Notes payable	7	20,039	390,708
Subscription receipts	8	-	4,816,250
Total liabilities		1,153,416	6,184,162
SHAREHOLDERS' EQUITY			
Share capital	9(b)	40,083,205	9,389,697
Reserves		4,832,039	1,398,986
Special warrants		170,971	170,971
Deficit		(5,682,342)	(3,588,262)
Total shareholders' equity		39,403,873	7,371,392
Total liabilities and shareholders' equity		40,557,289	13,555,554

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"
Director

/s/ "Jerry Wang"
Director

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

NEVADA LITHIUM RESOURCES INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except for number of shares)

		Three months ended July 31,	
	Note	2023	2022
		\$	\$
Operating expenses			
Filing fees		14,777	17,056
General and administrative		5,285	8,326
Interest expense	7	17,550	3,376
Investor relations		72,344	65,045
Management and consulting fees	6	139,120	87,018
Professional fees	5	904,912	28,469
Share-based compensation	6, 9	1,002,319	-
		(2,156,309)	(209,290)
Foreign exchange gain (loss)		62	274
Interest income		62,167	274
Net loss and comprehensive loss		(2,094,080)	(209,016)
Net loss per share:			
Basic and diluted		(0.02)	(0.00)
Weighted average number of common shares:			
Basic and diluted		100,745,645	61,814,890

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

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

	Three months ended July 31,	
	2023	2022
	\$	\$
Operating activities:		
Net loss and comprehensive loss	(2,094,080)	(209,016)
Items not affecting cash:		
Interest expense	17,551	3,376
Share-based compensation	1,002,320	-
Unrealized foreign exchange gain	(749)	(274)
Changes in non-cash working capital items:		
Sales tax receivable	(21,911)	(7,907)
Prepaid expenses	(1,736)	67,102
Accounts payable and accrued liabilities	153,849	74,294
Cash used in operating activities	(944,756)	(72,425)
Investing activities:		
Exploration and evaluation assets	(746,729)	-
Cash used in investing activities	(746,729)	-
Financing activities:		
Proceeds from issuance of notes payable	231,250	69,500
Net proceeds from issuance of common shares	9,927,975	-
Proceeds from finder warrant exercises	4,375	-
Repayment of non-convertible notes payable	(80,400)	-
Cash provided by financing activities	10,083,200	69,500
Net change in cash	8,391,715	(2,925)
Cash, beginning of year	8,830	28,829
Cash, end of year	8,400,545	25,904

For the three months ended July 31, 2023 and 2022, the Company had no cash paid for income taxes.

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

NEVADA LITHIUM RESOURCES INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

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

	Notes	Common shares	Share capital	Reserves	Special warrants	Deficit	Total shareholders' equity
	#	#	\$	\$	\$	\$	\$
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		-	-	-	-	(209,016)	(209,016)
Balance, July 31, 2022		61,814,890	9,389,697	1,398,986	170,971	(2,644,980)	8,314,674
Net loss and comprehensive loss		-	-	-	-	(943,282)	(943,282)
Balance, April 30, 2023		61,814,890	9,389,697	1,398,986	170,971	(3,588,262)	7,371,392
Private Placement - February 2023	9b						
Private placement		36,680,000	4,585,000	-	-	-	4,585,000
Share issuance costs		-	(1,073,939)	679,750	-	-	(394,189)
Private Placement - June 2023	9b						
Private placement		41,333,333	6,200,000	-	-	-	6,200,000
Share issuance costs		-	(1,313,436)	850,600	-	-	(462,836)
Common shares	9b	66,912,827	21,746,669				21,746,669
Warrants issued	9d	-	-	909,225	-	-	909,225
Share-based compensation	9d	-	-	1,002,319	-	-	1,002,319
Shares issued - convertible debt	9b	4,287,984	535,998	-	-	-	535,998
Shares issued - Warrants exercised	9d	35,000	13,216	(8,841)	-	-	4,375
Net loss and comprehensive loss		-	-	-	-	(2,094,080)	(2,094,080)
Balance, July 31, 2023		211,064,034	40,083,205	4,832,039	170,971	(5,682,342)	39,403,873

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

NEVADA LITHIUM RESOURCES INC.
Notes to the condensed interim consolidated Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - Expressed in Canadian dollars, except where noted)

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.

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 unaudited condensed interim consolidated financial statements for the three months ended July 31, 2023 and 2022 ("financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at July 31, 2023, the Company had working capital of \$7,325,786 (April 30, 2023 – deficit \$1,304,072) and an accumulated deficit of \$ 5,682,342 (April 30, 2023 - \$3,588,262). The Company has no sources of operating cash flows, and there is no assurance that funding will be available to conduct the required exploration and development of its mineral property projects. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Arrangement to consolidate 100% ownership interest in Bonnie Claire Project

On July 7, 2023, the Company completed the previously announced plan of arrangement (the "**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 Bonnie Claire Project (the "**Project**" or the "**Bonnie Claire Project**") is located in Nye County, Nevada which is 201 km (125 miles) northwest of Las Vegas. The town of Beatty is 40 km (25 miles) southeast of Bonnie Claire Project.

Upon completion of the Arrangement, the Company now holds 100% interest in the Bonnie Claire Project (the "**Acquisition**") (Notes 4 & 5).

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on September 29, 2023.

These financial statements 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 applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended April 30, 2023 and 2022 (the "Annual Financial Statements").

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.

NEVADA LITHIUM RESOURCES INC.

Notes to the condensed interim consolidated Financial Statements For the three months ended July 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

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.

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 July 31, 2023 are as follows (Note 4):

Name of subsidiary	Country of incorporation	Percentage ownership	Principal activity
1426354 B.C. Ltd ⁽¹⁾	Canada	100%	Holding company
Bonnie Claire Holdings Corp. ⁽²⁾	Canada	100%	Holding company
Bonnie Claire Lithium Resources Corp.	USA	100%	Holding company
Nevada Lithium Corp.	USA	100%	Holding company

⁽¹⁾ Entity the result of amalgamation of 1406923 B.C. Ltd. ("Nevada Lithium Subco") and 1396483 B.C. Ltd. ("Nevada Lithium FinCo")

⁽²⁾ Entity the result of amalgamation of 1406917 B.C. Ltd ("Nevada Lithium MergeCo") and 1259318 B.C. Ltd. ("Iconic MergeCo")

3. SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those as disclosed in its most recently completed audited consolidated financial statements for the fiscal year ended April 30, 2023 with exception of the following:

Exploration and evaluation costs

Effective May 1, 2023, the Corporation changed its accounting policy of expensing all exploration and evaluation expenditures to capitalizing these expenditures in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. Capitalizing post-acquisition exploration and evaluation costs as incurred provides more reliable and relevant financial information to the users of its financial statements. As no exploration costs had been incurred other than acquisition costs that were capitalized, there is no impact on prior periods. The amended accounting policy is as follows:

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off in the statement of operations. Interest on borrowings incurred to finance mining assets is capitalized until the asset is capable of carrying out its intended use.

A mineral property is reviewed for impairment at each financial statement date or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable have not been recorded. Option payments are capitalized as property costs or recorded as recoveries when the payments are made or received.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development and future profitable production or proceeds from the disposition thereof.

NEVADA LITHIUM RESOURCES INC.

Notes to the condensed interim consolidated Financial Statements For the three months ended July 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars, except where noted)

4. SUMMARY OF THE ARRANGEMENT

On July 7, 2023, the Company completed the previously announced plan of arrangement under the BCBCA whereby the Company acquired Iconic Minerals Ltd.'s 50% interest in the Bonnie Claire lithium project located in Nye County, Nevada. Upon completion of the Arrangement, the Company acquired a 100% interest in the Bonnie Claire Project (Notes 5 and 9b).

Iconic's interest in the Project, previously held through Iconic's Nevada subsidiary, Bonaventure Nevada Inc., was transferred to a newly incorporated Nevada company, Bonnie Claire Lithium Resources Corp. The Bonnie Claire Holdings Corp., its Canadian holding company, continued as the result of amalgamation of 1406917 B.C. Ltd ("**Nevada Lithium MergeCo**") and 1259318 B.C. Ltd. ("**Iconic MergeCo**").

11406923 B.C. Ltd. ("**Nevada Lithium Subco**") and 1396483 B.C. Ltd. ("**Nevada Lithium FinCo**") amalgamated and continued as one corporation, 1426354 B.C. Ltd. Upon completion of the Arrangement, each then outstanding Nevada Lithium FinCo common share and Nevada Lithium FinCo common share purchase warrant was exchanged, on a one-for-one basis, respectively, for common shares in the capital of Nevada Lithium and economically equivalent common share purchase warrants of Nevada Lithium.

In connection with the completion of the Arrangement, the Company completed two non-brokered private placements, on February 24, 2023 ("**February Offering**") and on June 20, 2023 ("**June Offering**") together, the ("**Concurrent Offerings**").

5. EXPLORATION AND EVALUATION ASSETS

A summary of the company's mineral property costs:

Bonnie Claire Project	
	\$
Balance, April 30, 2023 and April 30, 2022	8,675,464
Acquisition Cost (Note 4):	
Shares issued (Note 9b)	21,746,669
Warrants issued (Note 9d)	909,225
Contractual obligations assumed	333,755
Claims maintenance	214,412
Exploration	198,562
Balance, July 31, 2023	32,078,087

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 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.

Nevada Lithium Corp., had previously 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., was 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) and achieved the maximum 50% interest in the Mineral Rights of the Project.

On July 7, 2023 the Company completed the Acquisition of the remaining 50% interest in the Project from Iconic through the following:

- Issuance of 66,912,827 common shares to Iconic and shareholders of Iconic ("**Consideration Shares**") measured at fair value of \$0.325 per share for a total of \$21,746,669.
- Issuance of 4,000,000 common share purchase warrants to Iconic, exercisable to purchase one common share of the Company for a period of two years following closing of the Arrangement at an exercise price of \$0.20 per share. The warrants were measured at a fair value of \$909,225, estimated using the Black-Scholes model on the date of measurement (Note 9).
- The assumption of \$333,755 (US \$250,991) contractual obligations of Iconic with respect to the Bonnie Claire Project prior to Acquisition.

In connection with the Acquisition, the Company incurred \$797,282 of professional fees and incurred \$1,002,320 share-based compensation expense from granting to Iconic and certain eligible persons associated with Iconic an aggregate of 3,930,000 stock (Note 7).

NEVADA LITHIUM RESOURCES INC.**Notes to the condensed interim consolidated Financial Statements
For the three months ended July 31, 2023 and 2022**

(Unaudited - Expressed in Canadian dollars, except where noted)

6. RELATED PARTY TRANSACTIONS

The Company's related parties include subsidiaries, affiliated entities and key management personnel and their close family members. 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 the Board of Directors, CEO, COO and CFO.

As at July 31, 2023, accounts payable and accrued liabilities included \$35,456 (April 30, 2023 - \$231,651) due to related parties.

A summary of the Company's related party transactions for the three months ended July 31, 2023 and 2022 is as follows:

	July 31, 2023	July 31, 2022
	\$	\$
Management and consulting fees	58,723	222,836
Share-based compensation	305,143	-
	363,866	439,352

On September 28, 2021, the Company granted options to acquire 1,200,000 common shares to directors and officers of the Company. The options are exercisable to acquire one common share at an exercise price of \$0.20 per share. The options vested immediately and expire five years after the grant date on September 29, 2026. As at July 31, 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 July 31, 2023, these RSUs are still outstanding.

On July 7, 2023, the Company granted options to acquire 1,175,000 common shares to directors and officers of the Company. The options are exercisable to acquire one common share at an exercise price of \$0.20 per share. The options vested immediately and expire on September 29, 2026. As at July 31, 2023, these options are still outstanding.

On July 7, 2023, the Company granted options to acquire 30,000 common shares to a company with directors and officers in common. The options are exercisable to acquire one common share at an exercise price of \$0.45 per share. The options vested immediately and expire on January 25, 2026. As at July 31, 2023, these options are still outstanding.

On July 7, 2023, the Company issued 4,000,000 common share purchase warrants to a company with directors and officers in common, each warrant entitling the holder to acquire one common share at an exercise price of \$0.20 per share for a period of 24 months, expiring on July 7, 2025. As at July 31, 2023, these warrants are still outstanding.

On July 7, 2023, certain officers and directors of the Company, certain of their close family members a company with common directors and officers received 4,405,592 Nevada Lithium units in connection with the completion of the Arrangement and Concurrent Offerings.

NEVADA LITHIUM RESOURCES INC.
Notes to the condensed interim consolidated Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - Expressed in Canadian dollars, except where noted)

7. NOTES PAYABLE

A summary of the Company's notes payable as at July 31, 2023 is as follows:

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 totaled \$1,672 (2022 - \$nil). The principal amount of the convertible promissory notes automatically converted to a Nevada Lithium Units (Note 8) at \$0.125 per Nevada Lithium Unit upon closing of the Arrangement (Note 4).
- Convertible promissory notes totaling \$225,000 and non-convertible promissory notes totaling \$75,000, all bearing interest at 12% per annum with a maturity date of one year from their date of agreement. The principal amount of the convertible promissory notes automatically converted to a Nevada Lithium Units (Note 4) at \$0.125 per unit upon closing of the Arrangement (Note 4).

Notes payable continuity table is as follows:

	\$
Balance, April 30, 2022 and 2021	-
Additions	449,248
Interest expense	24,264
Interest forgiven	(3,056)
<u>Extinguished and re-instated</u>	<u>(79,748)</u>
Balance, April 30, 2023	390,708
Additions	241,498
Interest expense	4,231
Repayments	(80,400)
Converted to \$0.125 units	(535,998)
Balance, July 31, 2023	20,039

During the three months ended July 31, 2023, the Company entered into additional short-term loan agreements with third parties as convertible promissory notes with additions of \$241,498, bearing interest at a rate of 12% per annum and maturing after one year. The principal amount of the convertible promissory note automatically converted to a Nevada Lithium Units (Note 8) at \$0.125 per Nevada Lithium Unit upon closing of the Arrangement (Note 4). The Company recorded accrued interest expense in connection with these notes of \$4,231 (April 30, 2023 - \$24,264).

The total principal amount of \$535,998 (April 30, 2023 - \$225,000) of the convertible promissory notes automatically converted to Nevada Lithium Units at \$0.125 per unit upon closing of the Arrangement (Note 4).

The Company repaid the remaining principal and made interest payments of \$5,400. The balance at July 31, 2023 of \$20,039 is interest payable and was repaid in August, 2023.

8. SUBSCRIPTION RECEIPTS

On February 24, 2023, in connection with the Arrangement (Note 4), the Company and its wholly-owned subsidiary, Nevada Lithium FinCo, closed the February Offering 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. Each Subscription Receipt converts into one unit, consisting of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one additional common share of at an exercise price of \$0.20 for a period of 24 months following the closing of the Arrangement.

In connection with the February Offering, the Company agreed to pay certain eligible finders a cash commission of \$434,550, 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.

NEVADA LITHIUM RESOURCES INC.
Notes to the condensed interim consolidated Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - Expressed in Canadian dollars, except where noted)

8. SUBSCRIPTION RECEIPTS (continued)

On June 20, 2023, in connection with the Arrangement (Note 4) the Company completed a non-brokered private placement offering of 41,333,333 Subscription Receipts at a price of \$0.15 per Subscription Receipt for aggregate gross proceeds of

\$6,200,000. Each Subscription Receipt is comprised of one common share in the capital of the Company and one common share purchase warrant of the Company, each warrant exercisable into one common share at a price of \$0.25 per share for a period of 3 years from the completion of the Arrangement.

In connection with the June Offering, the Company agreed to pay certain eligible finders a cash commission of \$434,550, which will become payable upon the completion of the Arrangement, and issue 3,234,666 warrants to the finders. Each warrant is exercisable to acquire one Nevada Lithium Share at an exercise price of \$0.15 for a period of three years following the closing of the Arrangement.

On July 7, 2023 upon closing of the arrangement, the Concurrent Offerings were released from escrow and the subscription receipts issued pursuant to the February Offering and the subscription receipts issued pursuant to the June Offering were automatically converted into units of the Company.

9. 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.

On July 7, 2023:

- i. The February Offering, a non-brokered private placement, for gross proceeds of \$4,816,250 subscription receipts converted to 38,530,000 common shares each with one-half of one common share purchase warrant at \$0.125 per share. Each warrant entitles the holder to acquire one additional common share of at an exercise price of \$0.20 for a period of 24 months. Company paid certain financing, legal and other expenses of \$394,189 and issued 2,690,859 warrants valued at \$679,750 to the finders. Each finders warrant is exercisable to acquire one common share and one-half of one common share purchase warrant on at an exercise price of \$0.125 for a period of 24 months.
- ii. The June offering, a non-brokered private placement, for gross proceeds of \$6,200,000 subscription receipts converted to 41,333,333 common shares each with one common share purchase warrant at \$0.15 per share. Each warrant entitles the holder to acquire one additional common share of at an exercise price of \$0.25 for a period of 3 years. The Company paid certain financing, legal and other expenses of \$462,836 and issued 2,690,859 warrants valued at 850,600 to the finders. Each warrant is exercisable to acquire one common share and one common share purchase warrant at an exercise price of \$0.15 for a period of 3 years.
- iii. Promissory notes of \$535,998 converted to 4,287,984 common shares each with one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.20 for a period of 24 months.
- iv. Issued an aggregate 66,912,827 common shares to Iconic and shareholders of Iconic measured at fair value of \$0.325 per share for a total of \$21,746,669.

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.

NEVADA LITHIUM RESOURCES INC.
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For the three months ended July 31, 2023 and 2022
(Unaudited - Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL AND RESERVES (continued)

c) Special warrants

	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
Conversion of November 2021 special warrants	(7,916,444)	0.45
December 2021 special warrants	4,341,446	0.45
Conversion of December 2021 special warrants	(4,341,446)	0.45
Finder's warrants	860,491	0.45
Balance, July 31, 2023 & April 30, 2023 & April 30, 2022	860,491	0.45

A summary of the Company's special warrants outstanding as at July 31, 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	0.33
December 15, 2023	255,715	0.45	0.38
	860,491	0.45	0.35

The fair value of the special warrants were estimated on the date of measurement. The Black Scholes assumptions are as follows at the measurement date:

Issue	No. of Special Warrants	Exercise price (\$)	Market price (\$)	Expected Volatility (%)	Risk- free interest rate (%)	Expected life (years)	Dividend yield (%)	Fair value of warrants
Finders warrants	604,776	0.45	0.40	100%	0.95%	2	-	\$ 120,163
Finders warrants	255,715	0.45	0.40	100%	0.95%	2	-	\$ 50,808

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9. SHARE CAPITAL AND RESERVES (continued)

d) Reserves

Warrants

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

	Number of warrants	Weighted average exercise price
	#	\$
Balance, April 30, 2022	7,676,445	0.64
Expired	(1,547,500)	0.20
Balance, April 30, 2023	6,128,945	0.75
February Offering warrants [1]	18,340,000	0.20
June Offering warrants [1]	41,333,333	0.25
Debt conversion warrants [1]	2,143,992	0.20
Warrants	4,000,000	0.20
February Offering finders warrants	2,690,859	0.125
June Offering finders warrants	3,234,666	0.15
Finder warrants exercised	(35,000)	0.125
Underlying exercised finder warrants	17,500	0.20
Balance, July 31, 2023	77,854,295	0.2652

[1] Based on the residual value method, \$0 was allocated to reserves for the February Offering, June Offering and debt conversion warrants.

A summary of the Company's warrants outstanding as at July 31, 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	0.33
December 15, 2023	2,170,723	0.75	0.38
July 7, 2025	24,501,492	0.20	1.94
July 7, 2026	41,333,333	0.25	1.94
July 7, 2025	2,655,859	0.125	1.94
July 7, 2026	3,234,666	0.15	1.94
	77,854,295	0.265	1.44

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 Company issued to Iconic an aggregate of 4,000,000 warrants each of which entitle the holder thereof to purchase one Nevada Lithium Share for a period of two years from the closing of the Arrangement at an exercise price of \$0.20 per share;

The fair value of the warrants were estimated on the date of measurement. The Black Scholes assumptions are as follows at the measurement date:

Issue	Number of Warrants	Exercise price (\$)	Market price (\$)	Expected Volatility (%) [1]	Risk-free interest rate (%)	Expected life (years)	Divi den d yield (%)	Fair value of warrants
Warrants	4,000,000	0.200	0.325	115.64%	4.79%	2	-	\$ 909,225
Finders warrants (Feb)	2,690,859	0.125	0.325	115.64%	4.79%	2	-	\$ 679,750
Finders warrants (June)	3,234,666	0.150	0.325	115.64%	4.45%	3	-	\$ 850,600

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9. 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, 2023 and April 30, 2022	3,930,000	0.20
Granted	3,900,000	0.20
Granted	30,000	0.45
Balance, July 31, 2023	7,860,000	0.20

A summary of the Company's options outstanding as at July 31, 2023 is as follows:

<u>Date of expiry</u>	Outstanding and exercisable #	Weighted average exercise price \$	Weighted average remaining life Years
January 25, 2025	60,000	0.45	1.49
September 29, 2026	7,800,000	0.20	3.17
	7,860,000	0.20	3.15

The Company issued 3,930,000 stock options in connection with the closing of the Arrangement. 3,900,000 were issued with an exercise price of \$0.20 per common share, an expiry date of September 29, 2026 and vested immediately. 30,000 were issued with exercise price of \$0.45 per common share, an expiry date of January 25, 2025 and vested immediately.

The fair value of the options were estimated on the date of measurement. The Black Scholes assumptions are as follows at the measurement date:

<u>Issue</u>	Number of Options	Exercise price (\$)	Market price (\$)	Expected Volatility (%)	Risk-free interest rate (%)	Expected life (years)	Dividend yield (%)	Fair value of warrants
Sept 29, 2021	3,900,000	0.200	0.20	100%	1.11%	5	-	\$ 580,177
January 25, 2022	30,000	0.450	0.37	100%	1.40%	3	-	\$ 38,000
Sept 29, 2021 RSUs	190,000	0.200	0.20	100%	0.67%	3	-	\$ 6,478
July 7, 2023	3,900,000	0.125	0.325	115.64%	4.45%	3	-	\$ 997,742
July 7, 2023	30,000	0.150	0.325	115.64%	4.45%	2	-	\$ 4,578

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 July 31, 2023, these RSUs are still outstanding with average remaining life of 1.16 years.

10. 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, 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.

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 July 31, 2023, the Company has current liabilities totaling \$1,153,416 (April 30, 2023 - \$6,184,162), cash of \$8,400,545 (April 30, 2023 - \$8,830), and Restricted funds held in trust of \$nil (April 30, 2023 - \$4,816,250).

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.

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, for the three months ended July 31, 2023, a change of 10% of the USD against the Canadian dollar would have had an impact of 11,812 (April 30, 2023 - \$15,182) on the statements of loss and comprehensive loss.

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.

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.

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.

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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 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.