



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in Canadian dollars)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements for Edison Lithium 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 consolidated financial statements, which are the responsibility of management, have not been reviewed by the Company’s auditors.

Management believes these unaudited condensed interim consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023, and the results of its operations and its cash flows for the three and nine months ended June 30, 2023 and 2022.

EDISON LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

(Unaudited)

<i>As at</i>	Note	June 30, 2023	September 30, 2022
Assets			
Current Assets:			
Cash	4	\$ 681,833	\$ 1,168,637
Short-term investments	5	1,000,000	1,000,000
Amounts receivable		84,595	43,688
Prepaid expenses		60,999	51,778
		1,827,427	2,264,103
Non-current Assets:			
Exploration and evaluation assets	3, 6	7,602,881	7,581,948
		\$ 9,430,308	\$ 9,846,051
Liabilities and Shareholders' Equity			
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities		\$ 14,656	\$ 44,838
Due to related parties	8	1,237	760
		15,893	45,598
Shareholders' Equity			
Share capital	7	13,981,076	13,981,076
Reserve	7	3,138,937	3,138,937
Deficit		(7,705,598)	(7,319,560)
		9,414,415	9,800,453
		\$ 9,430,308	\$ 9,846,051

Nature and continuance of operation – Note 1

Subsequent events – Note 12

Approved on behalf of the Board of Directors

"Nathan Rotstein"

Director

"Jay Richardson"

Director

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

EDISON LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(Unaudited)

	Note	For the three months ended June 30,		For the nine months ended June 30,	
		2023	2022	2023	2022
General and administrative expenses:					
Accounting, audit and legal		34,599	11,134	116,528	40,604
Advertising and promotion		–	68,553	17,473	246,874
Consulting		–	16,216	33,603	60,235
Management services	8	88,760	78,000	266,280	234,000
Office and sundry		3,271	23,651	30,347	264,498
Share-based compensation	7,8	–	–	–	504,818
Transfer agent and filing fees		331	3,833	30,327	47,233
		(126,961)	(201,387)	(494,558)	(1,398,262)
Other items					
Interest income		19,634	11,734	55,428	22,862
Foreign exchange gain (loss)		27,467	(8,861)	53,092	(9,724)
Settlement of flow-through share premium		–	2,466	–	7,047
Loss and comprehensive loss for the period		\$ (79,860)	\$ (196,048)	\$ (386,038)	\$ (1,378,077)
Loss per share – basic and diluted		\$ (0.001)	\$ (0.002)	\$ (0.003)	\$ (0.012)
Weighted average number of common shares outstanding – basic and diluted		115,181,311	115,181,311	115,181,311	115,123,069

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

EDISON LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

(Unaudited)

	Number of Shares	Share Capital	Reserves	Deficit	Total Equity
Balance at September 30, 2021	114,881,111	\$ 13,945,076	\$ 2,631,119	\$ (5,868,580)	\$ 10,710,615
Shares issued on exercise of warrants	300,000	36,000	–	–	36,000
Share-based compensation	–	–	504,818	–	504,818
Net loss for the period	–	–	–	(1,182,029)	(1,182,029)
Balance at June 30, 2022	115,181,311	13,981,076	3,138,937	(7,246,657)	9,873,356
Net loss for the period	–	–	–	(72,903)	(72,903)
Balance at September 30, 2022	115,181,311	13,981,076	3,138,937	(7,319,560)	9,800,453
Net loss for the period	–	–	–	(386,038)	(386,038)
Balance at June 30, 2023	115,181,311	\$ 13,981,076	\$ 3,138,937	\$ (7,705,598)	\$ 9,414,415

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

EDISON LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	For the nine months ended June 30,	
	2023	2022
Cash flows used in operating activities		
Net loss for the period	\$ (386,038)	\$ (1,377,811)
Non-cash items		
Share-based compensation	–	504,818
Settlement of flow-through share premium	–	(7,047)
Changes in working capital items:		
Amount receivable	(40,907)	(27,855)
Prepaid expenses	(9,221)	(148,965)
Accounts payable and accrued liabilities	(30,182)	18,687
Due to related parties	478	(23,192)
	(465,870)	(1,061,365)
Cash flows provided by/(used in) investing activities		
Exploration and evaluation expenditures	(87,871)	(53,363)
Deposit received on exploration and evaluation assets	66,939	–
	(20,932)	(53,363)
Cash flows provided by financing activities		
Proceeds from shares issued on exercise of warrants	–	36,000
	–	36,000
Decrease in cash for the period	(486,801)	(1,078,728)
Cash, beginning of the period	1,168,637	3,715,808
Cash, end of the period	\$ 681,833	\$ 2,637,080

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

EDISON LITHIUM CORP.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Operations

Edison Lithium Corp. (the “Company”) was incorporated on November 8, 2009, under the *Business Corporations Act* (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 214 – 257 12th Street East, North Vancouver, BC, Canada and it maintains a Toronto office at 120 Carlton St., #219, Toronto, Canada.

The Company’s common shares are listed for trading under the trading symbol “EDDY” on the TSX Venture Exchange, under the trading symbol “VV00” on the Frankfurt Stock Exchange and under the symbol “EDDYF” on the U.S. OTCQB Market. On July 29, 2021, the Company changed its name from Edison Cobalt Corp. to Edison Battery Metals Corp. On November 24, 2021, the Company changed its name to Edison Lithium Corp.

Spin-Out of Cobalt Assets – Update

As at March 28, 2023, the Company provided an update regarding the proposed spinout of its cobalt assets in northeastern Ontario referred to as Kittson Cobalt Property (the “Spin-Out”) into a newly incorporated subsidiary (“SpinCo”). The Company will continue to hold its interest in the Antofalla Salar and Pipanaco Salar Lithium projects in Argentina.

It is proposed that the Spin-Out will be carried out by way of statutory plan of arrangement pursuant to the *Business Corporations Act* (British Columbia). Common shares of SpinCo (“SpinCo Shares”) will be distributed to shareholders of the Company on the basis of one SpinCo Share for every eight common shares held in the Company. If the Spin-Out is completed, the shareholders will own shares in both companies.

The proposed Spin-Out is subject to approvals from the Company’s shareholders at its Shareholders’ Meeting, from the British Columbia Supreme Court and from the TSX Venture Exchange (the “Exchange”). The Company intends to list the SpinCo shares on the Exchange and upon completion of the Spin-Out, to undertake a private placement of up to 15,000,000 units (“Units”) at \$0.10 per Unit for gross proceeds of \$1,500,000 (the “Private Placement”). Each Unit will consist of one SpinCo Share and one warrant (“Warrant”), exercisable into one additional SpinCo Share at an exercise price of \$0.12 per SpinCo Share for a period of two years from the date of issuance. (All pre-consolidation – please see Subsequent Events Note 12 regarding Consolidation of shares.) The Private Placement is expected to close concurrently with the listing on the Exchange. The SpinCo Shares and Warrants will be subject to a four-month statutory hold period expiring four months and one day from the closing of the Private Placement.

Timing of the Spin-Out and Private Placement will be based on prevailing market conditions. The particulars of the Spin-Out are not yet final and the shareholders are cautioned that there can be no assurance that the Spin-Out will be completed on the terms described herein.

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will have sufficient capital to fund the cost 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, 2023, the Company has not advanced its exploration properties to commercial production or identified mineral reserves. The ability of the Company to continue as a going

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(Expressed in Canadian dollars)

(Unaudited)

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 additional equity financing to continue with planned exploration programs and general operations for following years but is satisfied as to the adequacy of the Company's financial resources for the next 12 months.

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

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 29, 2023.

Statement of compliance with International Reporting Standards

These condensed interim consolidated 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 interim consolidated financial statements should be read in conjunction with the audited annual financial statements, including the notes thereof, for the year ended September 30, 2022, which have been prepared in accordance with IFRS.

Basis of measurement

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

Basis of consolidation

The condensed interim 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 June 30, 2023, are as follows:

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

EDISON LITHIUM CORP.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

All intercompany transactions, balances, income and expenses are eliminated upon consolidation. 10451754 Canada Inc. has no assets, liabilities or operations and has only recently been incorporated for future use in connection with the Spin-Out.

Functional and presentation currency

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

Significant accounting judgements

The preparation of these condensed interim 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 applicable to the Company's condensed interim 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.

Accounting Policies

Readers should refer to the September 30, 2022 annual audited consolidated financial statements for the accounting policies used in the preparation of these condensed interim consolidated financial statements. The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway.

Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual consolidated financial statements will be determined as at September 30, 2024. In the event that accounting policies adopted at September 30, 2024 differ materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at September 30, 2024.

EDISON LITHIUM CORP.

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3. ACQUISITION OF RESOURCE 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 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.

Pursuant to the Agreement, 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. A consulting fee of \$300,000 was also paid to a company controlled by one of the former shareholders of ReVe.

The Company determined that ReVe did not meet the criteria for a business combination 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:

<u>Consideration</u>		
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
<u>Assets less liabilities acquired</u>		
Cash	\$	5
Accounts payable		(9,646)
Exploration and evaluation assets		1,622,141
	\$	1,612,500

4. CASH AND CASH EQUIVALENTS

As at June 30, 2023, cash and cash equivalents consist of cash of \$681,833 held at financial institutions including a redeemable Guaranteed Investment Certificate ("GIC") of \$605,000.

5. SHORT-TERM INVESTMENT

Short-term investment consists of a \$1,000,000 non-redeemable GIC bearing interest of 4% per annum with a maturity date of August 9, 2023. See Subsequent Events Note 12.

6. EXPLORATION AND EVALUATION ASSETS

The continuity of the exploration and evaluation assets for the nine months ended June 30, 2023:

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Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

	Kittson	Lexi	Pinac	Total
Acquisition Costs				
Balance September 30, 2022	\$ 3,910,722	\$ 1,471,204	123,096	\$ 5,505,022
Additions	–	75,122	–	75,122
Non-refundable deposit	–	(66,939)	–	(66,939)
Balance, June 30, 2023	3,910,722	1,479,388	123,096	5,513,205
Exploration Costs				
Balance September 30, 2022	1,991,294	85,348	284	2,076,926
Additions				
Geologist fees and expenses	11,996	–	–	11,996
Taxes	753	–	–	753
Balance, June 30, 2023	2,004,043	85,348	284	2,089,675
E & E assets, June 30, 2023	\$ 5,914,765	\$ 1,564,736	\$ 123,380	\$ 7,602,881

The continuity of the exploration and evaluation assets for the year ended September 30, 2022:

	Kittson	Lexi	Pinac	Total
Acquisition Costs				
Balance September 30, 2021	\$ 3,910,722	\$ 1,459,927	\$162,214	\$ 5,532,863
Additions	–	11,277	–	11,277
Impairment	–	–	(39,118)	(39,118)
Balance, September 30, 2022	3,910,722	1,471,204	123,096	5,505,022
Exploration Costs				
Balance September 30, 2021	1,571,862	24,646	–	1,596,508
Additions				
Geologist fees and expenses	418,331	21,165	–	439,496
Assay	1,035	–	–	1,035
Mineral Exploration VO	–	39,537	284	39,821
Taxes	66	–	–	66
Balance, September 30, 2022	1,991,294	85,348	284	2,076,926
E & E assets, September 30, 2022	\$ 5,902,016	\$ 1,556,552	\$ 123,380	\$ 7,581,948

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. This property is the subject of the proposed spin-out referred to above.

During the nine-months ended June 30, 2023, the Company spent \$12,749 in deferred exploration costs associated with the Kittson Property (September 30, 2022 - \$419,432).

EDISON LITHIUM CORP.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

Lexi Property, Argentina

The Company acquired 100% interest in the Lexi Property through 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.

On January 10, 2023, the Company accepted an offer to purchase one of the claims included in the Lexi Property. On February 10, 2023, the Company received a non-refundable deposit of \$66,939 (US\$50,000) related to this sale, which was recorded as a reduction of acquisition costs associated with the project. On May 11, 2023, the Company agreed to extend the date of the due-diligence period to November 30, 2023, for an additional non-refundable fee of US\$20,000. The remaining US\$450,000 payment is subject to results of due-diligence and other pre-closing conditions.

During the nine-months ended June 30, 2023, the Company spent \$75,122 in acquisition costs associated with the Lexi Property (September 30, 2022 - \$11,277).

Pinac Property, Argentina

The Company acquired 100% interest in the Pinac Property through 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.

As at September 30, 2022, 4 mining claims were written off due to loss of title, and an impairment of \$39,118 was recognized, thus bringing the mining claims to a total of 7.

During the nine-months ended June 30, 2023, the Company did not incur any costs associated with the Pinac Property (September 30, 2022 - \$284).

7. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Issued and Outstanding – Common shares:

At June 30, 2023, the Company has a total outstanding common shares of 115,181,311 with a total value of \$13,981,076 (2022 - \$13,981,076).

During the nine-month periods June 30, 2023, the Company did not have any transactions that resulted in issuance of shares.

Stock options

Under the Company's stock option plan, in order to align the interests of Directors, Officers and other grantees with the interests of the Company and its shareholders, 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, but usually will be limited to no more than 5 years.

EDISON LITHIUM CORP.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

For the nine months ended June 30, 2023

There were no stock options granted during the nine months ended June 30, 2023.

For the year ended September 30, 2022

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

In connection with this grant, the Company determined the fair value of the share-based compensation to be \$504,818 using the Black Scholes option pricing model with the following assumptions: share price - \$0.14; exercise price - \$0.18; expected life – 5 years; expected volatility – 162%; risk free interest rate – 1.56%, and dividend - nil.

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

	Options	Weighted average exercise price
Balance, September 30, 2021	5,950,000	\$ 0.165
Granted	3,900,000	\$ 0.180
Expired	(250,000)	\$ 0.200
Balance, September 30, 2022	9,600,000	\$ 0.170
Expired	(1,300,000)	\$ 0.200
Balance, June 30, 2023	8,300,000	\$ 0.165

A summary of stock options outstanding and exercisable as at June 30, 2023, is as follows:

Outstanding and exercisable	Exercise price	Expiry date
4,000,000	\$ 0.150	March 9, 2026
400,000	\$ 0.175	April 9, 2026
3,900,000	\$ 0.180	November 10, 2026
8,300,000	\$ 0.165	

As at June 30, 2023, the average remaining contractual life of the outstanding stock options was 3.0 years.

Share purchase warrants

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

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(Expressed in Canadian dollars)

(Unaudited)

	Warrants outstanding	Weighted average exercise price	Weighted average number of years to expiry
Balance, September 30, 2021	34,234,780	\$0.17	1.05
Warrants exercised	(300,000)	\$0.12	-
Balance, September 30, 2022	33,934,780	\$0.17	1.96
Warrants expired	(1,550,780)	\$0.18	-
Balance, June 30, 2023	32,384,000	\$0.17	1.80

A summary of share purchase warrants outstanding as at June 30, 2023, is as follows:

Outstanding	Exercise Price	Expiry Date	New Expiry Date
9,700,000	\$ 0.12	February 26, 2023	February 26, 2025
19,878,000	\$ 0.18	May 7, 2023	May 7, 2025
2,006,000	\$ 0.24	May 7, 2023	May 7, 2025
800,000	\$ 0.18	May 28, 2023	May 28, 2025
32,384,000	\$ 0.17		

As at June 30, 2023, the average remaining contractual life of the outstanding share-purchase warrants was 1.8 years.

Reserves:

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.

As at June 30, 2023, the Company has total reserves of \$3,138,937 (2022 – \$3,138,937) of which \$1,340,562 (2022 - \$1,340,562) are associated with the fair value of incentive stock options and the balance of \$1,798,375 (2022 - \$1,798,375) is associated with the fair value of share purchase warrants.

8. 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, and reimbursable expenses, made during the three and nine months ended June 30, 2023 and 2022 is set out below:

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(Expressed in Canadian dollars)

(Unaudited)

	For the three months ended		For the nine months ended	
	June 30, 2023	2022	June 30, 2023	2022
	\$	\$	\$	\$
Management fees	88,760	78,000	266,280	234,000
Evaluation and exploration fees	–	5,200	–	5,200
Corporate secretarial	–	7,597	8,170	17,095
Share-based payments	–	–	–	258,881
Legal	11,066	–	33,198	–
Administration	–	3,667	–	28,873
	99,826	94,464	307,648	544,049

As at June 30, 2023, the Company has a total outstanding payable balance of \$1,237 (September 30, 2022 – \$760) due to officers of the Company in relation to the above remuneration.

There were no share-based transactions with related parties during the nine months ended June 30, 2023 (June 30, 2022 - \$258,881).

9. 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, short-term investments, and amounts receivable. To limit its exposure to credit risk, the Company holds its cash and short-term investments with high-credit quality financial institutions in Canada. Amounts receivable primarily consist of sales tax and interest 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 June 30, 2023, the Company has a surplus of financial

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assets over financial liabilities denominated in Argentinian Peso, consisting of cash, accounts payable and accrued liabilities, in the sum of \$21,708 (September 30, 2022 – \$12,978).

Financial Instruments

Financial instruments recorded at fair value on the condensed interim 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, amounts receivable, which are primarily comprised of sales tax and accrued interest receivables, short-term investments, accounts payable and accrued liabilities, and due to related parties approximate fair value due to the short-term nature of the financial instruments.

10. 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 with a view to the Company's current and future needs. The Company currently manages its capital structure and adjusts 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 does review on a regular basis the stage of development of the Company and its needs.

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

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.

11. 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:

	June 30, 2023			September 30, 2022		
	Canada	Argentina	Total	Canada	Argentina	Total
E&E assets	\$5,914,765	\$1,688,116	\$7,602,881	\$5,902,016	\$1,679,932	\$7,581,948

12. SUBSEQUENT EVENTS

In July, 2023, the Company entered into an asset purchase agreement to acquire alkali dispositions in the province of Saskatchewan for a cash payment of CAD\$35,000 (which has now been paid), the issuance of 1,250,000 pre consolidation shares (156,250 post consolidation shares), as well as a 2% gross mineral royalties upon commercialization.

EDISON LITHIUM CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

Also in July, 2023, the Company announced a consolidation of its issued and outstanding shares, as well as outstanding share warrants and stock options, on the basis of 1 for 8. The Company also announced it would cancel the majority of its outstanding stock options so that after cancellation there will be no greater than 100,000 post consolidation options. The consolidation as well as stock option cancellation took place between August 1 and August 3, 2023.

In August, 2023, the Company accepted an offer to sell an additional mineral claim associated with the Lexi properties for US\$425,000 cash consideration. The purchaser agreed to pay a US\$50,000 non-refundable deposit (the "Deposit") upon acceptance of the sale (which has now been received) and the remaining US\$375,000 within 12 months contingent on pre closing conditions, including satisfactory due diligence by the purchaser.

On August 9, 2023, the Company reinvested the proceeds of its maturing GIC's into similar instruments at the same Canadian Chartered Bank with new maturities of one year or less.