

EDISON BATTERY METALS CORP.
(formerly Edison Cobalt Corp.)

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2021

(Expressed in Canadian dollars)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements for Edison Battery Metals Corp. (formerly Edison Cobalt Corp.) (the “Company”) have been prepared by management in accordance with International Accounting Standards 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

These unaudited condensed interim financial statements, which are the responsibility of management, have not been reviewed by the Company’s auditors.

Management believes these unaudited condensed interim financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and September 30, 2020, and the results of its operations and its cash flows for the nine months ended June 30, 2021 and 2020.

EDISON BATTERY METALS CORP.

(formerly Edison Cobalt Corp.)

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at June 30, 2021 and September 30, 2020

<i>(In Canadian dollars)</i>	Note	June 30, 2021	September 31, 2020
Assets			
Current Assets:			
Cash		\$ 4,366,990	\$ 718,574
Amount receivable		26,056	20,617
Prepaid expenses		5,650	5,000
		<u>4,398,696</u>	<u>744,191</u>
Non-current Assets:			
Exploration and evaluation assets	3, 5	5,467,470	5,447,961
		<u>\$ 9,866,166</u>	<u>\$ 6,192,152</u>
Liabilities and Shareholders' Equity			
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities		\$ 120,014	\$ 17,327
		<u>120,014</u>	<u>17,327</u>
Shareholders' Equity			
Share capital	4	12,590,256	8,812,350
Reserve	4	2,264,899	1,702,989
Deficit		(5,109,004)	(4,340,514)
		<u>9,746,151</u>	<u>6,174,825</u>
		<u>\$ 9,866,165</u>	<u>\$ 6,192,152</u>

Nature and continuance of operation – Note 1

Approved on behalf of the Board of Directors

"Nathan Rotstein"

Director

"Jay Richardson"

Director

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

EDISON BATTERY METALS CORP.

(formerly Edison Cobalt Corp.)

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three and nine months ended June 30, 2021 and 2020

<i>(in Canadian dollars)</i>	<i>Note</i>	For the three months ended June 30,		For the nine months ended June 30,	
		2021	2020	2021	2020
General and administrative expenses:					
Accounting, audit and legal	5	\$ 18,269	\$ 36,158	\$ 43,304	\$ 70,559
Advertising and promotion		6,496	–	7,799	1,838
Consulting	5	101,874	–	206,874	–
Management services	5	55,000	–	105,000	–
Office and sundry	5	4,812	(289)	17,261	6,473
Share based compensation		43,165	–	333,934	–
Transfer agent and filing fees		35,104	5,676	54,320	26,762
		<u>264,720</u>	<u>41,545</u>	<u>768,490</u>	<u>105,632</u>
Other (income) expense					
Settlement of flow-through share premium		–	–	–	(35,599)
Net and Comprehensive loss for the period		<u>\$ (264,720)</u>	<u>\$ (41,545)</u>	<u>\$ (768,490)</u>	<u>\$ (70,033)</u>
Loss per share – basic and diluted		\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00
Weighted average number of common shares outstanding – basic and diluted		77,765,324	70,803,998	75,419,383	70,803,998

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

EDISON BATTERY METALS CORP.

(formerly Edison Cobalt Corp.)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine months ended June 30, 2021 and 2020

<i>(In Canadian dollars)</i>	Share Capital				Total Shareholders' Equity
	Number of Common Shares	Amount	Reserve	Deficit	
Balance at September 30, 2019	70,803,998	\$ 8,812,350	\$ 1,702,989	\$ (4,255,780)	\$ 6,259,559
Net loss for the period	–	–	–	(70,033)	(70,033)
Balance at June 30, 2020	70,803,998	8,812,350	1,702,989	(4,325,813)	6,189,526
Balance at September 30, 2020	70,803,998	8,812,350	1,702,989	(4,340,514)	6,174,825
Units issued for cash	32,684,000	4,152,610	–	–	4,152,610
Share issuance costs	–	(508,701)	–	–	(508,701)
Shares issued on exercise of warrants	893,313	133,997	–	–	133,997
Share based compensation	–	–	561,910	–	561,910
Net loss for the period	–	–	–	(768,490)	(768,490)
Balance at June 30, 2021	104,381,311	\$ 12,590,256	\$ 2,264,899	\$ (5,109,004)	\$ 9,746,151

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

EDISON BATTERY METALS CORP.
(formerly Edison Cobalt Corp.)
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the nine months ended June 30, 2021 and 2020

<i>(In Canadian dollars)</i>	Nine months ended June 30, 2021	Nine months ended June 30, 2020
Cash flows provided by (used in) operating activities		
Net loss for the period	\$ (768,490)	\$ (70,033)
Non-cash items:		
Settlement of flow-through share premium	–	(35,599)
Stock-based compensation	333,934	–
Changes in working capital items:		
GST/HST Receivable	(5,439)	3,033
Prepaid expenses	(650)	(5,000)
Accounts payable and accrued liabilities	102,687	(2,220)
	<u>(337,956)</u>	<u>(109,819)</u>
Cash flows provided by (used in) investing activities		
Property exploration and evaluation	(19,509)	(142,501)
	<u>(19,509)</u>	<u>(142,501)</u>
Cash flows provided by (used in) financing activities		
Proceeds from issuances of shares, net	4,005,881	–
	<u>4,005,881</u>	<u>–</u>
Increase (decrease) in cash for the period	3,648,416	(246,903)
Cash, beginning of period	718,574	978,156
Cash, end of period	<u>\$ 4,366,990</u>	<u>\$ 731,253</u>

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

EDISON BATTERY METALS CORP.

(formerly Edison Cobalt Corp.)

Notes to the Consolidated Condensed Interim Financial Statements

Three and nine months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Edison Battery Metals Corp. (formerly Edison Cobalt Corp.) (the “Company”) was incorporated on November 8, 2009, under the Business Corporation Act of British Columbia. The Company’s primary business activity is mineral property exploration and development. On August 3, 2011, the Company’s common shares were listed for trading on the TSX Venture Exchange (“TSX-V” or the “Exchange”) under the trading symbol EDDY. On October 11, 2011, the Company’s common shares were listed for trading on the Frankfurt Stock Exchange (“FSE”) under the trading symbol VV0 and on the U.S. Over the Counter Market (“OTC”) under the symbol PWMRF. The Company’s head office is located at Vancouver, BC, Canada.

On March 11, 2020, the World Health Organization declared the recent outbreak of the coronavirus, also known as “COVID-19” a global pandemic. This contagious disease outbreak and its related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The extent to which the coronavirus may impact the Company’s business activities will depend on future developments and reactions taken in Canada and other countries to contain and treat the disease. The development and events are highly uncertain and as such, the impact on the Company is not currently determinable, but management continues to monitor the situation.

These consolidated condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will have sufficient capital to fund the costs of its operations and realize the carrying value of assets and discharge liabilities in the normal course of operations. A different base of measurements may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2021, the Company has not advanced its mining property to commercial production or identified mineral reserves. The ability of the Company to continue as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and/or generate funds from raising sufficient equity financing, issuing debt or securing related party advances to complete the acquisition and development of mineral property interests. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management anticipates that the Company will need to seek out additional equity financing to continue with planned exploration programs and general operations for the ensuing year. (Note 8)

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated condensed interim financial statements were authorized for issue on August 30, 2021, by the directors of the Company.

Statement of compliance with International Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and note disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed.

The condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements, including the notes thereof, for the year ended September 30, 2020, which have been prepared in accordance with IFRS.

EDISON BATTERY METALS CORP.

(formerly Edison Cobalt Corp.)

Notes to the Consolidated Condensed Interim Financial Statements

Three and nine months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of measurement

The consolidated condensed interim financial statements of the Company have been prepared on an accrual basis except for cash flow information. In addition, these consolidated condensed interim financial statements are based on historical costs, modified where applicable. The consolidated condensed interim financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

Basis of consolidation

The consolidated condensed interim financial statements incorporate the financial statements of Edison Battery Metals Corp. (formerly Edison Cobalt Corp.) and its wholly-owned inactive subsidiary 10451754 Canada Inc. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

A subsidiary is an entity which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

Significant accounting judgements

The preparation of these consolidated condensed interim financial statements in accordance with IFRS requires the Company to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated condensed interim financial statements include:

- the classification of expenditures as exploration and evaluation expenditures or operating expenses;
- the assessment of the Company's ability to continue as a going concern.

Significant accounting estimates and assumptions

The preparation of the consolidated condensed interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, the fair value of share-based payments and financial instruments and the recoverability measurement of deferred tax assets.

Exploration and evaluation assets

Pre-exploration costs

Exploration costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss as investigation costs.

EDISON BATTERY METALS CORP.

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Notes to the Consolidated Condensed Interim Financial Statements

Three and nine months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures

Once the legal right to exploring a property has been acquired, exploration and evaluation expenditures including the costs of acquiring licenses, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination are capitalized by property.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Impairment of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets is reviewed at each reporting date to determine whether any following indications of impairment are present.

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of exploration and evaluation assets is the greater of an asset's fair value less cost to sell and value in use.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a charge in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

For both periods presented, outstanding stock options and warrants have anti-dilutive effect on loss per share. Accordingly, diluted loss per share equals basic loss per share.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, and flow-through shares are classified as equity instruments. When the Company issues units as part of a private placement, consisting of both common shares and common share purchase warrants, the fair value of the shares is determined using the market price, and the residual value is assigned to the warrants. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the share proceeds.

Financial instruments

The following table shows the classification under IFRS 9 – *Financial Instruments*:

Financial asset/liability	Classification
Cash	FVTPL
Amount receivable	Amortized cost
Accounts payables and accrued liabilities	Amortized cost

Financial assets

The Company determines the classification of its financial assets at initial recognition. Measurement and classification of financial assets is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred.

Financial assets at FVTPL

Financial assets carried at Fair Value Through Profit and Loss ("FVTPL") are initially recorded at fair value, and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated specifically as hedges.

Financial assets at FVTOCI

Investments in equity instruments at Fair Value Through Other Comprehensive Income ("FVTOCI") are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income following the derecognition of the investment.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. Gains and losses on derecognition of financial assets classified as at amortized cost are recognized in profit or loss.

Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs incurred on the transaction date at which the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Derivative instruments

Derivative instruments, including embedded derivatives in executory contracts or financial liability contracts, are classified as at FVTPL and, accordingly, are recorded in the statement of financial position at fair value.

Impairment of financial assets

The Company is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for amount receivable are measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognized in the statements of loss and comprehensive loss and reflected in an allowance account against amount receivable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of loss and comprehensive loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Effective October 1, 2019, the Company adopted IFRS 16 *Leases* ("IFRS 16") which replaced IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract based on whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the accounting for finance leases under IAS 17, with limited exceptions for short-term leases (i.e. leases of 12 months or less) or leases of low-value assets.

At inception of a new contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Company assesses whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company; whether the Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and whether the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognizes a right-of-use ("ROU") asset and a lease liability on the consolidated statement of financial position. The ROU asset is initially recorded at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the initial adoption date. The ROU asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability. The lease liability is measured at the present value of the expected lease payments over the lease term, discounted at the interest rate implicit in the lease; if the rate cannot be determined, the incremental borrowing rate is used. The liability is increased for the passage of time and payments on the lease are offset against the lease liability.

For the nine months ended June 30, 2021, the Company has applied the short-term lease exemption for its lease which was with terms of less than 12 months.

Income taxes

Current income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (continued)

Deferred income taxes (continued)

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. The Company presently has no such expectation of probability and, therefore, no deferred tax asset is recognized.

Deferred income tax assets and liabilities would be measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and deferred income tax liabilities would be offset, if a legally enforceable right existed to set off current tax liabilities and assets and they related to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intended to settle current tax liabilities and assets on a net basis or their tax assets and liabilities would be realized simultaneously.

Flow-through shares

The Company may from time to time issue flow-through common shares to finance its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of flow-through shares, any premium received in excess of the market price of the Company's common shares is initially recorded as a liability ("flow-through share liability"). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through share liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Proceeds received from the issuance of flow-through shares are restricted and are to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Share-based payments

Share-based payments to employees are measured at the fair value of the stock options issued and recognized over the vesting period. Share-based payments to non-employees are measured at the fair value of goods and services received by the Company or the fair value of the stock options granted, if the fair value of the goods and services cannot be reliably estimated. The fair value of the stock options is determined using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the stock options are granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates associated with the obligations is capitalized to the related mining assets along with the corresponding increase in the restoration provision in the period incurred. The restoration asset would be depreciated on the same basis as the related mining assets. No such obligations presently exist.

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(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restoration and environmental obligations (continued)

The Company's estimates of restoration costs would change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. The estimates are reviewed annually for any changes.

Changes in the net present value, excluding changes in the estimates of reclamation costs, are charged to profit or loss in the period in which they occurred.

The Company has not presently recognized any restoration or environmental obligations.

Recent accounting pronouncement

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for future accounting periods. They are either not applicable or are not expected to have a significant impact on the consolidated condensed interim financial statements.

3. EXPLORATION AND EVALUATION ASSETS

	June 30, 2021	September 30, 2020
Kittson Property, Northeastern Ontario		
Acquisition cost:	\$ 3,910,722	\$ 3,910,722
Deferred exploration and evaluation:		
Balance, beginning	1,537,239	1,394,738
Geological consulting	19,445	30,000
Taxes	64	
Drilling	–	72,501
Assay	–	40,000
Balance, ending	<u>1,556,748</u>	<u>1,537,239</u>
Total exploration and evaluation assets	<u>\$ 5,467,470</u>	<u>\$ 5,447,961</u>

Kittson Property, Northeastern Ontario

The Company holds 100% interest in the Lake Kittson Cobalt Property ("Kittson Property"), located in the Kittson and Coleman Townships of Larder Lake Mining Division in Northeastern Ontario. The property is comprised of 5 unpatented mining claims totalling 68 units and was acquired in January 2017 from the optionor who is a director and an officer of the Company. The Company is subject to a 2% Net Smelter Return ("NSR") royalty, of which 1.5% may be purchased by the Company for \$1,000,000 at any time prior to commencement of commercial production.

In February 2018, the Company acquired 100% shares of 10451754 Canada Inc. which held an additional 100% interest in 10 unpatented mining claims totaling 160 units. As a result, the Company's 100% owned Kittson project now consists of 15 unpatented mining claims.

The Company purchased the Thomas Edison mine located in the area of the Kittson Property (the "Edison Purchase") in June, 2018, which formed an additional part of the Kittson project of the Company.

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4. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Share capital:

On February 24, 2021, the Company closed a non-brokered private placement (the "Private Placement") of 10,000,000 units at a price of \$0.10 per unit for total gross proceeds of \$1,000,000. Each unit consisted of one common share and one common share purchase warrant (a "Warrant"), with each Warrant entitling the holder to purchase one common share of the Company for a period of two years from the closing at an exercise price of \$0.12 per common share.

On April 20, 2021, the Company issued 220,780 units for proceeds of \$33,117 pursuant to the exercise of 220,780 finders warrants. Each unit consists of one share and one warrant exercisable at \$0.25 for one common share.

On May 3, 2021, the Company issued 672,533 units for proceeds of \$100,880 pursuant to the exercise of 672,533 finders warrants. Each unit consists of one share and one warrant exercisable at \$0.25 for one common share.

On May 7, 2021 the Company closed two non-brokered private placements (the "Private Placements") of 2,006,000 flow-through units (the "FT Units") at a price of \$0.18 per Flow-Through Unit, for gross proceeds of \$361,080 and 19,878,000 non-flow-through units (the "non FT Units") at a price of \$0.135 per Unit, for gross proceeds of \$2,683,530.

Each FT unit consisted of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the company at a price of \$0.24 per common share for a period of 24 months following the date of issuance. Each non-FT unit consisted of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the company at a price of \$0.18 per common share for a period of 24 months following the date of issuance.

In connection with the Private Placements, the Company paid finders' fees of \$208,114 in cash and issued 1,494,780 finders warrants. The Finders' Warrants have the same terms as the Warrants forming part of the non FT Units. Proceeds of the private placements will be used for work on the Company's mineral properties, future acquisitions and general working capital. The Company intends to use the proceeds from the flow-through portion of the private placement to incur eligible Canadian Exploration Expenses and flow-through mining expenditures, as defined under the Income Tax Act (Canada). 500,000 of the flow-through units were acquired by a related party.

On May 28, 2021 the Company closed a non-brokered private placement (the "Private Placement") of 800,000 units (the "Units") at a price of \$0.135 per Unit, for gross proceeds of \$108,000.

Each unit consisted of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the company at a price of \$0.18 per common share for a period of 24 months following the date of issuance.

In connection with the Private Placement, the Company paid finders' fees of \$7,560 in cash and issued 56,000 finders warrants. The Finders' Warrants have the same terms as the Warrants forming part of the Private Placement. Proceeds of the private placement will be used for work on the Company's mineral properties, future acquisitions and general working capital.

The Company had no share issuance during the year ended September 30, 2020.

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4. SHARE CAPITAL (Continued)**Stock options:**

Under the Company's stock option plan, the Company may grant options to employees, consultants and directors up to 10% of the issued and outstanding share capital at the date of grant. The exercise price of the options granted will be no less than the allowable discounted market price of the Company's shares and the maximum term of the options will be ten years.

On March 9, 2021 the Company granted 4,000,000 stock options, to certain consultants, directors and officers of the Company which entitle the holder to purchase one common share for each option held at a price of \$0.15 per share up to March 9, 2026. (Note 5)

In connection with this grant, the Company calculated stock-based compensation of \$290,769 using the Black Scholes option pricing model with the following assumptions: Share price - \$0.10; Exercise price - \$0.15; Expected life - 5 years; Expected volatility - 107.36%; risk free interest rate - .99%.

On April 9, 2021 the Company issued 400,000 options to a director of the Company which entitles the holder to purchase one common share for each option held at a price of \$0.175 per share up to April 9, 2026 (Note 5)

In connection with this grant, the Company calculated stock-based compensation of \$43,165 using the Black Scholes option pricing model with the following assumptions: Share price - \$0.12; Exercise price - \$0.175; Expected life - 5 years; Expected volatility - 153.72%; risk free interest rate - .95%.

The Company did not grant stock options during the year ended September 30, 2020.

A continuity of the Company's stock options is as follows:

	Options	Weighted average exercise price	Weighted average number of years to expiry
Balance, September 30, 2019	3,300,000	\$ 0.19	2.79
Expired	(300,000)	0.12	
Balance, September 30, 2020	3,000,000	\$ 0.20	2.04
Expired	(900,000)	\$ 0.20	
Issued	4,000,000	\$ 0.15	4.69
Issued	400,000	\$ 0.175	4.78
Balance, June 30, 2021	6,500,000	\$ 0.17	3.24

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4. SHARE CAPITAL (Continued)**Stock Options: (continued)**

A summary of stock options outstanding and exercisable as at June 30, 2021 is as follows:

Outstanding and exercisable	Exercise price	Expiry date
500,000	\$ 0.20	February 10, 2022
1,600,000	\$ 0.20	December 7, 2022
4,000,000	\$ 0.15	March 9, 2026
400,000	\$ 0.175	April 9, 2026
6,500,000		

Share purchase warrants:

A summary of changes in share purchase warrants outstanding is as follows:

	Warrants outstanding	Weighted average exercise price	Weighted average number of years to expiry
Balance, September 30, 2019	28,441,498	\$ 0.17	0.35
Expired	(14,900,000)	0.10	
Balance, September 30, 2020	13,541,498	0.24	0.10
Issued	10,000,000	0.12	1.91
Expired	(11,216,666)	0.25	
Expired	(537,353)	0.15	
Expired	(894,166)	0.25	
Exercised	(893,313)		
Issued	19,878,000	0.18	1.85
Issued	1,494,780	0.18	1.85
Issued	2,006,000	0.24	1.85
Issued	856,000	0.18	1.91
Balance, June 30, 2021	34,234,780	\$ 0.18	1.80

As at June 30, 2021, the Company had share purchase warrants outstanding as follows:

Outstanding	Exercise Price	Expiry Date
	\$	
10,000,000	0.12	February 24, 2023
19,878,000	0.18	May 7, 2023
2,006,000	0.24	May 7, 2023
1,494,780	0.18	May 7, 2023
800,000	0.18	May 28, 2023
56,000	0.18	May 28, 2023
34,234,780		

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4. SHARE CAPITAL (Continued)

Reserve:

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation and other share-based payments until such time that the stock options or warrants are exercised or expire, at which time the corresponding amount will be transferred to share capital.

5. RELATED PARTY TRANSACTIONS

Transactions with related parties during the nine months ended June 30, 2021 are as follows:

The Company incurred a total of \$10,000 (2020 - \$nil) in management fees to a former director of the Company.

The Company incurred a total of \$10,000 (2020 - \$nil) in management fees to a director of the Company.

The Company incurred a total of \$25,000 (2020 - \$nil) in management fees to a company controlled by a director of the Company.

The Company incurred a total of \$20,000 (2020 - \$nil) in management fees to a director of the Company.

The Company incurred a total of \$10,000 (2020 - \$nil) in management fees to a director of the Company.

The Company incurred a total of \$6,000 (2020 - \$nil) in management fees to a director of the Company.

The Company incurred a total of \$20,000 (2020 - \$nil) in management fees to a director of the Company.

The Company incurred a total of \$2,000 (2020 - \$nil) in management fees to a director of the Company.

The Company incurred a total of \$2,000 (2020 - \$nil) in management fees to a director of the Company.

The Company incurred a total of \$nil (2020 - \$142,501) in exploration and evaluation expenditures for geologist and assay services from a company related to a former director.

On March 9, 2021 the Company granted 1,800,000 stock options, to certain directors and officers of the Company which entitle the holder to purchase one common share for each option held at a price of \$0.15 per share up to March 9, 2026. (Note 4)

In connection with this grant, the Company calculated stock-based compensation of \$130,846 to those directors and officers using the Black Scholes option pricing model with the following assumptions: Share price - \$0.10; Exercise price - \$0.15; Expected life – 5 years; Expected volatility – 107.36%; risk free interest rate – .99%.

On April 9, 2021 the Company issued 400,000 options to a director of the Company which entitles the holder to purchase one common share for each option held at a price of \$0.175 per share up to April 9, 2026 (Note 4)

In connection with this grant, the Company calculated stock-based compensation of \$43,165 using the Black Scholes option pricing model with the following assumptions: Share price - \$0.12; Exercise price - \$0.175; Expected life – 5 years; Expected volatility – 153.72%; risk free interest rate – .95%.

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6. FINANCIAL RISK MANAGEMENT

Financial Risk Management:

The Company may be exposed in varying degrees to a variety of financial instrument related risks. The Company's Board of Directors monitors and approves its risk management practices. The Company's most significant areas of financial risk and risk management are as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is attributable to cash. To limit its exposure to credit risk, the Company held its cash with high-credit quality financial institutions in Canada.

Interest Rate Risk

The Company has no current exposure to interest rate risk. The fair value of cash is not affected by changes in short term interest rates.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company attempts to manage liquidity risk by maintaining sufficient cash balances to satisfy current and planned expenditures. The Company may from time to time have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Financial Instruments

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value of cash, amount receivable which primarily comprised of GST/HST recoverable, and accounts payable and accrued liabilities approximate fair value due to the short-term nature of the financial instruments.

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7. CAPITAL MANAGEMENT

In the management of capital, the Company includes consideration of the components of shareholders' equity as well as cash, term deposits and other working capital. The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to support its operations including the exploration and development of its mineral property interests. Management has not established a quantitative capital structure, but will review on a regular basis the stage of development of the Company.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements except the rules of the Exchange with which it is presently in compliance.

8. COMMITMENTS

On June 17, 2021 The Company announced that it has entered into a Definitive Purchase and Sale Agreement (the "Agreement") to acquire Resource Ventures S.A. ("ReVe"), an Argentina corporation that owns or controls the rights to over 148,000 hectares (365,708 acres) of prospective lithium brine claims in the province of Catamarca, Argentina. The claims are principally located in the two geologic basins known as the Antofalla Salar and the Pipanaco Salar in South America's Lithium Triangle.

Under the terms of the Agreement the Company can acquire ReVe and a 100% interest in its properties for a purchase price of \$1,850,000.00 paid by the issuance of 10,000,000 common shares of the Company at a deemed price of \$0.185 per share. The Company will also pay a finder's fee of \$92,500.00 by the issuance of 500,000 common shares of the Company at a deemed price of \$0.185 per share.

9. SUBSEQUENT EVENT

On July 8, 2021 the Company issued 10,500,000 shares at \$0.12 per share in payment of the purchase of Resource Ventures S.A. and the finders fees.

On July 29, 2021 the Company changed its name to Edison Battery Metals Corp. to better reflect the direction of the Company. The TSX Venture Exchange has approved and confirmed that the Company's common shares will commence trading on July 30, 2021, under the new name.