EDISON LITHIUM CORP.

(formerly Edison Cobalt Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Edison Lithium Corp. (formerly Edison Cobalt Corp.)

Opinion

We have audited the consolidated financial statements of Edison Lithium Corp. (formerly Edison Cobalt Corp.) (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes events and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David J. Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

February 22, 2022

MOORE

An independent firm associated with Moore Global Network Limited

EDISON LITHIUM CORP.

(formerly Edison Cobalt Corp.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Canadian dollars)	Note		**September 30, 2021**		**September 30, 2020**
Assets					
Current Assets:					
Cash		$	3,715,808	$	718,574
Amount receivable			14,555		20,617
Prepaid expenses			28,860		5,000
			3,759,223		744,191
Non-current Assets:					
Exploration and evaluation assets	*3, 4, 6*		7,129,371		5,447,961
		$	**10,888,594**	**$**	**6,192,152**
Liabilities and Shareholders' Equity					
Liabilities					
Current Liabilities:					
Accounts payable and accrued liabilities		$	62,601	$	17,327
Due to related parties	6		25,108		–
Flow-through share liability	5		90,270		–
			177,979		17,327
Shareholders' Equity					
Share capital	*5*		13,945,076		8,812,350
Reserve	*5*		2,634,119		1,702,989
Deficit			(5,868,580)		(4,340,514)
			10,710,615		6,174,825
		$	**10,888,594**	**$**	**6,192,152**

Nature and continuance of operation – note 1
Subsequent events – note 1, 11

Approved on behalf of the Board of Directors

"*Nathan Rotstein*"
Director

"Jay Richardson"
Director

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

EDISON LITHIUM CORP.

(formerly Edison Cobalt Corp.)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

For the year ended September 30	Note	2021	2020
General and administrative expenses:			
Accounting, audit and legal		$ 75,634	$ 79,560
Advertising and promotion		15,587	1,838
Consulting fee	6	255,643	–
Management fee	6	181,000	–
Office and sundry	6	96,164	11,449
Project investigation cost		2,600	–
Share-based compensation	5, 6	835,744	–
Transfer agent and filing fees		67,474	27,486
Loss before other items:		1,529,846	120,333
Other items:			
Reversal of flow-through share liability		–	(35,599)
Interest income		(1,559)	–
Foreign exchange gain		(221)	–
		(1,780)	(35,599)
Loss and comprehensive loss for the year		$ (1,528,066)	$ (84,734)
Loss per share – basic and diluted		$ 0.02	$ 0.00
Weighted average number of common shares outstanding – basic and diluted		88,768,193	70,803,998

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

EDISON LITHIUM CORP.

(formerly Edison Cobalt Corp.)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended September 30, 2021 and 2020

	Share Capital				
(In Canadian dollars)	**Number of Common Shares**	**Amount**	**Reserve**	**Deficit**	**Total Shareholders' Equity**
Balance at September 30, 2019	**70,803,998**	**$ 8,812,350**	**$ 1,702,989**	**$ (4,255,780)**	**$ 6,259,559**
Net loss for the year	–	–	–	(84,734)	(84,734)
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
Shares issued upon exercise of warrants	893,313	276,927	(142,930)	–	133,997
Shares issued for acquisition of subsidiary	10,500,000	1,312,500	–	–	1,312,500
Share issuance costs	–	(519,041)	238,316	-	(280,275)
Flow-through premium	-	(90,270)	-	–	(90,270)
Stock options granted	–	–	835,744	–	835,744
Net loss for the year	–	–	–	(1,528,066)	(1,528,066)
Balance at September 30, 2021	**114,881,311**	**$ 13,945,076**	**$ 2,634,119**	**$ (5,868,580)**	**$ 10,710,615**

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

EDISON LITHIUM CORP.

(formerly Edison Cobalt Corp.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended September 30, 2021 and 2020

(In Canadian dollars)		**Year ended September 30, 2021**		**Year ended September 30, 2020**
Cash flows provided by (used in) operating activities				
Net loss for the year		(1,528,066)	$	(84,734)
Non-cash items:				
Reversal of flow-through share liability		–		(35,599)
Share-based compensation		835,744		–
Foreign exchange gain		(221)		–
Changes in working capital items:				
Amount receivable		6,062		2,600
Prepaid expenses		(23,860)		(5,000)
Accounts payable and accrued liabilities		26,207		5,652
Due to related parties		25,108		–
		(659,026)		(117,081)
Cash flows provided by (used in) investing activities				
Exploration and evaluation expenditures		(49,628)		(142,501)
Acquisition of exploration and evaluation assets		(300,000)		–
		(349,628)		(142,501)
Cash flows provided by (used in) financing activities				
Proceeds from shares issued for cash, net		3,871,885		–
Proceeds from shares issued from exercise of warrants		133,997		–
		4,005,882		–
Effect of foreign exchange rate changes on cash		6		–
Increase (decrease) in cash for the year		2,997,228		(259,582)
Cash, beginning of the year		718,574		978,156
Cash, end of the year	$	3,715,808	$	718,574
NON-CASH TRANSACTIONS				
Shares issued for acquisition of exploration and evaluation assets	$	1,250,000	$	–
Shares issued as finders fees		62,500		–
Accrued exploration and evaluation expenditures		9,641		–

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Operations

Edison Lithium 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. The Company's head office and registered office is located at Suite 820-1130 West Pender St, Vancouver, BC V6E 4A4, Canada.

The Company's common shares are listed for trading under the trading symbol EDDY on the TSX Venture Exchange, under the trading symbol VV0 on the Frankfurt Stock Exchange ("FSE") and under the symbol PWMRF on the U.S. Over the Counter Market ("OTC"). On July 29, 2021, the Company changed its name from Edison Colbalt Corp. to Edison Battery Metals Corp.. On November 24, 2021, 2021 the Company changed its name to Edison Lithium Corp.

Going Concern

These consolidated 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 September 30, 2021, the Company has not advanced its mining properties 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.

These consolidated financial statements do not give effect to any adjustment that my be required should the Company be unable to continuce as a going concern. These adjustments could be material.

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COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus, also known as "COVID-19" a global pandemic. The significant outbreak of COVID-19 has resulted in a widespread health crisis that is adversely affecting the economies and financial markets worldwide. The extent to which COVID-19 impacts the Company's businesses will depend on future developments, which are highly uncertain and cannot be predicted, including the emergence of new variants and the actions to contain COVID-19 or treat its impact, among others. If the disruptions posed by COVID-19 or other matters of global concern continue for an extensive period of time, the Company's operations may be materially adversely affected.

The COVID-19 pandemic, including the recent Omicron variant, has also caused, and is likely to continue to cause, severe economic, market, workforce and other disruptions worldwide. We cannot predict whether conditions in the global financial markets will continue to deteriorate as a result of the pandemic, or that access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of any future financings the Company may wish to undertake.

2. SIGNIFICANT ACCOUNTING POLICIES

COVID-19 (continued)

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on February 22, 2022.

Statement of compliance with International Reporting Standards

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

Basis of measurement

The consolidated financial statements of the Company have been prepared on an accrual basis except for cash flow information. In addition, these consolidated financial statements are based on historical costs, modified where applicable.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Edison Lithium Corp. and its wholly-owned subsidiaries. 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.

The legal subsidiaries of the Company as of September 30, 2021 are as follows:

Name of Subsidiary	Place of Incorporation	Ownership Interest
10451754 Canada Inc.	Canada	100%
Resource Ventures S.A.	Argentina	100%

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

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgements

The preparation of these consolidated 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 financial statements include:

- the determination of whether a set of assets acquired and liabilities assumed in an acquisition constitutes an asset acquisition or a business combination;
- 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; and
- whether there are indicators of impairment of the Company's exploration and evaluation assets.

Significant accounting estimates and assumptions

The preparation of the consolidated 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 any impairment charges against the Company's exploration and evaluation assets, the fair value of share-based compensation 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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
Due to related parties	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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through Sahres (continued)

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.

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 financial statements.

3. ACQUISITION OF RESOURCES VENTURES S.A.

On June 15, 2021, the Company entered into a 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.

Pursuant to the Agreeemnt, on July 2, 2021 the Company completed the acquisition of ReVe and the 100% outstanding equity interest in its properties for a purchase price of 10,000,000 common shares of the Company with a fair value of $0.125 per share. The Company also paid a finder's fee of 500,000 common shares of the Company. A consulting fee of $300,000 was also incurred with a company controlled by one of the former shareholders of ReVe.

The Company determined that ReVe did not meet the criteria for a business primarily due to lack of process and operations and accordingly the transaction was recorded as an asset acquisition under IFRS 2 *Share-based Payment*.

The acquisition was recorded at the following fair values:

Consideration		
Consideration paid in shares with fair value of $0.125 per share	$	1,250,000
Finder’s fee paid in shares with fair value of $0.125 per share		62,500
Consulting fee incurred		300,000
	$	1,612,500
Assets less liabilities acquired		
Cash	$	5
Accounts payable		(9,646)
Exploration and evaluation assets		1,622,141
	$	1,612,500

4. EXPLORATION AND EVALUATION ASSETS

The continuity of the exploration and evaluation assets for the years ended September 30, 2021 and 2020 is as the following:

	Kitson	Lexi	Pinac	Total
Balance September 30, 2020 and 2019	$ 3,910,722	$ -	$ -	$ 3,910,722
Acquisition costs		1,459,927	162,214	1,622,141
Balance, September 30, 2021	3,910,722	1,459,927	162,214	5,532,863
Balance September 30, 2019	1,394,738	-	-	1,394,738
Additions during the year				
Geologist fees and expenses	30,000	-	-	30,000
Drilling	72,501	-	-	72,501
Assay	40,000	-	-	40,000
Balance September 30, 2020	1,537,239	-	-	1,537,239
Additions during the year				
Geologist fees, expenses and assays	34,623	-	-	34,623
Taxes	-	24,646	-	24,646
Balance, September 30, 2021	1,571,862	24,646	-	1,596,508
E & E assets, September 30, 2020	$ 5,447, 961	$ -	$ -	$ 5,447,961
E & E assets, September 30, 2021	$ 5,482,584	$ 1,484,573	$ 162,216	$ 7,129,371

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 Kittson Property currently consists of 160 unpatented mining claims, and a single patented claim which totals 16 hectares. The unpatented mining claims were acquired in 2018 through the acquisiton of 100% shares of 10451754 Canada Inc. which held 100% interest in these unpatented mining claims. In June 2018, the Company purchased the Thomas Edison mine located in the area of the Kittson Property, which is the patented claim and formed an additional part of the Kittson project of the Company.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Lexi Property, Argentina (note 3)

The Company acquired the 100% interest of the Lexi Property from the acquisition of ReVe completed on July 2, 2021. Lexi Property is located in the Province of Catamarca, Argentina and is comprised of 26 mining claims totalling 107,046 hectares.

Pinac Property, Argentina (note 3)

The Company acquired 100% interest in the Pinac Property from the acquisition of ReVe completed on July 2, 2021. Pinac Property is located in the Province of Catamarca, Argentina and is comprised of 11 mining claims totalling 41,024 hectares.

5. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Share capital:

For the year ended September 30, 2021

On February 24, 2021, the Company closed a non-brokered 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 unit purchase warrants. Each unit consists of one common 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 unit purchase warrants. Each unit consists of one common share and one warrant exercisable at $0.25 for one common share.

On May 7, 2021 the Company closed two non-brokered private placements (“FT Private Placements”)of total 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 flow-through 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.

5. SHARE CAPITAL (continued)

Share capital (continued):

For the year ended September 30, 2021 (continued)

In connection with the FT 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. The fair value of the finder's warrants was estimated to be $231,063 using a Black Scholes option pricing model with the following assumptions: Share price - $0.20; Exercise price - $0.18; Expected life – 2 years; Expected volatility – 166%; risk free interest rate – 0.31% and dividend - $nil.

The Company is required 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).

The flow-through shares were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $90,270. As of September 30, 2021, the Company has a flow-through premium of $90,270 and recorded $nil in settlement of flow-through share premium for the year.

On May 28, 2021 the Company closed a non-brokered private placement of 800,000 units at a price of $0.135 per unit, for gross proceeds of $108,000. Each unit consists of one common share and one share purchase warrant, whereby each share purchase warrant is exercisable to purchase one common share at $0.18 per share for a period of 24 months from 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 share purchase warrants. The finders' warrants have the same terms as the share purchase warrant forming part of the private placement. The fair value of the finder's warrants was estimated to be $7,253 using a Black Scholes option pricing model with the following assumptions: Share price - $0.18; Exercise price - $0.18; Expected life – 2 years; Expected volatility – 151%; risk free interest rate – 0% and dividend - $nil.

On July 2, 2021 the Company issued total 10,500,000 common shares with a fair value of $0.125 per share as the payment for the acquisition of ReVe and for the finder's fees. The 10,000,000 shares issued on the acquisition of ReVe (note 3) are subject to a 36 month escrow provision.

For the year ended September 30, 2020

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

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.

5. SHARE CAPITAL (continued)

For the year ended September 30, 2021

On March 9, 2021 the Company granted 4,000,000 stock options, to certain consultants, directors and officers of the Company which entitle the holders to purchase one common share for each option held at a price of $0.15 per share up to March 9, 2026. In connection with this grant, the Company determined share-based compensation of $767,504 using the Black Scholes option pricing model with the following assumptions: Share price - $0.20; Exercise price - $0.15; Expected life – 5 years; Expected volatility – 177%; risk free interest rate – 0.99% and dividend - nil.

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. In connection with this grant, the Company determine share-based compensation of $68,240 using the Black Scholes option pricing model with the following assumptions: Share price - $0.18; Exercise price - $0.175; Expected life – 5 years; Expected volatility – 172%; risk free interest rate – 0.93%.

For the year ended September 30, 2020

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	(1,450,000)	0.20	
Granted	4,000,000	0.15	4.44
Granted	400,000	0.175	4.53
Balance, September 30, 2021	5,950,000	$ 0.165	3.38

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

Outstanding and exercisable	Exercise price	Expiry date
250,000	$ 0.20	February 10, 2022
1,300,000	0.20	December 7, 2022
4,000,000	0.15	March 9, 2026
400,000	0.175	April 9, 2026
5,950,000	$ 0.165	

5. SHARE CAPITAL (continued)

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	27,010,832	$ 0.17	0.35
Expired	(14,900,000)	0.10	
Balance, September 30, 2020	12,110,832	0.25	0.60
Granted	10,000,000	0.12	1.40
Expired	(11,216,666)	0.25	
Granted	893,313	0.25	
Expired	(894,166)	0.25	
Expired	(893,313)	0.25	
Granted	19,878,000	0.18	1.60
Granted	1,494,780	0.18	1.60
Granted	2,006,000	0.24	1.60
Granted	856,000	0.18	1.66
Balance, September 30, 2021	34,234,780	$ 0.17	1.54

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

Outstanding	Exercise Price	Expiry Date
10,000,000	$ 0.12	February 26, 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	$0.17	

5. SHARE CAPITAL (continued)

Unit purchase warrants:

The unit purchase warrants were issued in a brokered private placement completed on May 8, 2018. Each of the unit purchase warrants consist of one non-flow-through common share and one share purchase warrant, whereby each share purchase warrant entitled the holders to purchase one common share at $0.25 per share for a period of 36 months from the closing of the issuance.

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	1,430,666	$ 0.15	1.60
Balance, September 30, 2020	1,430,666	0.15	0.60
Exercised	(893,313)	0.15	
Expired	(537,353)	0.15	
Balance, September 30, 2021	-	-	-

Reserve:

Share-based payment reserve

The share-based payment reserve records items recognized as share-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 is transferred to share capital.

6. RELATED PARTY TRANSACTIONS

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 members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel, not including normal employee compensation, made during the years ended September 30, 2021 and 2020 is set out below:

	2021	**2020**
Management fee	$ 181,000	$ –
Consulting fee	47,000	–
Evaluation and exploration fees	–	142,501
Corporate secretarial	29,044	10,458
Share-based compensation	451,993	–
Total	$ 709,037	$152,959

As at September 30, 2021, the Company has a total outstanding balance of $25,108 (2020 – $nil) due to several directors and officer in relation to the above remuneration.

6. RELATED PARTY TRANSACTIONS (continued)

Share-based transactions with related parties during the year ended September 30, 2021 are as follows:

On March 9, 2021 the Company granted 2,000,000 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 5).

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).

7. 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 and amount receivable. To limit its exposure to credit risk, the Company held its cash with high-credit quality financial institutions in Canada. Amounts receivable primarily consist of sales tax receivable. The Company believes that the credit risk inherent in amounts receivable is low.

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's financial liabilities are all due on demand.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. As at September 30, 2021, the Company has a surplus of financial assets over financial liabilities denominated in Argentinian Peso, consisting of cash and accounts payable and accrued liabilities less cash, in the sum of $5,389 (2019 – $nil).

7. FINANCIAL RISK MANAGEMENT (continued)

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, accounts payable and accrued liabilities and due to related parties approximate fair value due to the short-term nature of the financial instruments.

8. 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 TSX Venture Exchange with which it is presently in compliance.

9. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2021	2020
Net loss for the year	$(1,528,066)	$ (84,734)
Statutory tax rate	27%	27%
Expected income tax recovery	(404,937)	(22,878)
Adjusted by:		
Non-deductible items and other	132,455	(9,611)
Temporary differences not recognized	272,497	(5,986)
Impact of flow through shares	-	38,475
Other	15	-
Income tax recovery	$ –	$ –

9. INCOME TAXES (continued)

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

	2021	2020
Non-capital loss carry-forwards	$ 1,140,343	$ 997,402
Exploration and evaluation assets	74,485	17,870
Share issuance costs	134,245	61,304
	1,349,073	1,076,576
Unrecognized deferred tax assets	(1,349,073)	(1,076,576)
Net deferred tax assets	$ -	$ -

As at September 30, 2021, the Company has approximately $4,492,000 (2020 - $3,694,000) of non-capital losses in Canada that may be used to offset future taxable income expiring between 2030 and 2041.

Expiry Year	Canadian non-capital losses
2030	$ 29,125
2031	245,390
2032	281,650
2033	344,360
2034	333,645
2035	255,918
2036	221,589
2037	385,915
2038	764,633
2039	585,439
2040	246,419
2041	797,570
	$ 4,491,653

Tax attributes are subject to review and potential adjustment by tax authorities.

10. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and two geographical segments with all current exploration activities being conducted in Canada and Argentina:

	September 30, 2021			September 30, 2020		
	Canada $	Argentina $	Total $	Canada $	Argentina $	Total $
Exploration and Evaluation Assets	5,482,585	1,646,786	7,129,371	5,447,961	-	5,447,961
	5,482,585	1,646,786	7,129,371	5,447,961	-	5,447,961

11. SUBSEQUENT EVENT

On November 10, 2021, the Company issued 2,000,000 options to directors and officers and 1,900,000 options to consultants of the Company which entitles the holder to purchase one common share for each option held at a price of $0.18 per share up to November 10, 2026.