

LITHIUMBANK RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(Unaudited – Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW
OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of LithiumBank Resources Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. These unaudited condensed consolidated interim financial statements for the period ended March 31, 2022 are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements.

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Financial Position

Expressed in Canadian dollars

As at	Notes	March 31, 2022 \$ <i>(unaudited)</i>	September 30, 2021 \$ <i>(audited)</i>
Assets			
Current assets			
Cash and cash equivalents	4	6,276,306	8,885,585
Goods and Services Tax receivable		49,312	56,515
Deposits		10,375	39,864
Prepaid expenses and advances	5	177,996	82,028
		6,513,989	9,063,992
Non-current assets			
Exploration and evaluation assets	6	3,510,067	1,065,219
Total Assets		10,024,056	10,129,211
Liabilities and Shareholders' Equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		241,101	376,822
Total Liabilities		241,101	376,822
Shareholders' Equity			
Share capital	8	16,000,761	10,085,816
Reserves	9	1,622,763	5,343,615
Subscriptions received		-	635,641
Deficit		(7,840,569)	(6,312,683)
Total Shareholders' Equity		9,782,955	9,752,389
Total Liabilities and Shareholders' Equity		10,024,056	10,129,211

Nature of operations and going concern (Note 1)

Subsequent events (Note 13)

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on May 27, 2022 and signed on its behalf by:

"Robert Shewchuk"
Director

"Chris Murray"
Director

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

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Unaudited – Expressed in Canadian dollars

		Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
	Notes	\$	\$	\$	\$
Operating expenses					
Consulting fees	7	170,669	63,480	243,086	143,184
Exploration and evaluation	6	308,228	216,646	544,540	277,778
General and administration		128,736	6,857	188,476	11,726
Management fees	7	76,206	30,000	133,056	60,500
Professional fees		248,534	54,490	335,640	88,758
Share-based payments	7, 8	57,248	-	57,248	293,325
Travel		22,727	-	34,098	-
		(1,012,348)	(371,473)	(1,536,144)	(875,271)
Other income (expense)					
Interest income		4,222	252	8,804	252
Foreign exchange loss		(272)	(107)	(546)	(107)
		3,950	145	8,258	145
Net loss and comprehensive loss		(1,008,398)	(371,328)	(1,527,886)	(875,126)
Basic and diluted loss per common share		(0.03)	(0.02)	(0.04)	(0.04)
Weighted average number of common shares outstanding – basic and diluted					
		35,414,116	20,950,000	33,989,700	20,809,392

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

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

Unaudited – Expressed in Canadian dollars

	Share capital		Subscriptions received	Reserves	Deficit	Shareholders' Equity
	Number of shares #	Amount \$				
Balance, September 30, 2020	19,200,000	1,016,637	-	-	(206,750)	809,887
Private placement	1,750,000	350,000	-	-	-	350,000
Share-based payment	-	-	-	293,325	-	293,325
Loss for the period	-	-	-	-	(875,126)	(875,126)
Balance, March 31, 2021	20,950,000	1,366,637	-	293,325	(1,081,876)	578,086
Shares issued for services received	100,000	80,000	-	-	-	80,000
Private placements	7,726,250	6,181,000	-	-	-	6,181,000
Share issuance costs	-	(597,821)	-	155,001	-	(442,820)
Reverse takeover transaction	3,820,000	3,056,000	-	210,024	-	3,266,024
Share-based payment	-	-	-	560,585	-	560,585
Special warrants, net	-	-	-	4,124,680	-	4,124,680
Subscriptions received	-	-	635,641	-	-	635,641
Loss for the period	-	-	-	-	(5,230,807)	(5,230,807)
Balance, September 30, 2021	32,596,250	10,085,816	635,641	5,343,615	(6,312,683)	9,752,389
Share issuance costs – warrant extension revaluation	-	(21,228)	-	21,228	-	-
Special warrants, net	-	-	(635,641)	2,136,845	-	1,501,204
Share issued – conversion of special warrants	4,565,989	5,936,173	-	(5,936,173)	-	-
Share-based payment	-	-	-	57,248	-	57,248
Loss for the period	-	-	-	-	(1,527,886)	(1,527,886)
Balance, March 31, 2022	37,162,239	16,000,761	-	1,622,763	(7,840,569)	9,782,955

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

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Cash Flows

Unaudited – Expressed in Canadian dollars

	Six Months Ended March 31, 2022 \$	Six Months Ended March 31, 2021 \$
OPERATING ACTIVITIES		
Loss for the period	(1,527,886)	(875,126)
Add items not affecting cash:		
Shared-based payments	57,248	293,325
Shares issued for services	-	20,000
Changes in non-cash working capital items:		
Goods and Services Tax receivable	7,202	(14,957)
Deposits	29,489	-
Prepaid expenses and advances	(95,968)	(47,407)
Accounts payable and accrued liabilities	64,641	23,401
Net cash used in operating activities	(1,465,274)	(600,764)
INVESTING ACTIVITY		
Acquisition of exploration and evaluation assets	(2,444,847)	(59,770)
Net cash used in investing activity	(2,444,847)	(59,770)
FINANCING ACTIVITY		
Proceeds from issuance of common shares, net	-	350,000
Proceeds from issuance of special warrants, net	1,300,842	-
Net cash provided by financing activity	1,300,842	350,000
Change in cash and cash equivalents during the period	(2,609,279)	(310,534)
Cash and cash equivalents, beginning of the period	8,885,585	817,486
Cash and cash equivalents, end of the period	6,276,306	506,952
Cash paid for:		
Interest	-	-
Taxes	-	-
Non-cash investing and financing activities:		
Fair value of compensation warrants	131,799	-
Share issuance costs included in accounts payable	200,362	-

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

LITHIUMBANK RESOURCES CORP.

Notes to Condensed Consolidated Interim Financial Statements
For the Six Months Ended March 31, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

LithiumBank Resources Corp. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on May 31, 2019 and is a public company listed on the TSX Venture Exchange (the “Exchange”) under the symbol “LBNK”. In addition, the Company trades on the OTC Pink Market trading platform in the United States under the trading symbol “LBNKF”. The Company’s registered and records office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

The Company is a resource company with mineral properties in Alberta and Saskatchewan. The Company is in the process of exploring and developing its mineral properties. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, successful permitting, the ability of the Company to obtain necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of each mineral property. Furthermore, the acquisition of title to mineral properties is a complicated and uncertain process, and while the Company has taken steps in accordance with normal industry standards to verify its title to the mineral properties in which it has an interest, there can be no assurance that such title will ultimately be secured. The carrying amounts of exploration and evaluation assets are based on costs incurred to date, and do not necessarily represent present or future values.

These condensed consolidated interim financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from the carrying values as shown. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. As of March 31, 2022, the Company has accumulated a deficit of \$7,840,569 (September 30, 2021 - \$6,312,683) and working capital of \$6,272,888 (September 30, 2021 - \$8,687,170). Management estimates that the Company has sufficient working capital to support operations for the next twelve months. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PREPARATION

[a] Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports, including International Accounting Standard 34 *Interim Financial Reporting*. Therefore, these condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s consolidated financial statements for the year ended September 30, 2021 (“Annual Financial Statements”), which have been prepared in accordance with IFRS.

LITHIUMBANK RESOURCES CORP.

Notes to Condensed Consolidated Interim Financial Statements
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(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONTINUED)

[a] Statement of compliance (continued)

The accounting policies applied in preparation of these condensed consolidated interim financial statements are the same as those applied in the most recent Annual Financial Statements.

[b] Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

[c] Functional and foreign currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. Foreign currency transactions are translated into Canadian dollars using the exchange rates at the date of the transactions. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognized in the condensed consolidated interim statements of loss and comprehensive loss.

[d] Basis of consolidation

The Company's condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company, where control is achieved by the Company being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. As at March 31, 2022, the Company's wholly owned subsidiaries includes LithiumBank Holdings Inc. ("LHI") and 2277445 Alberta Ltd.

All intercompany transactions, balances, income and expenses are eliminated on consolidation.

[e] Critical accounting judgments, estimates and assumptions

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

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Notes to Condensed Consolidated Interim Financial Statements
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(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONTINUED)

[e] Critical accounting judgments, estimates and assumptions (continued)

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

- i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty (Note 1).
- ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the current and next fiscal financial years:

- i. Recoverability of exploration and evaluation assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when assessing whether there are indications of impairment for the Company's exploration and evaluation assets.
- ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.
- iii. The inputs used in valuing share-based payments are subject to estimation uncertainty. The Company uses the fair value method to account for all share-based awards granted, modified or settled, and the Black-Scholes option pricing model to determine the fair value of stock options granted. As such, a share-based payment is recorded based on the estimated fair value of options with a corresponding credit to reserves. Significant estimates in the Black-Scholes option pricing model include the risk-free interest rate, estimated annualized volatility and the expected life.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements follow the same accounting principles and methods of application as those disclosed in Note 3 of the Company's Annual Financial Statements as at September 30, 2021 and for the year then ended.

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Notes to Condensed Consolidated Interim Financial Statements
For the Six Months Ended March 31, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash held in banks and a term deposit as follows:

	March 31, 2022 \$	September 30, 2021 \$
Cash	6,247,556	8,856,801
Term deposit	28,750	28,784
	6,276,306	8,885,585

As at March 31, 2022, the Company has one term deposit in the amount of \$28,750 maturing on January 6, 2023 with interest at prime less 2.4%. During the six months ended March 31, 2022, the Company recognized total interest income of \$8,804 (2021 - \$253), of which \$38 is from a variable rate guaranteed investment certificate and \$8,766 is from cash deposits.

5. PREPAID EXPENSES AND ADVANCES

Prepaid expenses and advances consist of:

	March 31, 2022 \$	September 30, 2021 \$
Administration and insurance	37,431	10,102
Consulting & investor communication	97,664	29,167
Property and geological expenses	42,901	42,759
	177,996	82,028

6. EXPLORATION AND EVALUATION ASSETS

The following table summarizes the Company's exploration and evaluation assets transactions for the six months ended March 31, 2022 and the year ended September 30, 2021:

	Balance, September 30 2020		Balance, September 30 2021		Balance, March 31 2022
	\$	Acquisition \$	\$	Acquisition \$	\$
Costs					
Fox Creek - AB	16,000	-	16,000	-	16,000
Kakwa – AB	-	11,056	11,056	-	11,056
Nipisi – AB	-	9,406	9,406	-	9,406
Simonette – AB	-	1,969	1,969	-	1,969
Boardwalk – AB	4,000	9,625	13,625	1,250	14,875
Swan Hills – AB	-	7,219	7,219	-	7,219
Valhalla – AB	-	7,069	7,069	-	7,069
Valleyview - AB	-	-	-	6,250	6,250
Estevan - SK	-	661,593	661,593	-	661,593
Kindersley – SK	-	-	-	1,463,875	1,463,875
South - SK	-	337,282	337,282	973,473	1,310,755
	20,000	1,045,219	1,065,219	2,444,848	3,510,067

LITHIUMBANK RESOURCES CORP.

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(Unaudited – Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

On July 31, 2020 and amended November 26, 2021, in connection with certain consulting services, the Company granted, to a related party, an overriding revenue royalty equal to 2% of the gross proceeds realized from the sale of all products produced on the claims. The amended agreement includes all claims acquired during the period commencing on the date of the original agreement and continuing for a period of twelve months thereafter and at any time as a result of the mineral sampling and resource determination program currently conducted in northeastern British Columbia.

Exploration Expenditures

The following table summarizes the Company's exploration expenditures:

	Three Months Ended March 31, 2022 \$	Three Months Ended March 31, 2021 \$	Six Months Ended March 31, 2022 \$	Six Month Ended March 31, 2021 \$
Geological and related	233,774	174,740	382,703	235,155
Other	11,815	-	22,311	500
Sampling and related	60,572	41,906	136,541	41,906
Travel	2,067	-	2,985	217
Total	308,228	216,646	544,540	277,778

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Compensation to key management during the periods were as follows:

	Three Months Ended March 31, 2022 \$	Three Months Ended March 31, 2021 \$	Six Months Ended March 31, 2022 \$	Six Months Ended March 31, 2021 \$
Consulting fees ⁽¹⁾	12,000	30,000	24,000	60,529
Management fees ⁽²⁾⁽⁵⁾	76,206	30,000	133,056	60,500
Exploration and evaluation ⁽³⁾⁽⁴⁾	63,750	15,000	82,500	30,250
Share-based payments	-	-	-	191,139
Total	151,956	75,000	239,556	342,418

Notes:

- (1) Mr. Gianni Kovacevic, a director of the Company, is compensated for consulting services, not related to his director role, at a monthly fee of \$4,000 (2021 - \$4,000) per month. This amount was increased to \$5,000 as of April 1, 2022.
- (2) The Company entered into a consulting service agreement with Mr. Robert Shewchuk, the Chief Executive Officer of the Company. Mr. Shewchuk is compensated at a rate of \$17,187 (2021 - \$10,000) per month. The Company would be required to pay the balance of any amounts due to January 31, 2023 if the agreement is terminated by the Company prior to January 31, 2023 for reasons other than an event of default.

LITHIUMBANK RESOURCES CORP.

Notes to Condensed Consolidated Interim Financial Statements
For the Six Months Ended March 31, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- (3) The Company entered into a consulting service agreement with 90th Capital Corp. and Mr. Kevin Piepgrass, the Chief Operating Officer of the Company. Mr. Piepgrass is compensated at a rate of \$16,250 (2021 - \$5,000) per month. The Company is required to pay an equivalent to 12 months' pay if the consulting service agreement is terminated by either party in the event of a change in control of the Company. If the agreement is terminated by the Company for reasons other than event of default, the Company is required to pay a sum equal to 12 months' pay.
- (4) The Company entered into a consulting service agreement with Mr. Jon LaMothe, the VP of Operations of the Company. Mr. LaMothe was compensated at a rate of \$12,500 (2021 - \$8,000) per month. The Company is required to pay an equivalent to 12 months' pay if the consulting agreement is terminated in the event of a sale of the Company.
- (5) The Company entered into a consulting service agreement with Fehr & Associates, a Company that employs the Chief Financial Officer, Mr. André Mbeng, for accounting services and the Corporate Secretary, Ms. Ann Fehr. Fehr & Associates is compensated at a rate of \$6,250 (2021 - \$4,000) per month plus \$120 per hour for quarterly regulatory reporting.

As at March 31, 2022, there was \$6,825 (September 30, 2021 - \$18,455) owing to related parties that is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest-bearing and due on demand.

8. SHARE CAPITAL

[a] Authorized

The authorized share capital of the Company as at March 31, 2022 and September 30, 2021 consists of an unlimited number of common shares without par value.

[b] Issued and outstanding

During the Period Ended March 31, 2022

On January 28, 2022, 3,014,233 Special Warrants were automatically converted, for no additional consideration, into 3,014,233 common shares and 1,507,116 common share purchase warrants (note 9).

On February 16, 2022, 1,551,756 Special Warrants were automatically converted, for no additional consideration, into 1,551,756 common shares and 775,878 common share purchase warrants (note 9).

During the Year Ended September 30, 2021

On April 28, 2021, the Company issued 100,000 common shares with a fair value of \$80,000 for geological consulting services.

During the months of April and May 2021, the Company issued 7,726,250 units at a price of \$0.80 per unit, for gross cash proceeds of \$6,181,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at an exercise price of \$1.20 for a period of twelve months from the date of issue. In connection with the financing, the Company incurred share issuance costs of \$442,820 and issued a total of 482,901 compensation warrants, which are exercisable into one common share at a price of \$0.80 for a period of 12 months from the date of issue. The Company recognized \$155,001 as share issuance costs related to the compensation warrants, which were valued using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 0.49%, estimated annualized volatility of 104.81%, an expected life of one-year, and no dividend yield.

LITHIUMBANK RESOURCES CORP.

Notes to Condensed Consolidated Interim Financial Statements
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(Unaudited – Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

[a] Issued and outstanding (continued)

During the months of October and November 2020, the Company completed non-brokered private placements and issued 1,750,000 common shares at a price of \$0.20 per share for total cash proceeds of \$350,000.

Pursuant to the reverse takeover transaction between the Company and LHI on July 13, 2021, the Company issued 28,776,250 common shares to former shareholders of LHI in relation to the reverse takeover transaction, which had a fair value of \$3,056,000.

[b] Common share purchase warrants

Common share purchase warrant transactions and the number of common share purchase warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price \$
Balance, September 30, 2020	-	-
Issued	3,863,125	1.20
Balance, September 30, 2021	3,863,125	1.20
Issued	2,282,994	2.00
Balance, March 31, 2022	6,146,119	1.50

Common share purchase warrants issued and exercisable as at March 31, 2022 are as follows:

Date of Expiry	Number of Warrants Outstanding and Exercisable	Exercise Price \$
October 16, 2022 ⁽¹⁾	2,022,500	1.20
October 28, 2022 ⁽¹⁾	1,066,875	1.20
November 3, 2022	773,750	1.20
January 28, 2025	1,507,116	2.00
February 16, 2025	775,878	2.00
	6,146,119	

Notes:

⁽¹⁾On January 31, 2022, the expiry date was extended six months from April 16, 2022 and April 28, 2022

The remaining life of the common share purchase warrants at March 31, 2022 is 1.41 (September 30, 2021 - 0.56) years.

[c] Compensation warrants

	Number	Weighted Average Exercise Price \$
Balance, September 30, 2020	-	-
Issued	724,039	0.88
Balance, September 30, 2021	724,039	0.88
Issued (Note 8)	124,140	1.50
Balance, March 31, 2022	848,179	1.10

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(Unaudited – Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

[c] Compensation warrants (continued)

Compensation warrants issued and exercisable as at March 31, 2022 are as follows:

Date of Expiry	Number of Warrants Outstanding and Exercisable	Exercise Price \$
November 3, 2022 ⁽¹⁾	482,901	0.80
September 27, 2024	241,138	1.50
October 15, 2024	124,140	1.50
	848,179	

Notes:

⁽¹⁾ On January 31, 2022, the expiry date of the compensation warrants was extended from May 3, 2022 to November 3, 2022.

The remaining life of the compensation warrants as at March 31, 2022 is 1.42 (September 30, 2021 - 0.59) years.

[d] Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

A continuity of stock options is as follows:

	Number	Weighted Average Exercise Price \$
Balance, September 30, 2020	-	-
Granted	3,259,625	0.35
Balance, September 30, 2021	3,259,625	0.35
Granted	200,000	1.50
Balance, March 31, 2022	3,459,625	0.42

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(Unaudited – Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

[d] Stock options (continued)

Stock options issued and exercisable as at March 31, 2022 is as follows:

Expiry Date	Exercise Price \$	Number of Options Issued	Number of Options Exercisable
April 1, 2023 ⁽¹⁾	0.20	500,000	500,000
April 1, 2023 ⁽²⁾	0.80	75,000	75,000
May 27, 2023	0.80	100,000	100,000
June 23, 2023	0.10	300,000	300,000
March 25, 2024	1.50	200,000	50,000
October 28, 2025	0.20	1,595,000	1,595,000
September 6, 2026	0.80	689,625	689,625
		3,459,625	3,309,625

⁽¹⁾ On March 1, 2022 the Company amended the original expiry date of October 28, 2025 for 400,000 stock options to April 1, 2023

⁽²⁾ On March 1, 2022 the Company amended the original expiry date of September 6, 2026 to April 1, 2023

As at March 31, 2022, the weighted average remaining life for outstanding stock options was 2.95 (September 30, 2021 - 3.91) years.

[e] Shares, stock options and share purchase warrants in escrow

As at March 31, 2022, the Company had 8,510,000 common shares, 2,009,625 stock options, and 180,000 share purchase warrants held in escrow. The escrow agreement provides for 10% of such securities to be released on the date on which the common shares are listed on the TSXV and 15% of such securities to be released every six months after the listing date (for a total of 36 months release period).

As at March 31, 2022, the Company had 14,270,000 common shares and 600,000 stock options subject to seed share resale restrictions pursuant to TSXV Policy.

9. SHARE CAPITAL - SPECIAL WARRANTS

During September and October 2021, the company issued 4,565,989 special warrants at a price of \$1.50 per special warrant ("Special Warrant") recognized in Reserves. During the six months ended March 31, 2022 all Special Warrants were converted to common shares and there were no Special Warrants outstanding at March 31, 2022.

Each Special Warrant entitles the holder thereof to receive, upon exercise, for no additional consideration, one unit of the Company, with each unit being comprised of one common share in the capital of the Company and one-half of one common share purchase warrant (an "Underlying Warrant"). Each whole Underlying Warrant entitles the holder thereof to acquire one common share in the capital of the Company at an exercise price of \$2 until the date that is 36 months from the issuance of the Underlying Warrants.

Each Special Warrant automatically exercises for one unit of the Company without payment of any additional consideration on the earliest of (a) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission(s) in Canada for the final prospectus qualifying the distribution of the common shares to be issued upon exercise or deemed exercise of the Special Warrants; and (b) the date that is four months and one day after the date of issuance of the Special Warrants.

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9. SHARE CAPITAL - SPECIAL WARRANTS (CONTINUED)

During the six months Ended March 31, 2022

On October 15, 2021, the Company completed a private placement of 1,551,756 Special Warrants of the Company at a price of \$1.50 per special warrant for gross proceeds of \$2,327,634.

In connection with the offering, the Company paid a total of \$190,789 in issuance costs and issued a total of 124,140 compensation warrants with a fair value of \$110,571 exercisable for \$1.50 per special compensation warrant. Each compensation warrant entitles the holder to acquire one common share in the capital of the Company and one-half of one common share purchase warrant with an exercise price of \$2.

The fair value of the compensation warrants was determined using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 0.32%, annualized volatility of 95.51%, an expected life of 3 years, nil dividend yield, \$1.50 exercise price and a \$1.50 share price.

During the Year Ended September 30, 2021

On September 27, 2021, the Company completed a private placement of 3,014,233 Special Warrants of the Company at a price of \$1.50 per Special Warrant for gross proceeds of \$4,521,350.

In connection with the offering, the Company paid a total of \$396,670 in issuance costs and issued a total of 241,138 compensation warrants with a fair value of \$214,781 exercisable for \$1.50 per compensation warrant. Each compensation warrant entitles the holder to acquire one common share in the capital of the Company and one-half of one common share purchase warrant with an exercise price of \$2.00.

The fair value of the compensation warrants was determined using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 0.32%, annualized volatility of 95.51%, an expected life of 3 years, nil dividend yield, \$1.50 exercise price and a \$1.50 share price.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue the acquisition and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. To carry out planned acquisition and development and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financing resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the six months ended March 31, 2022. The Company is not subject to externally imposed capital restrictions.

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11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

[a] Fair value

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and
- Level 3 – inputs for the asset or liability that are not based upon observable market data.

The fair value of cash and cash equivalents is based on Level 1 inputs. Accounts payable and accrued liabilities approximate fair values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks, which include foreign currency risk, interest rate risk, credit risk, liquidity risk and other price risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's exposure to these risks and its methods of managing the risks remain consistent.

[b] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash and cash equivalents. Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as all amounts are held at a major Canadian financial institution.

The credit risk associated with cash and cash equivalents is minimized by ensuring that substantially all dollar amounts are held with a major financial institution with strong investment-grade ratings by a primary rating agency.

[c] Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecasted cash flows and matches the maturity dates of its cash equivalents to capital and operating needs. The Company normally maintains sufficient cash to meet the Company's business requirements. As at March 31, 2022, the Company had a cash and cash equivalents balance of \$6,276,306. Management estimates these funds are sufficient to meet its current obligations. As of March 31, 2022, the Company has a working capital of \$6,272,888.

[d] Market risk

i. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company's term deposit earns interest at prime less 2.2%. Fluctuations in the prime lending rate would have an insignificant impact on profit or loss in the period.

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11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

[d] Market risk (continued)

ii. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company does not hold financial instruments in a foreign currency. As such, currency risk is insignificant.

iii. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine appropriate courses of action to be taken.

12. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties. All the Company's exploration and evaluation assets are located in Canada.

13. SUBSEQUENT EVENTS

Subsequent to March 31, 2022:

- [a] The Company issued 12,500 shares at \$1.20 per share pursuant to the exercise of warrants for proceeds of \$15,000.
- [b] The Company approved the extension of the expiry date of 1,507,116 common share purchase warrants, having an exercise price of \$2.00 per share, from January 28, 2025 to February 16, 2025.