

NEVADA LITHIUM RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2022 AND 2021

(Unaudited - expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the three months ended July 31, 2022.

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

The accompanying unaudited condensed interim consolidated financial statements of Nevada Lithium Resources Inc. (the "Company") for the interim periods ended July 31, 2022 and 2021 have been prepared in accordance with the International Accounting Standard 34 - Interim Financial Reporting as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

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

September 29, 2022

NEVADA LITHIUM RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
As at July 31, 2022 and April 30, 2022
(Unaudited - expressed in Canadian dollars)

	Note	July 31, 2022	April 30, 2022
		\$	\$
ASSETS			
Current			
Cash		25,904	28,829
Sales tax receivable		9,937	2,030
Prepaid expenses		35,268	102,370
		71,109	133,229
Exploration and evaluation assets	5	8,675,464	8,675,464
Total assets		8,746,573	8,808,693
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	359,023	285,003
Notes payable	6	72,876	-
Total liabilities		431,899	285,003
SHAREHOLDERS' EQUITY			
Share capital	8	9,389,697	9,389,697
Reserves	8	1,398,986	1,398,986
Special warrants	8	170,971	170,971
Deficit		(2,644,980)	(2,435,964)
Total shareholders' equity		8,314,674	8,523,690
Total liabilities and shareholders' equity		8,746,573	8,808,693

Nature of operations and going concern (Note 1)
Commitments (Note 11)

Approved and authorized for issue on behalf of the Board of Directors:

"Scott Eldridge"
Director

"Kelvin Lee"
Director

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

NEVADA LITHIUM RESOURCES INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended July 31, 2022 and 2021
(Unaudited - expressed in Canadian dollars except number of shares)

	Note	2022	2021
		\$	\$
Operating expenses			
Filing fees		17,056	6,276
General and administrative		8,326	4,416
Interest expense	6	3,376	-
Investor relations		65,045	53,920
Management and consulting fees	7	87,018	41,251
Professional fees		28,469	9,883
Total operating expenses		209,290	115,746
Foreign exchange gain		(274)	-
Loss and comprehensive loss		209,016	115,746
Loss per share:			
Basic and diluted		0.00	0.00
Weighted average number of shares outstanding:			
Basic and diluted		61,814,890	49,202,130

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

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

For the three months ended July 31, 2022 and 2021

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

	Common shares	Share capital	Subscriptions receivable	Reserves	Special warrants	Share subscription deposit	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$	\$
Balance, April 30, 2021	46,713,000	4,681,064	(31,225)	161,436	18,200	266,194	(139,138)	4,956,531
Shares issued - private placements	2,480,000	496,000	(105,000)	-	-	(266,194)	-	124,806
Share subscription receipts collected	-	-	31,225	-	-	-	-	31,225
Conversion of special warrants	364,000	18,200	-	-	(18,200)	-	-	-
Loss and comprehensive loss	-	-	-	-	-	-	(115,746)	(115,746)
Balance, July 31, 2021	49,557,000	5,195,264	(105,000)	161,436	-	-	(254,884)	4,996,816
Share subscription receipts collected	-	-	105,000	-	-	-	-	105,000
Special warrants issued	-	(17,082)	-	-	5,516,051	-	-	5,498,969
Special warrants issuance costs	-	(691,641)	-	-	170,971	-	-	(520,670)
Conversion of special warrants	12,257,890	4,903,156	-	612,895	(5,516,051)	-	-	-
Share-based compensation	-	-	-	624,655	-	-	-	624,655
Loss and comprehensive loss	-	-	-	-	-	-	(2,181,080)	(2,181,080)
Balance, April 30, 2022	61,814,890	9,389,697	-	1,398,986	170,971	-	(2,435,964)	8,523,690
Loss and comprehensive loss	-	-	-	-	-	-	(209,016)	(209,016)
Balance, July 31, 2022	61,814,890	9,389,697	-	1,398,986	170,971	-	(2,644,980)	8,314,674

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

NEVADA LITHIUM RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended July 31, 2022 and 2021
(Unaudited - expressed in Canadian dollars)

	2022	2021
	\$	\$
Operating activities		
Loss	(209,016)	(115,746)
Adjustments for non-cash items:		
Interest expense	3,376	-
Foreign exchange gain	(274)	-
Changes to non-cash working capital items:		
Sales tax receivable	(7,907)	(2,318)
Prepaid expenses	67,102	-
Accounts payable and accrued liabilities	74,294	(21,174)
Net cash used in operating activities	(72,425)	(139,238)
Financing activities		
Proceeds from issuance of notes payable	69,500	-
Proceeds from issuance of common shares	-	156,031
Net cash provided by financing activities	69,500	156,031
Net change in cash	(2,925)	16,793
Cash, beginning of period	28,829	1,526,715
Cash, end of period	25,904	1,543,508

Supplemental disclosures with respect to cash flows:

During the three months ended July 31, 2022:

1. There were no cash flows pertaining to investing activities.
2. There were no cash payments of interest and no cash payments of income taxes.

During the three months ended July 31, 2021:

1. There were no cash flows pertaining to investing activities.
2. Proceeds from the issuance of common shares includes the receipt of \$31,225 of subscriptions receivable and \$124,806 from issuance of common shares in a private placement on May 7, 2021.
3. There were no cash payments of interest and no cash payments of income taxes.

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

NEVADA LITHIUM RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2022 and 2021
(Unaudited - expressed in Canadian dollars, unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevada Lithium Resources Inc. (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on December 17, 2020. The address of the Company's registered and records office and principal place of business is 1500-1055 West Georgia Street, P.O Box 11117, Vancouver, British Columbia, Canada, V6E 4N7.

On January 29, 2021, the Company acquired Nevada Lithium Corp, based in Nevada, USA. Nevada Lithium Corp is a 100% owned subsidiary of the Company.

On February 22, 2022, the Company announced that it completed the application process that allows its shares to begin trading on the OTCQB Market ("OTCQB") under the symbol "NVLHF". The Company's common shares are listed on the Canadian Securities Exchange in Canada under the ticker symbol "NVLH".

The Company's exploration and evaluation assets do not presently host any known mineral deposits, and due to the high degree of risk involved, there can be no assurance that the Company's exploration activities will result in any deposits being located, or that the Company's exploration activities will result in a profitable mining operation in the future.

These condensed interim consolidated financial statements for the three months ended July 31, 2022 and 2021 (the "Interim Financial Statements") have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at July 31, 2022, the Company had working capital deficiency of \$360,790 (April 30, 2022 - \$151,774) and an accumulated deficit of \$2,644,980 (April 30, 2022 - \$2,435,964). The Company has no sources of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of its mineral property projects. These factors present a material uncertainty that casts significant doubt over the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its shareholders. These Interim Financial Statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern.

As of the date of these Interim Financial Statements the ongoing coronavirus pandemic, COVID-19, has not had an impact on the Company's ability to access capital and conduct exploration and evaluation activities. However, the ongoing COVID-19 pandemic continues to develop and may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

2. BASIS OF PRESENTATION

a) Statement of compliance

These Interim Financial Statements were approved and authorized for issuance on September 29, 2022 by the directors of the Company.

These Interim Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These Interim Financial Statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited annual consolidated financial statements for the year ended April 30, 2022, which include the information necessary and useful to understanding the Company's business and financial statement presentation. In particular, the Company's use of judgements and estimates and significant accounting policies were presented in Note 3 of the audited annual consolidated financial statements and have been consistently applied in the preparation of these Interim Financial Statements.

b) Basis of measurement

These Interim Financial Statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the significant accounting policies set out in Note 3. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except cash flow information.

NEVADA LITHIUM RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted)

2. BASIS OF PRESENTATION (continued)

c) Principles of consolidation

These Interim Financial Statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the Interim Financial Statements from the date control commences until the date control ceases.

These Interim Financial Statements include accounts of the Company and its wholly owned subsidiary, Nevada Lithium Corp, from the date of acquisition on January 29, 2021.

d) Functional and presentation currency

Each entity in the Company's consolidation measures its results using the primary economic environment in which the entity operates. Transactions in currencies other than the functional currency are translated using the applicable exchange rate prevailing on the date of the transaction. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rate of exchange at the date of the condensed interim consolidated statement of financial position. Revenues and expenses are translated using the average exchange rate during the period. Exchange gains and losses arising on translation are included in the condensed interim consolidated statements of loss and comprehensive loss. The functional currency of the Company and its subsidiary, Nevada Lithium Corp., is the Canadian dollar. The presentation currency is the Canadian dollar. References to "USD" are U.S. dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

In the preparation of these Interim Financial Statements, the Company used the same accounting policies as in the most recent audited annual financial statements for the Company for the year ended April 30, 2022.

Critical accounting estimates, judgments and assumptions

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

The preparation of the Company's Interim Financial Statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 for prospectively in the period in which the estimates are revised.

In the preparation of these Interim Financial Statements, the Company applied the same critical accounting estimates, judgements, and assumptions as in the most recent audited annual financial statements for the Company for the year ended April 30, 2022.

NEVADA LITHIUM RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted)

4. ACQUISITION

On January 29, 2021, the Company purchased 100% of the issued and outstanding shares of Nevada Lithium Corp. Total consideration was paid through the issuance of 7,000,000 common shares with a fair value of \$1,400,000. Nevada Lithium Corp. is in the business of the exploration and evaluation of mineral properties.

The acquisition has been accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes and outputs, that together constitute a business, did not exist in Nevada Lithium Corp. at the acquisition date.

The following table summarizes the purchase price allocation:

Purchase price:	\$
Shares paid by the Company (7,000,000 shares at \$0.20 per share)	1,400,000
Total consideration	1,400,000
Net assets acquired:	
Exploration and evaluation assets - Bonnie Claire	1,490,064
Accounts payable and accrued liabilities	(90,064)
Total net assets acquired	1,400,000

5. EXPLORATION AND EVALUATION ASSETS

The Company's subsidiary, Nevada Lithium Corp., entered into an option agreement dated November 30, 2020 (the "Option Agreement"), to earn up to a 50% interest in certain claims (the "Mineral Rights") relating to the Bonnie Claire lithium project located in Nevada, USA. The Company, through its subsidiary, Nevada Lithium Corp., is required to pay a 2.0% net smelter return upon commencement of commercial production of the Bonnie Claire property.

Pursuant to the Option Agreement, the Company made payments totaling \$7,185,400 (USD\$5,600,000) for the Mineral Rights as follows:

- During the period ended April 30, 2021, the Company earned a 20% interest in the Mineral Rights through the payment of \$2,027,680 (USD\$1,600,000).
- On December 1, 2021, the Company paid \$2,573,580 (USD\$2,000,000) and achieved a total 35% interest in the Mineral Rights.
- On December 15, 2021, the Company paid \$2,584,140 (USD\$2,000,000) and achieved the maximum 50% interest in the Mineral Rights of the Bonnie Claire lithium project.

	Bonnie Claire Property
	\$
Balance, April 30, 2021	3,517,744
Payments toward the Mineral interests	5,157,720
Balance, April 30, 2022 and July 31, 2022	8,675,464

6. NOTES PAYABLE

	Notes payable
Balance, April 30, 2021 and 2022	-
Addition	69,500
Interest	3,376
Balance, July 31, 2022	72,876

On May 11, 2022 the Company entered into a promissory note agreement for \$17,500. The promissory note is repayable on demand and accrues interest at a rate of 25% per annum. During the three months ended July 31, 2022, interest of \$965 was recorded and no payments were made.

On May 24, 2022 the Company entered into a promissory note agreement for \$52,000. The promissory note is repayable on demand and accrues interest at a rate of 25% per annum. During the three months ended July 31, 2022, interest of \$2,411 was recorded and no payments were made.

NEVADA LITHIUM RESOURCES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended July 31, 2022 and 2021
(Unaudited - expressed in Canadian dollars, unless otherwise noted)

7. RELATED PARTY TRANSACTIONS

The Company's related parties include subsidiaries, affiliated entities and key management personnel. Transactions with, and amounts due to or from, related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are those having the authority and responsibility for planning, directing, and controlling the Company.

As at July 31, 2022 and April 30 2022, accounts payable and accrued liabilities included the following amounts due to related parties:

	July 31, 2022	April 30, 2022
	\$	\$
Management and consulting fees payable	117,741	59,422

For the three months ended July 31, 2022 and 2021, key management personnel compensation consisted of:

	2022	2021
	\$	\$
Management and consulting fees	58,593	29,097

8. SHARE CAPITAL AND RESERVES

The Company is authorized to issue an unlimited number of common shares.

Share capital transactions

During the three months ended July 31, 2022

There were no share capital transactions that occurred during the three months ended July 31, 2022.

During the year ended April 30, 2022

On May 7, 2021, the Company completed a non-brokered private placement for the issuance of 2,480,000 common shares at \$0.20 for gross proceeds of \$496,000. During the year ended April 30, 2021, \$266,194 was received in the form of subscription deposits. During the year ended April 30, 2022, the Company received the remaining funds of \$229,806. Of the \$229,806 received, \$124,806 was received prior to July 31, 2021, and the remaining \$105,000 was received by October 31, 2021.

On June 11, 2021, pursuant to the terms of the special warrants, the Company issued 364,000 common shares. As a result, \$18,200 was reclassified from special warrants to share capital.

On June 14, 2021, the Company received \$31,225 that had been recorded as subscriptions receivable at April 30, 2021, for shares issued in a private placement that closed on January 21, 2021.

On March 29, 2022, pursuant to the receipt of a final short-form prospectus qualifying the distribution of 12,257,890 units issuable upon the deemed exercise of the November 2021 special warrants and the December 2021 special warrants, 12,257,890 special warrants were exercised into 12,257,890 units consisting of one common share and one-half of one common share purchase warrant. As a result, \$4,903,156 was reclassified from the special warrants reserve to share capital and \$612,895 was reclassified to reserves, applying the residual accounting method.

NEVADA LITHIUM RESOURCES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended July 31, 2022 and 2021
(Unaudited - expressed in Canadian dollars, unless otherwise noted)

8. SHARE CAPITAL AND RESERVES (continued)

Reserves

a. Special Warrants

During the three months ended July 31, 2022

There were no special warrant transactions that occurred during the three months ended July 31, 2022.

During the year ended April 30, 2022

On November 12, 2021, the Company announced a brokered private placement of special warrants at a price of \$0.45 per special warrant for gross proceeds of up to \$8,000,000 (the "November 2021 Special Warrant Offering"). Each special warrant automatically converts into a unit consisting of one common share and one-half of one common share purchase warrant on the earlier of approval from securities commissions in the provinces and territories where the special warrants are sold, and 120 days after the closing date of the offering. Each whole warrant is exercisable into one common share of the Company at a price of \$0.75 per share for a period of 24 months following the closing date of the offering.

On November 30, 2021, pursuant to the November 2021 Special Warrant Offering, the Company closed the first tranche of special warrants wherein the Company issued 7,916,444 special warrants (the "November 2021 Special Warrants") at a price of \$0.45 per special warrant for gross proceeds of \$3,562,400. For no additional consideration, the special warrants automatically converted into units consisting of one common share and one-half of one common share purchase warrant on March 29, 2022. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.75 per share and expires on November 30, 2023.

In connection with the November 2021 Special Warrants, share issuance costs consisted of cash commission and legal fees of \$372,148 and the issuance of 604,776 special warrants to finders that are exercisable into units at a price of \$0.45 per special warrant, expiring on November 30, 2023. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$0.75 per share and expires on November 30, 2023. The fair value of the special warrants issued to finders was recorded in the special warrants reserve and was determined to be \$120,163 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.40; exercise price of \$0.45; expected life of two years; volatility of 100%; dividend yield of 0%; and risk-free rate of 0.95%.

On December 15, 2021, pursuant to the November 2021 Special Warrant Offering, the Company closed the second tranche of special warrants wherein the Company issued 4,341,446 special warrants (the "December 2021 Special Warrants") at a price of \$0.45 per special warrant for gross proceeds of \$1,953,651. For no additional consideration, the special warrants automatically converted into units consisting of one common share and one-half of one common share purchase warrant on March 29, 2022. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.75 per share and expires on December 15, 2023.

In connection with the December 2021 Special Warrants, share issuance costs consisted of cash commission and legal fees of \$148,522 and the issuance of 255,715 special warrants to finders that are exercisable into units at a price of \$0.45 per special warrant, expiring on December 15, 2023. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$0.75 per share and expires on December 15, 2023. The fair value of the special warrants issued to finders was recorded in the special warrants reserve and was determined to be \$50,808 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.40; exercise price of \$0.45; expected life of two years; volatility of 100%; dividend yield of 0%; and risk-free rate of 0.95%.

On March 29, 2022, pursuant to the receipt of a final short-form prospectus qualifying the distribution of 12,257,890 units issuable upon the deemed exercise of the November 2021 Special Warrants and the December 2021 Special Warrants, 12,257,890 special warrants were exercised into 12,257,890 units consisting of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.75 per share and expires 24 months from the original issue date of the respective special warrant. Based on the residual value method, \$612,895 was allocated to the warrant reserve.

NEVADA LITHIUM RESOURCES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended July 31, 2022 and 2021
(Unaudited - expressed in Canadian dollars, unless otherwise noted)

8. SHARE CAPITAL AND RESERVES (continued)

The following table displays the special warrants that are outstanding and exercisable at July 31, 2022:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life
	#	\$	Years
February 11, 2023	860,491	0.45	0.53
	860,491	0.45	0.53

b. Warrants

In connection with the private placement on February 11, 2021, the Company issued 1,547,500 finder's warrants exercisable at a price of \$0.20 per finder's warrant expiring on February 11, 2023. The fair value of the warrants granted was recorded as share issue costs to reserves and was determined to be \$161,436 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.20; exercise price of \$0.20; expected life of two years; volatility of 100%; and risk-free rate of 0.23%.

In connection with the November and December 2021 Special Warrants, 12,257,890 special warrants were converted to 6,128,945 common share purchase warrants. Based on the residual value method, \$612,895 was allocated to the warrant reserve.

The following table displays outstanding and exercisable warrants at July 31, 2022:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life
	#	\$	Years
February 11, 2023	1,547,500	0.20	0.53
November 30, 2023	3,958,222	0.75	1.33
December 15, 2023	2,170,723	0.75	1.38
	7,676,445	0.64	1.18

c. Options

On September 28, 2021, the Company granted 3,900,000 share options exercisable into one common share at a price of \$0.20 per options. The options vested immediately and expire five years from the grant date. Of the 3,900,000 options granted, 1,200,000 were granted to directors and officers of the Company.

The fair value of options granted on September 28, 2021 was recorded as share-based compensation to reserves and was determined to be \$580,177 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.20; exercise price of \$0.20; expected life of five years; volatility of 100%; and risk-free rate of 1.11%.

On January 25, 2022, the Company granted 30,000 share options exercisable into one common share at a price of \$0.45 per option. The options vested immediately and expire three years from the grant date.

The fair value of options granted on January 25, 2022 was recorded as share-based compensation to reserves and was determined to be \$6,478 using the Black-Scholes Option Pricing Model with the following key inputs: share price of \$0.37; exercise price of \$0.45; expected life of three years; volatility of 100%; and risk-free rate of 1.40%.

No options were exercised, forfeited, cancelled, or expired during the three months ended July 31, 2022.

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For the three months ended July 31, 2022 and 2021
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8. SHARE CAPITAL AND RESERVES (continued)

The following table displays outstanding and exercisable options at July 31, 2022:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life
	#	\$	Years
September 28, 2026	3,900,000	0.20	4.16
January 25, 2025	30,000	0.45	2.49
	3,930,000	0.20	4.15

d. Restricted share units

On September 28, 2021, the Company granted 190,000 restricted share units ("RSUs") to an officer of the Company. The RSUs vested after four months and may be converted into common shares at the discretion of the beneficiary or the Company. The RSUs expire three years after the grant date if not converted into common shares.

The fair value of RSUs granted on September 28, 2021 was determined to be \$38,000 using the Black-Scholes Option Pricing Model with the following inputs: share price of \$0.20; exercise price of \$nil; expected life of three years; volatility of 100%; and risk-free rate of 0.67%.

No RSUs were forfeited, cancelled, or expired in the three months ended July 31, 2022.

The following table displays outstanding and exercisable RSUs at July 31, 2022:

Expiry date	Outstanding and exercisable	Weighted average remaining contractual life
September 28, 2024	190,000	2.16

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value measurement of financial assets and liabilities

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the consolidated statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

For the periods presented in these Interim Financial Statements, the Company's financial instruments consisted of cash, accounts payable and accrued liabilities, and notes payable, which are all measured at amortized cost. The carrying values of cash and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

b) Risk Management

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company is not exposed to significant credit risk.

NEVADA LITHIUM RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars, unless otherwise noted)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at July 31, 2022, the Company has current liabilities totaling \$431,899 (April 30, 2022 - \$285,003) and cash of \$25,904 (April 30, 2022 - \$28,829). Due to the Company's current working capital deficit, the Company is exposed to liquidity risk. As a result, the Company will need to raise funds to continue operations. The Company intends to raise further funds in the form of debt and equity financing.

Market risk

Market risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk, and other price risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign exchange rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company does not have any financial instruments exposed to other price risk.

The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

10. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholder's equity and notes payable. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations including corporate and administrative functions to support operations.

The Company obtains funding primarily through issuing common stock but may also incur debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the three months ended July 31, 2022. The Company is not subject to any external covenants.

11. COMMITMENTS

The Company has entered into a contractor agreement with an officer of the Company with an indefinite term and contractual monthly payments of USD\$10,000 per month. The Company may terminate this agreement without cause at any time by providing 90-days notice to the officer, or compensation in lieu of notice in an amount representing the fees for the 90-day notice period. In the event that the Company terminates the agreement without cause within the 12-month period following a change of control, the officer is entitled to receive a lump sum payment of severance equal to 24-months of payments in effect at the time of the change of control. The officer may terminate the agreement at any time, for any reason, by providing 30-days written notice to the Company. The Company may waive such notice, in whole or in part, and pay the officer the fees that would have been paid during the notice period.

12. SEGMENTED INFORMATION

Operating segments

The Company operated in a single reportable operating segment - the acquisition, exploration and evaluation of mineral properties. The Company's exploration and evaluation assets are currently located in Nevada, United States.