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American Lithium Corp.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended November 30, 2020 and 2019

(Expressed in Canadian Dollars)

American Lithium Corp.

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(Expressed in Canadian Dollars – Unaudited)

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the 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 the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

American Lithium Corp.
(Expressed in Canadian Dollars – Unaudited)

Condensed Interim Consolidated Statements of Financial Position

	November 30, 2020	February 29, 2020
	$	$
ASSETS		
Current		
Cash	**5,486,664**	804,628
Term deposit (Note 4)	**25,287**	25,061
Amounts receivable	**66,413**	12,953
Prepaid expenses and deposits	**157,200**	125,826
	5,735,564	968,468
Non-current assets		
Equipment (Note 5)	**15,986**	-
Exploration and evaluation assets (Note 6)	**12,020,829**	606,613
Reclamation deposits (Note 7)	**79,462**	81,948
	17,851,841	1,657,029
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	**575,024**	376,712
Notes payable (Note 9)	**-**	35,000
Due to related parties (Note 9)	**73,689**	239,603
Current portion of long-term debt (Note 10)	**335,469**	-
	984,182	651,315
Non-current liabilities		
Long-term debt (Note 10)	**1,006,408**	-
	1,990,590	651,315
EQUITY		
Share capital (Note 12)	**65,335,109**	43,805,526
Equity reserves (Note 12)	**5,922,985**	2,018,333
Deficit	**(55,396,843)**	(44,818,145)
	15,861,251	1,005,714
	17,851,841	1,657,029

Nature and continuance of operations (Note 1)
Subsequent event (Note 16)

Approved on behalf of the Board of Directors on January 29, 2021:

/s/ *Michael Kobler*
Michael Kobler, Director

/s/ *Andrew Bowering*
Andrew Bowering, Director

American Lithium Corp.
(Expressed in Canadian Dollars – unaudited)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

	For the three months ended November 30,		For the nine months ended November 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Operating Expenses				
Consulting fees	**75,177**	20,250	**158,926**	69,500
Depreciation (Note 5)	**954**	-	**1,515**	-
Exploration and evaluation expenditures	**555,653**	166,844	**908,412**	917,960
Filing and listing fees	**24,708**	3,352	**36,408**	14,182
Foreign exchange loss (gain)	**(10,615)**	3,479	**15,866**	9,527
General and administrative	**44,173**	14,525	**83,237**	44,323
Insurance	**4,626**	2,625	**15,920**	10,550
Management fees (Note 9)	**100,529**	100,892	**348,021**	297,686
Marketing	**522,930**	12,500	**4,081,838**	249,299
Professional fees	**43,533**	18,064	**84,042**	40,234
Property investigation costs	**-**	7,500	**-**	7,500
Registrar and transfer agent fees	**17,739**	6,308	**40,743**	19,253
Rent	**13,000**	10,233	**37,000**	27,288
Share-based compensations	**4,732,320**	-	**4,732,320**	-
Travel	**17,315**	24,107	**34,450**	74,139
	(6,142,042)	(390,679)	**(10,578,698)**	(1,781,441)
Write off of exploration and evaluation assets	**-**	(4,880,309)	**-**	(9,071,666)
Net loss and comprehensive loss for the period	**(6,142,042)**	(5,270,988)	**(10,578,698)**	(10,853,107)
Basic and diluted loss per share	**(0.05)**	(0.08)	**(0.11)**	(0.17)
Weighted average number of common shares outstanding - basic and diluted	**116,426,686**	66,491,195	**100,139,691**	63,860,746

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

American Lithium Corp.

(Expressed in Canadian Dollars – unaudited)

Condensed Interim Consolidated Statements of Cash Flows

	For the nine months ended November 30, 2020	2019
	$	$
OPERATING ACTIVITIES		
Net loss for the period	**(10,578,698)**	(10,853,107)
Items not affecting cash:		
Depreciation	**1,515**	-
Foreign exchange	**(19,250)**	(503)
Share-based compensations	**4,732,320**	-
Write off of exploration and evaluation assets	**-**	9,071,666
Accrued interest payable	**14,154**	-
Accrued interest receivable	**(226)**	110
Changes in non-cash working capital items:		
Amounts receivable	**(53,460)**	89,021
Prepaid expenses and deposits	**(51,462)**	156,249
Accounts payable and accrued liabilities	**184,158**	(356,512)
Due to related parties	**(165,914)**	91,500
Cash used in operating activities	**(5,936,863)**	(1,801,576)
INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	**(584,890)**	(87,168)
Purchase of equipment	**(17,501)**	-
Reclamation bonds	**-**	(3,381)
Cash used in investing activities	**(602,391)**	(90,549)
FINANCING ACTIVITIES		
Proceeds from shares issuance	**-**	869,450
Proceeds from notes payable	**-**	35,000
Repayment of notes payable	**(35,000)**	-
Share issuance costs	**(43,715)**	(8,515)
Stock options exercised	**793,500**	-
Warrants exercised	**10,506,505**	168,750
Cash provided by financing activities	**11,221,290**	1,064,685
Change in cash during the period	**4,682,036**	(827,440)
Cash, beginning of period	**804,628**	1,040,477
Cash, end of period	**5,486,664**	213,037

Supplementary cash flow disclosures (Note 15)

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

(Expressed in Canadian Dollars – unaudited)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

	Number of shares	Share capital $	Reserves Warrants $	Reserves Share Options $	Reserves Total $	Deficit $	Total $
Balance at February 28, 2019	**62,155,742**	**41,190,052**	**567,765**	**1,375,500**	**1,943,265**	**(32,837,365)**	**10,295,952**
Private placement	5,796,331	869,450	-	-	-	-	869,450
Share issue costs	-	(8,515)	-	-	-	-	(8,515)
Warrants exercised	450,000	168,750	-	-	-	-	168,750
Warrants expired	-	-	(461,475)	-	(461,475)	461,475	-
Loss for the period	-	-	-	-	-	(10,853,107)	(10,853,107)
Balance at November 30, 2019	**68,402,073**	**42,219,737**	**106,290**	**1,375,500**	**1,481,790**	**(43,228,997)**	**472,530**
Private placement	10,156,530	1,015,653	-	-	-	-	1,015,653
Share issue costs	-	(14,447)	-	-	-	-	(14,447)
Stock options granted	-	-	-	563,420	563,420	-	563,420
Warrants exercised	2,393,332	584,583	-	-	-	-	584,583
Warrants expired	-	-	(26,877)	-	(26,877)	26,877	-
Loss for the period	-	-	-	-	-	(1,616,025)	(1,616,025)
Balance at February 29, 2020	**80,951,935**	**43,805,526**	**79,413**	**1,938,920**	**2,018,333**	**(44,818,145)**	**1,005,714**
Share issued for exploration and evaluation assets	5,343,750	9,445,625	-	-	-	-	9,445,625
Share issue costs	-	(41,911)	-	-	-	-	(41,911)
Stock options exercised	2,550,000	1,541,755	-	(748,255)	(748,255)	-	793,500
Stock options granted	-	-	-	4,732,320	4,732,320	-	4,732,320
Warrants exercised	28,160,418	10,584,114	(77,609)	-	(77,609)	-	10,506,505
Warrants expired	-	-	(1,804)	-	(1,804)	-	(1,804)
Loss for the period	-	-	-	-	-	(10,578,698)	(10,578,698)
Balance at November 30, 2020	**117,006,103**	**65,335,109**	**-**	**5,922,985**	**5,922,985**	**(55,396,843)**	**15,861,251**

1. NATURE AND CONTINUANCE OF OPERATIONS

American Lithium Corp. (the "Company") was incorporated in the Province of British Columbia. The Company is engaged in the business of identification, acquisition and exploration of mineral interests. The Company's head office is located at 1507 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Canada, and registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, BC, V6C 3E8, Canada.

At the date of these condensed interim consolidated financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

A number of alternatives are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. In addition, management closely monitors commodity price of lithium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

As at November 30, 2020, the Company was in the process of exploring its principal mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a loss of $10,578,698 (November 30, 2019 - $10,853,107) for the nine months ended November 30, 2020. As at November 30, 2020, the Company had an accumulated deficit of $55,396,843 (February 29, 2020 - $44,818,145), which has been funded primarily by the issuance of equity. The Company's ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim consolidated financial statements.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect and harm our business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

(Expressed in Canadian Dollars – unaudited)

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Condensed Interim Financial Reporting" using accounting policies consistent 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").

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. Therefore, it is recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended February 29, 2020.

Basis of presentation

The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable.

Principles of consolidation

The condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Name	Jurisdiction
1032701 B.C. Ltd.	British Columbia, Canada
1032701 Nevada Ltd.	Nevada, USA
1065604 B.C. Ltd.	British Columbia, Canada
1065604 Nevada Ltd.	Nevada, USA
1067323 B.C. Ltd.	British Columbia, Canada
1067323 Nevada Ltd.	Nevada, USA
1074654 B.C. Ltd.	British Columbia, Canada
1074654 Nevada Ltd.	Nevada, USA
1134989 B.C. Ltd.	British Columbia, Canada
1134989 Nevada Ltd.	Nevada, USA
Esoteric Consulting Corp.	British Columbia, Canada
4286128 Nevada Corp.	Nevada, USA

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

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The more significant areas are as follows:

- the estimates and assumptions used in the share-based payments;
- the determination that the Company has no decommissioning liabilities; and
- the determination of recoverability on exploration and evaluation assets.

Critical judgments in applying accounting policies:

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

- the determination that the Company will continue as a going concern for the next year; and
- the assessment of the deferred income tax assets and liabilities are probable to be recovered from future income.

b) Exploration and evaluation assets

The cost of acquiring and maintaining the Company's interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately.

Exploration and evaluation costs are expensed as incurred. Costs directly related to the acquisition are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

Management reviews the carrying value of capitalized exploration and evaluation assets at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any previous impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for exploration and evaluation assets, net of write-downs and recoveries, are not intended to represent present or future values.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Exploration and evaluation assets (continued)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

c) Functional currency

The majority of transactions are in Canadian dollars and therefore the reporting and functional currency of the Company and its subsidiaries is the Canadian dollar.

d) Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Reclamation deposits are measured at amortized cost with subsequent impairments recognized in profit or loss and cash and term deposit are classified as FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(Expressed in Canadian Dollars – unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable, notes payable and due to related parties are classified as amortized cost.

As at February 29, 2020 and November 30, 2020, the Company did not have any derivative financial liabilities.

4. TERM DEPOSIT

The Company has a $25,000 term deposit which earns interest at 1.20% per annum and matured on December 18, 2020. The term deposit had been assigned as security to the Bank of Nova Scotia. As at November 30, 2020, the Company accrued $287 in interest receivable. On December 18, 2020, the term deposit was rolled over for a further one year period.

5. EQUIPMENT

	Computer Equipment	Furniture Equipment	Total
	$	$	$
Cost:			
Balance, February 29, 2020	-	-	-
Addition	1,544	15,957	17,501
Balance, November 30, 2020	1,544	15,957	17,501
Depreciation:			
Balance, February 29, 2020	-	-	-
Depreciation for the period	318	1,197	1,515
Balance, November 30, 2020	318	1,197	1,515
Net book value:			
As at February 29, 2020	-	-	-
As at November 30, 2020	**1,226**	**14,760**	**15,986**

(Expressed in Canadian Dollars – unaudited)

6. EXPLORATION AND EVALUATION ASSETS

	Colorado Property	Gap Lode Claim Block Property	TLC Property	Extinction Ridge Property	Total
	$	$	$	$	$
Balance, February 28, 2019	4,880,309	4,191,357	276,524	238,615	9,586,805
Additions:					
Maintenance fees	-	-	78,956	12,518	91,474
Write-off	(4,880,309)	(4,191,357)	-	-	(9,071,666)
Balance, February 29, 2020	-	-	355,480	251,133	606,613
Additions:					
Bonus common shares issued	-	-	320,000	-	320,000
Common shares issued for acquisition of exploration and evaluation assets	-	-	7,320,000	-	7,320,000
Common shares issued for royalty buyback	-	-	1,805,625		1,805,625
Cash paid for property acquisition	-	-	349,488	-	349,488
Promissory note issued for property acquisition	-	-	1,363,613	-	1,363,613
Cash paid for royalty buyback	-	-	200,880	-	200,880
Maintenance fees	-	-	54,610	-	54,610
Balance, November 30, 2020	**-**	**-**	**11,769,696**	**251,133**	**12,020,829**

Colorado Property - Nevada, USA

On May 24, 2016, the Company entered into an agreement to acquire all the outstanding share capital of 1067323 B.C. Ltd. (“1067323 BC”), a privately-held British Columbia based mineral exploration company, by issuing 1,200,000 common shares with a fair value of $8,340,000. 1067323 BC has a wholly-owned subsidiary, 1067323 Nevada Ltd. For accounting purposes, this transaction was considered to be outside the scope of IFRS 3 *Business Combinations* since 1067323 BC was inactive prior to the transaction and was limited to the holding of the Colorado Property and accordingly did not constitute a business. The transaction was accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company was deemed to issue shares in exchange for the net assets of 1067323 BC together with its right to earn a 100% interest in mineral claims of the Colorado Property.

1067323 BC is a party to an earn-in option agreement with Colorado Exploration Inc. (“Colorado Optionor”) to acquire a series of 193 placer and 44 lode claims, over 4,870 acres (1,971 hectares) in Fish Lake Valley, Nevada, USA (the “Colorado Property”). As at August 29, 2019, the Company decided not to extend the lease with the county’s BLM. The Company wrote-off the related costs it had incurred resulting in a write-off of $4,880,309 being recognized during the year ended February 29, 2020.

(Expressed in Canadian Dollars – unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Gap Lode Claim Block Property - Nevada, USA

On March 6, 2018, the Company entered into a share purchase agreement to acquire 100% of 1134989 B.C. Ltd. (“1134989 BC”), an arm’s length party to the Company, by issuing 12,000,000 common shares at a fair value of $4,140,000. 1134989 BC has a wholly-owned subsidiary, 1134989 Nevada Ltd. (“1134989 Nevada”). For accounting purposes, this transaction was considered to be outside the scope of IFRS 3 *Business Combinations* since 1134989 BC was inactive prior to the transaction and was limited to the holding of the Gap Lode Claim Block properties and accordingly did not constitute a business. The transaction was accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company was deemed to issue shares in exchange for the net assets of 1134989 BC together with its right to earn an 100% interest in the mineral claims of the Gap Lode Claim Block Property. The Gap Lode Claim Block Property consists of a series of 54 unpatented lode claims located in Esmeralda County, Nevada, USA.

Prior to the above noted acquisition, 1134989 BC entered into a mineral property option agreement with David Mough to acquire a 100% undivided interest in the Gap Lode Claim Block Property. The required cash payment of $13,295 (US$10,000) was paid by 1134989 BC prior to the acquisition. During the year ended February 29, 2020, the Company decided not to proceed with the acquisition of the property, resulting in a write-off of $4,191,357 being recognized.

Tonopah Claystone Claims (“TLC”) Property - Nevada, USA

On August 13, 2018, the Company finalized a purchase/royalty agreement with Nevada Alaska Mining Co., Inc. (“TLC Royalty Holder”), who has the claims and title to a series of unpatented lode mining claims located in Nye County, Nevada, USA (the “TLC Property”), subject to an overriding 2.5% gross royalty, of which 1.25% can be purchased within 3 years for $1 million. Under the agreement, the terms of the purchase is outlined below:

	Common Shares	Cash
	#	US$
On or before three business days following receipt of the approval of the TSX-V to the transaction (“TLC Closing Date”) (issued and paid)	250,000	50,000
Within 90 days of the TLC Closing Date (paid)	-	50,000
Total	250,000	100,000

In addition, if the Company calculates a mineral resource on the TLC Property exceeding 500,000 tons of Lithium Carbonate Equivalent (“LCE”) in all reserve categories, the Company will issue a bonus payment of 250,000 shares to TLC Royalty Holder. An additional 250,000 shares will be issued to TLC Royalty Holder if the calculation exceeds 1,500,000 tons of LCE on the TLC Property. During the nine months ended November 30, 2020, the Company issued 500,000 common shares at a fair value of $320,000 due to the LCE calculation on the TLC Property.

As at November 21, 2018, the Company fulfilled its commitments and acquired a 100% undivided interest in the TLC property. During the year ended February 28, 2019, the Company issued 250,000 common shares at a fair value of $130,000 and paid $131,785 (US$100,000) to TLC Royalty Holder.

(Expressed in Canadian Dollars – unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Tonopah Claystone Claims ("TLC") Property - Nevada, USA (continued)

On July 9, 2020, the Company entered into a royalty buyback agreement with TLC Royalty Holder under which the Company bought back one-and-one-half percent (1.5%) of the existing gross overriding royalty pertaining to the TLC Property in consideration for $200,880 (US$150,000) and 843,750 common shares at a fair value of $1,805,625 to the TLC Royalty Holder.

On July 24, 2020, the Company closed a share purchase agreement with the shareholder of Esoteric Consulting Ltd. ("Esoteric") whereby the Company purchased 100% of the outstanding shares of Esoteric. Esoteric owned 50% of the issued outstanding shares 4286128 Nevada Corp. ("4286128 Nevada"), which holds the title to a series of lode mining claims totalling approximately 2,000 acres located in Nye County, Nevada, contiguous to and north and northwest of the TLC Property. On the same day, the Company, through Esoteric, acquired the remaining 50% of the issued and outstanding shares of 4286128 Nevada. Pursuant to these share purchase agreements, the Company issued 4,000,000 common shares of the Company at a fair value of $7,320,000.

In September 2020, the Company entered into a real estate property purchase agreement to acquire over 300 acres of privately held lands and the accompanying 1,176 acre-feet of water rights. ("TLC Water Rights Agreement"). The transfer of the property interest and the water rights was finalized for total consideration of US$1.3 million, of which the Company paid US$265,000 ($349,488) on closing and issued a promissory note for US$1,035,000 to the vendors (Note 10).

Extinction Ridge Property - Nevada, USA

On November 5, 2018, the Company finalized a purchase/royalty agreement with Nevada Alaska Mining Co., Inc. ("Extinction Ridge Royalty Holder"), who has the claims and title to a series of unpatented lode mining claims located in Eureka County, Nevada, USA (the "Extinction Ridge Property"), subject to an overriding 2% gross royalty, of which 1% can be purchased within 6 years for $1 million. Under the agreement, the terms of the purchase is outlined below:

	Common Shares	**Cash**
	#	US$
On or before five business days following receipt of the approval of the TSX-V to the transaction ("Extinction Ridge Closing Date") (issued and paid)	250,000	50,000
Within 90 days of the Extinction Ridge Closing Date (paid)	-	50,000
Total	250,000	100,000

In addition, if the Company calculates a mineral resource on the Extinction Ridge Property exceeding 50,000,000 pounds of Vanadium Pentoxide ("V2O5") in all reserve categories, the Company will issue a bonus payment of 250,000 shares to Extinction Ridge Royalty Holder. An additional 250,000 shares will be issued to Extinction Ridge Royalty Holder if the calculation exceeds 150,000,000 pounds of V2O5 on the Extinction Ridge Property. As at February 4, 2019, the Company fulfilled its commitments and acquired a 100% undivided interest in the Extinction Ridge Property. During the year ended February 28, 2019, the Company issued 250,000 common shares at a fair value of $107,500 and paid $131,115 (US$100,000) to Extinction Ridge Royalty Holder.

(Expressed in Canadian Dollars – unaudited)

7. RECLAMATION DEPOSITS

Reclamation deposits consist of a term deposit and bonds recorded at cost and held as security by the Provincial Government of British Columbia and the State of Nevada respectively, with regards to certain exploration properties described in Note 6.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2020	February 29, 2020
	$	$
Accounts payable	**550,833**	307,053
Accrued liabilities	**24,191**	69,659
	575,024	376,712

9. 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 executive and non-executive members of the Company's Board of Directors and corporate officers.

	For the nine months ended November 30,	
	2020	2019
	$	$
Management fees	**348,021**	297,686
Share-based compensations	**1,774,620**	-
	2,122,641	297,686

All related party transactions are recorded at the amount agreed to by the Company and the related party. During the nine months ended November 30, 2020, the Company entered into the following transactions with key management personnel:

(a) Paid or accrued management fees of $258,021 (November 30, 2019 – $207,686) to a company controlled by the CEO. As at November 30, 2020, notes payable includes a non-interest bearing demand loan of $nil (February 29, 2020 - $35,000) payable to the CEO of the Company. As at November 30, 2020, the Company owed $63,189 (February 29, 2020 - $100,717) to a company controlled by the CEO for unpaid fees.

(b) Paid or accrued management fees of $90,000 (November 30, 2019 – $90,000) to a company controlled by a director. As at November 30, 2020, the Company owed $10,500 (February 29, 2020 – $138,885) to a company controlled by a director of the Company for unpaid fees and expense reimbursements.

(Expressed in Canadian Dollars – unaudited)

10. LONG-TERM DEBT

In September 2020, the Company entered into the TLC Water Rights Agreement (Note 6). Pursuant to the agreement, the Company issued a promissory note for US$1,035,000 ($1,341,877) to be paid in four equal annual installments of US$258,750 plus accrued interest at rate at 5.00% per annum. The promissory note is secured by a first priority deed of trust on the property. In the event of default, a late charge penalty of 8% of the payment due will be assessed if any installment is more than ten days past due.

	$
Issuance of promissory note	1,363,613
Foreign exchange adjustment	(21,736)
	1,341,877
Less: current portion	(335,469)
At November 30, 2020	**1,006,408**

As at November 30, 2020, the Company has accrued interest of $14,154 (US$10,917) which is included in accounts payable and accrued liabilities.

The principal payments required under the long-term debt for the next four fiscal years are as follows:

2022	$335,469
2023	335,469
2024	335,469
2025	335,469

11. CAPITAL MANAGEMENT

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. The Company includes the components of shareholders’ equity in its management of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares to raise cash and obtain bridging loans from related parties. The Company’s investment policy is to invest its cash in investment instruments in financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

There were no changes in the Company’s management of capital during the nine months ended November 30, 2020.

12. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the nine months ended November 30, 2020:

In June 2020, 500,000 common shares at a fair value of $320,000 were issued to the TLC Royalty Holder in connection with the TLC Property purchase/royalty agreement, see Note 6 for details.

In July 2020, the Company issued 843,750 common shares at a fair value of $1,805,625 to the TLC Royalty Holder to buyback one-and-one-half percent (1.5%) of the existing gross overriding royalty pertaining to the TLC Property.

In July 2020, the Company issued 4,000,000 common shares of the Company at a fair value of $7,320,000 to acquire Esoteric and 4286128 Nevada for properties contiguous to and north and northwest of the TLC Property, see Note 6 for details.

The Company issued 28,160,418 common shares in connection with the exercise of 28,160,418 warrants with a weighted average exercise price of $0.37 for total proceeds of $10,546,193. As a result, the Company transferred $77,609 representing the fair value of the exercised warrants from reserves to share capital. In addition, 692,213 warrants expired and as a result, $1,804 was reclassified from reserves to share capital. The Company also issued 2,550,000 common shares in connection with the exercise of 2,550,000 stock options with an exercise price of $0.30 for total proceeds of $793,500. As a result, the Company transferred $748,255 representing the fair value of the exercised options from reserves to share capital.

During the year ended February 29, 2020:

In September 2019, the Company completed a private placement of 5,796,331 units at a price of $0.15 per unit for gross proceeds of $869,450. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of $0.25 per share for a period of two years.

In January 2020, the Company completed a private placement of 10,156,530 units at a price of $0.10 per unit for gross proceeds of $1,015,653. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of $0.125 per share for a period of two years.

The Company issued 2,843,332 common shares in connection with the exercise of 2,843,332 warrants with a weighted average exercise price of $0.265 for total proceeds of $753,333.

Warrants

During the year ended February 29, 2020, the Company issued the following warrants:

- In connection with the September 2019 private placement, 5,796,331 warrants with an exercise price of $0.25 per warrant.
- In connection with the January 2020 private placement, 10,156,530 warrants with an exercise price of $0.125 per warrant.

(Expressed in Canadian Dollars – unaudited)

12. SHARE CAPITAL (continued)

Warrants (continued)

In January 2020, the Company amended the terms of an aggregate of 21,411,430 outstanding warrants previously issued by the Company with an exercise price of $0.375 and expiry date of February 1, 2020. Under the amendment, the term of these warrants will be extended by an additional twenty-four months such that they will be now exercisable until February 1, 2022.

Details of common share purchase warrants outstanding at November 30, 2020 are as follows:

Number of warrants	Exercise price	Remaining life	Expiry date
	$	(years)	
2,668,270	0.125	1.15	January 21, 2021
383,333	0.25	0.84	September 30, 2021
9,770,430	0.375	1.18	February 1, 2022
12,822,033			

A summary of changes of warrants outstanding is as follows:

	Warrants	Weighted average exercise price
		$
Balance, February 28, 2019	31,008,033	0.61
Issued	15,952,861	0.17
Exercised	(2,843,332)	0.26
Expired	(2,442,898)	1.88
Balance, February 29, 2020	41,674,664	0.39
Exercised	(28,160,418)	0.37
Expired	(692,213)	2.16
Balance, November 30, 2020	**12,822,033**	**0.32**

Stock Options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the Discounted Market Price policies of the TSX Venture Exchange. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12 month period is limited to 5% of the issued shares of the Company. The options vest on the date of grant.

In February 2020, the Company granted 2,200,000 stock options to certain officers, directors, and employees of the Company at an exercise price of $0.25. These options were granted for a period of five years and vest upon issuance. The estimated fair value, $563,420, was calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 1.21%, forfeiture rate of 0%, no annual dividends, expected volatility of 124% and a market price of shares at grant date $0.30.

(Expressed in Canadian Dollars – unaudited)

12. SHARE CAPITAL (continued)

Stock Options (continued)

In September 2020, the Company granted 4,800,000 stock options to certain officers, directors, and consultants of the Company at an exercise price of $1.28. These options were granted for a period of five years and vest upon issuance. The estimated fair value, $4,732,320, was calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 0.36%, forfeiture rate of 0%, no annual dividends, expected volatility of 122% and a market price of shares at grant date $1.20.

As at November 30, 2020, the following options were outstanding and exercisable:

Number of options	Exercise price	Remaining life	Expiry date
	$	**(years)**	
1,800,000	0.31	2.20	February 9, 2023
600,000	0.35	2.58	June 29, 2023
1,850,000	0.25	4.19	February 4, 2025
4,800,000	1.28	4.80	September 17, 2025
9,050,000			

A summary of changes of stock options outstanding is as follows:

	Options	Weighted average exercise price
		$
Balance, February 28, 2019	4,600,000	0.32
Granted	2,200,000	0.25
Balance, February 29, 2020	6,800,000	0.30
Granted	4,800,000	1.28
Exercised	(2,550,000)	0.30
Balance, November 30, 2020	**9,050,000**	**0.81**

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, term deposit, amounts receivable, accounts payable, due to related parties, and long-term debt. As at November 30, 2020, the Company classifies its cash and term deposit as fair value through profit and loss and its amounts receivable, accounts payable, due to related parties, and long-term debt at amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash and term deposit is classified under Level 1.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. Accounts payable and accrued liabilities are classified under Level 3.

The Company's financial instruments are exposed to the following risks:

Credit Risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and term deposit. The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at November 30, 2020 relating to cash and term deposit of $5,511,951. The cash and term deposit is held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at November 30, 2020, the Company had a cash balance of $5,486,664 to settle current liabilities of $984,182. Liquidity risk is assessed as low.

Foreign Exchange Risk
The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable that are denominated in a foreign currency. As at November 30, 2020, the Company had a net liability of US$149,193. A 10% fluctuation in the foreign exchange rate of the United States dollar against the Canadian dollar would affect the Company's cash and accounts payable and accrued liabilities by approximately $19,500.

Interest Rate Risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2020, the long-term debt bears interest at a fixed 5% per annum and is payable over four years. The Company has cash balances and term deposits with interest based on the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Commodity Price Risk
The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

During the nine months ended November 30, 2020, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

(Expressed in Canadian Dollars – unaudited)

14. SEGMENTED INFORMATION

As of November 30, 2020, the Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. All of the Company's interests in mineral properties are located in Nevada, USA.

15. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the nine months ended November 30,	
	2020	2019
	$	$
Supplemental cash-flow disclosure:		
Interest	**-**	-
Income taxes	**-**	-
Supplemental non-cash disclosure:		
Shares issued for exploration and evaluation assets acquisition	**9,445,625**	-
Promissory note issued for exploration and evaluation assets acquisition	**1,363,613**	-
Reclassification of stock options exercised	**748,255**	-
Reclassification of warrants exercised	**77,609**	-
Reclassification of warrants expired	**1,804**	461,475

16. SUBSEQUENT EVENT

Subsequent to November 30, 2020, the Company issued 919,204 common shares in connection with the exercise of 919,204 warrants with a weighted average exercise price of $0.31 for total proceeds of $286,152. In addition, the Company also issued 1,035,000 common shares in connection with the exercise of 1,035,000 stock options with a weighted average exercise price of $0.30 for total proceeds of $311,800.