

NORAM LITHIUM CORP.
(FORMERLY NORAM VENTURES INC.)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Noram Lithium Corp.

Opinion

We have audited the consolidated financial statements of Noram Lithium Corp. (formerly Noram Ventures Inc.) (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2022 and 2021, and the consolidated statements of operations and comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements. As stated in Note 1, there are events or conditions, along with other matters, that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DML

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

May 31, 2022

NORAM LITHIUM CORP.
(FORMERLY NORAM VENTURES INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at January 31

(Expressed in Canadian Dollars)

	2022	2021
ASSETS		
Current assets		
Cash	\$ 101,742	\$ 866,476
Short-term investment (Note 3)	1,500,000	750,000
Other receivables	51,265	27,326
Subscriptions receivable	-	25,650
Prepaid expenses	97,576	33,315
	1,750,583	1,702,767
Property and equipment (Note 4)	164,216	58,999
Reclamation bond	18,166	18,604
Exploration and evaluation assets (Note 5)	4,011,287	3,258,859
Total assets	\$ 5,944,252	\$ 5,039,229
LIABILITIES		
Current liabilities		
Accounts payable (Note 8)	\$ 282,882	\$ 196,845
Accrued liabilities	106,371	93,584
Current portion of lease liability (Note 6)	49,983	50,601
	439,236	341,030
Lease liability (Note 6)	110,897	-
Total liabilities	550,133	341,030
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	17,335,568	14,410,008
Share subscriptions advanced (Note 7)	1,400	107,950
Reserves (Note 7)	8,053,396	4,855,643
Deficit	(19,996,245)	(14,675,402)
Total shareholders' equity	5,394,119	4,698,199
Total liabilities and shareholders' equity	\$ 5,944,252	\$ 5,039,229

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 14)

Subsequent events (Note 15)

Approved on behalf of the Board:

Director	<u>"Sandy MacDougall"</u> Sandy MacDougall	<u>"Anita Algje"</u> Anita Algje
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The accompanying notes are an integral part of these consolidated financial statements

NORAM LITHIUM CORP.
(FORMERLY NORAM VENTURES INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended January 31
(Expressed in Canadian Dollars)

	2022	2021
EXPENSES		
Claims maintenance fees	\$ 64,743	\$ 69,698
Consulting and management fees with related parties (Note 8)	621,307	-
Consulting fees	147,730	278,575
Corporate communication	525,848	551,889
Depreciation (Note 4)	59,608	55,812
Filing and transfer agent fees	65,804	46,348
Office and administrative	89,504	64,767
Professional fees	71,919	48,050
Rent	44,677	40,527
Share based compensation (Notes 7 and 8)	3,611,097	3,798,263
Travel and promotion	17,520	32,546
Loss from operations	(5,319,757)	(4,986,475)
Other items		
Interest income	2,218	-
Interest and finance expense (Notes 6 and 8)	(3,304)	(10,510)
Net and comprehensive loss	\$ (5,320,843)	\$ (4,996,985)
Basic and diluted loss per share	\$ (0.07)	\$ (0.10)
Weighted average number of common shares outstanding	73,904,403	50,183,938

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

NORAM LITHIUM CORP.
(FORMERLY NORAM VENTURES INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended January 31

(Expressed in Canadian Dollars)

	2022	2021
Cash provided by (used in):		
Operating activities		
Net loss	\$ (5,320,843)	\$ (4,996,985)
Adjustments		
Depreciation	59,608	55,812
Share based compensation	3,611,097	3,798,263
Accretion	3,304	7,510
Foreign exchange	438	555
Non-cash working capital items		
Other receivables	(23,939)	(22,554)
Prepaid expenses	(64,261)	(12,432)
Accounts payable and accrued liabilities	98,824	100,282
Net cash used in operating activities	(1,635,772)	(1,069,549)
Investing activities		
Purchase of short-term investment	(750,000)	(750,000)
Exploration and evaluation expenditures	(752,428)	(240,163)
Net cash used in investing activities	(1,502,428)	(990,163)
Financing activities		
Lease liability payments	(57,850)	(61,375)
Subscriptions received	1,400	107,950
Shares issued for cash, net of share issue costs	2,429,916	2,868,745
Net cash provided by financing activities	2,373,466	2,915,320
Change in cash	(764,734)	855,608
Cash, beginning of the year	866,476	10,868
Cash, end of the year	\$ 101,742	\$ 866,476

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

NORAM LITHIUM CORP.
(FORMERLY NORAM VENTURES INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Note	Number of shares	Share capital	Share subscriptions advanced	Reserves	Deficit	Total
Balance at January 31, 2020		42,623,482	\$ 10,981,618	\$ -	\$ 1,599,875	\$ (9,678,417)	\$ 2,903,076
Shares issued:							
Private placements at \$0.075	7	3,600,000	270,000	-	-	-	270,000
Options exercised at \$0.07 to \$0.18 per share	7	4,165,000	1,060,745	-	(542,495)	-	518,250
Warrants exercised at \$0.07 to \$0.14 per shar	7	17,666,036	2,097,645	-	-	-	2,097,645
Subscriptions received	7	-	-	107,950	-	-	107,950
Share based payments	7	-	-	-	3,798,263	-	3,798,263
Net and comprehensive loss		-	-	-	-	(4,996,985)	(4,996,985)
Balance at January 31, 2021		68,054,518	14,410,008	107,950	4,855,643	(14,675,402)	4,698,199
Shares issued:							
Options exercised at \$0.07 to \$0.18 per share	7	1,715,000	673,244	(107,250)	(413,344)	-	152,650
Warrants exercised at \$0.07 per share	7	1,257,273	88,009	(700)	-	-	87,309
Private placements at \$0.62	7	3,709,806	2,300,080	-	-	-	2,300,080
Share issuance costs	7	-	(135,773)	-	-	-	(135,773)
Subscriptions received		-	-	1,400	-	-	1,400
Share based payments	7	-	-	-	3,611,097	-	3,611,097
Net and comprehensive loss		-	-	-	-	(5,320,843)	(5,320,843)
Balance at January 31, 2022		74,736,597	\$ 17,335,568	\$ 1,400	\$ 8,053,396	\$ (19,996,245)	\$ 5,394,119

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

NORAM LITHIUM CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Noram Lithium Corp. (“Noram” or the “Company”) was incorporated on June 15, 2010 under the Business Corporations Act (British Columbia). The Company, through its wholly owned subsidiary, Green Energy Resources Inc. (“Green Energy”), is in the business of acquiring, exploring and developing mineral exploration properties, primarily in the the state of Nevada, USA. On July 27, 2021, the Company changed its name from Noram Ventures Inc. to Noram Lithium Corp. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”).

The address of the Company’s registered and records office is Suite 2150, 555 West Hastings Street, Vancouver, BC, V6B 4N6.

These consolidated financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The business of exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of resource property expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The Company will need access to capital to continue advancing its properties. Additional financing is subject to the global financial markets and prevailing economic conditions. These factors will likely make it more challenging to obtain financing. These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as going concern.

These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of operations and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate.

	January 31 <u>2022</u>	January 31 <u>2021</u>
Deficit	\$ (19,996,245)	\$ (14,675,402)
Working capital	\$ 1,311,347	\$ 1,361,737

Since January 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

The consolidated financial statements were approved by the Board of Directors of the Company on May 31, 2022.

NORAM LITHIUM CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The Company did not adopt any new accounting standard changes or amendments effective February 1, 2021 that had a material impact on these consolidated financial statements.

Basis of presentation

a) Statement of compliance

The consolidated financial statements of the Company and its subsidiary are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiary's functional currency.

d) Significant accounting judgments and estimates

The preparation of 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, income and expenses, and related disclosure.

Judgment is used mainly in determining how a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

Significant areas where management's judgment has been applied include:

- **Asset impairment**

Indications of impairment and of reversal of impairment and recoverable amount:

The assessment of indications of impairment and the reversal of an impairment and the measuring of the recoverable amount when impairment tests are done involve judgment. If there is an indication of impairment or reversal of an impairment, an estimate of the recoverable amount of the asset or the cash generating unit is performed and an impairment or reversal of impairment is recognized to the extent that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and its value in use. The management determines for each property if there are any facts and circumstances indicating impairment or reversal of impairment. Facts and circumstances indicating impairment include, but are not limited to the following:

NORAM LITHIUM CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

d) Significant accounting judgments and estimates (continued)

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

When an indication of impairment or a reversal of an impairment exists, management has to evaluate the recoverable amount of the asset or the cash-generating unit, and this requires management to make assumptions as to the future events or circumstances. The assumptions are based on the Company's exploration and evaluation program which consider whether results from exploration works justify further investments, the confirmation of the interest of the Company in the mining claims, the ability of the Company to obtain the necessary financing to complete the future development or if the disposal of the properties for proceeds is in excess of their carrying value.

- **Going concern**

The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as, expectations of future events that are believed to be reasonable under the circumstances.

- **Exploration and evaluation expenditures**

The application of the Company's accounting policy for exploration and evaluation expenditures capitalized requires judgment in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, the Company considers the degree to which the expenditure can be associated with finding specific mineral resources.

- **Deferred taxes**

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized. In addition, the valuation of tax credits receivable requires management to make judgements on the amount and timing of recovery.

- **Share based compensation**

The Company uses the fair value method of valuing compensation expense associated with the Company's share based compensation plan whereby notional shares are granted to employees, board of directors and key consultants. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant.

NORAM LITHIUM CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

d) Significant accounting judgments and estimates (continued)

- **Decommissioning liabilities**

The Company recognizes the liability for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties, when those obligations result from the exploration or development of its properties. The Company assesses its provision for site reclamation at each reporting date. Significant estimates and assumptions are made in determining the provision for site reclamation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, and discount rates. Those uncertainties may result in future actual expenditures differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future reclamation costs required. As at January 31, 2022 and 2021, the Company has not recognized any decommissioning liabilities.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary Green Energy, incorporated under the laws of the State of Nevada on May 10, 2016.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

Foreign currencies

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the relevant transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Translation gains and losses are included in income or expense of the period in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the Canadian dollar are translated using exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Revenue and expense items are translated at the exchange rates in effect at the date of the underlying transaction, except for amortization related to non-monetary assets, which are translated at historical exchange rates. Exchange differences are recognized in the consolidated statements of operations and comprehensive loss in the period in which they arise.

NORAM LITHIUM CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Financial instruments

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL") or as amortized costs. Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method, and is recognized in interest and other income, on the consolidated statements of operations and comprehensive loss.

The Company currently has no financial assets measured at amortized cost.

Fair value through other comprehensive income ("FVTOCI")

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL. The Company has classified its cash and short term investment as FVTPL.

NORAM LITHIUM CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Financial instruments (continued)

Classification – financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include accounts payable.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statements of operations and comprehensive loss. The Company does not have any financial liabilities at FVTPL.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less. There were no cash equivalents as at January 31, 2022 and 2021.

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral interests. Accordingly, once a license to explore an area has been secured, the Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of exploration and evaluation assets and crediting all revenues received against the cost of the related interests. Such costs, include, but are not limited to, geological and geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable resources. The aggregate costs related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. The Company recognized as income any costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount. Upon transfer of exploration and evaluation costs into mine development, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalized within mine development. After production starts, all assets included in mine development costs are transferred to producing mines.

NORAM LITHIUM CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Asset retirement obligation

Provisions for the decommissioning, restoration and rehabilitation are recognized in other liabilities when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. Upon initial recognition of the liability, the corresponding costs are added to the carrying amount of the related asset and amortized as an expense, using a systematic method, over the economic life of the asset. Following initial recognition of the asset retirement obligation, the carrying amount of the liability is adjusted annually for the passage of time and changes to the amount or timing of the underlying cash flows needed to settle the obligation. The Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts. The Company has no asset retirement obligation at January 31, 2022 and 2021.

Mining tax credit

Mining tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

Property and equipment

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of operations and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of operations and comprehensive loss.

Depreciation is calculated on a declining balance basis to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation rates applicable to computer equipment and furniture and fixtures are 45% and 30%, respectively.

NORAM LITHIUM CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Impairment

Financial assets

Financial assets classified other than at fair value through profit or loss are assessed for impairment at each reporting date by determining whether there is objective evidence that indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset can be estimated reliably.

Non-financial assets

The Company reviews and evaluates its property, including exploration and evaluation assets, and equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Share issue costs

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are recorded as deferred share issue costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

Share purchase warrants

The Company bifurcates units consisting of common shares and share purchase warrants using the residual value approach whereby it first measures the common share component of the unit at fair value using market prices as input values and then allocates any residual amount to the warrant component of the unit. The residual value of the warrant component is recorded in reserves. When warrants are exercised, the corresponding residual value is transferred from reserves to share capital.

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2. Significant accounting policies (continued)

Share based compensation

The Company's Stock Option Plan allows directors, officers and consultants to acquire shares of the Company in exchange for the options exercised. The fair value of share options granted to employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

Share based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

The fair value of warrants issued to agents in connection with private placements ("Agent Warrants") is recognized on the date of issue as a share issue cost. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of Agent Warrants issued.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest based on estimate of forfeiture rate.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. The treasury method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted loss per share is equal to the basic loss per share as the outstanding options and warrants are anti-dilutive.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that does not affect either accounting or taxable income or loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2. Significant accounting policies (continued)

Income taxes (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in "interest and financing expense" in the consolidated statements of operations and comprehensive loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Recent accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

3. Short-term investment

Short-term investment represents GIC deposits at a large Canadian financial institution with a maturity of more than 30 days when purchased.

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4. Property and Equipment

The following table summarizes the changes in the Company's equipment for the years ended January 31, 2022 and 2021:

	Computer equipment	Furniture and fixtures	Right-of-use asset	TOTAL
Cost				
Balance, January 31 2020	\$ 1,563	\$ 12,855	\$ 159,831	\$ 174,249
Additions	-	-	-	-
Balance, January 31 2021	\$ 1,563	\$ 12,855	\$ 159,831	\$ 174,249
Additions	-	-	\$ 164,825	\$ 164,825
Disposals	-	-	(159,831)	(159,831)
Balance, January 31 2022	\$ 1,563	\$ 12,855	\$ 164,825	\$ 179,243
Accumulated Depreciation				
Balance, January 31 2020	\$ 1,168	\$ 4,993	\$ 53,277	\$ 59,438
Depreciation for the year	176	2,360	53,276	55,812
Balance, January 31 2021	\$ 1,344	\$ 7,353	\$ 106,553	\$ 115,250
Depreciation for the year	\$ 100	\$ 1,652	\$ 57,856	\$ 59,608
Disposals	-	-	(159,831)	(159,831)
Balance, January 31 2022	\$ 1,444	\$ 9,005	\$ 4,578	\$ 15,027
Net Book Value				
Balance, January 31 2021	\$ 219	\$ 5,502	\$ 53,278	\$ 58,999
Balance, January 31 2022	\$ 119	\$ 3,850	\$ 160,247	\$ 164,216

During the year ended January 31, 2022, the Company renewed its office lease for a 3 year term and recognized the lease as a right -to-use asset including the lease liability, see Note 6.

5. Exploration and evaluation assets

A summary of the capitalized acquisition and exploration expenditures on the Company's exploration and evaluation assets for the years ended January 31, 2022 and 2021 as follows:

	Clayton Valley Claims
Balance, January 31, 2020	\$ 3,018,696
Exploration costs	240,163
Balance, January 31, 2021	\$ 3,258,859
Exploration costs (Note 8)	752,428
Balance, January 31 2022	\$ 4,011,287

5. Exploration and evaluation assets (continued)

Clayton Valley, Nevada, USA

The Company entered into an agreement to acquire mineral claims in Clayton Valley, Nevada. The Company paid USD\$ 100,000 (\$125,480) for the mineral claims, by way of a promissory note to the vendor and a Net Smelter Royalty (“NSR”) of 2.5%. The promissory note and all accrued interest at the rate of 8% per annum was due on or before April 27, 2017. The definitive agreement and transfer of tenure closed on April 27, 2016.

On February 8, 2017, the Company entered into a definitive property option agreement (the “Option Agreement”) with CDN Maverick Capital Corp. (“Maverick”) (formerly “Caelan Capital Inc.”), whereby Maverick can acquire an interest in the lithium claims at Clayton Valley, Nevada and the Hector Lode lithium claims in San Bernardino County California.

In order to keep the Option Agreement in good standing and in force and effect, Maverick shall:

- a) Make mandatory payments in the aggregate amount of \$255,000 (received) to Green Energy on completion of the drilling program in Clayton Valley, to earn a 25% interest in the Claims. For greater certainty, this payment is an obligation of Maverick and not optional and upon payment of the said amount Maverick will become the owner of the said 25% interest without having to give Exercise Notice;
- b) Make a second payment of \$200,000 to Green Energy on or before March 30, 2017 or at such time as the National Instrument 43-101 Technical Report on drilling results is completed, whichever is later, in order to earn an additional 5% for a total 30% interest in the claims (not paid);
- c) Make a third payment of \$200,000 to Green Energy on or before May 30, 2017, in order to earn an additional 5% for a total 35% interest in the claims (not paid);
- d) Make a fourth payment of \$289,500 to Green Energy on or before August 25, 2017, in order to earn an additional 10% for a total 45% interest in the claims (not paid); and
- e) Make a fifth payment of \$155,500 to Green Energy and issue an aggregate of 100,000 common shares in the capital of Maverick (the “Maverick Shares”) to the Company on or before November 30, 2017, in order to earn an additional 5% for a total and maximum 50% interest in the claims (not paid).

On May 28, 2018, the Company entered into a property purchase agreement with Maverick to repurchase the 25% interest Maverick earned by issuing 3,800,000 common shares with a fair value of \$1,140,000 and paying \$400,000 in cash. On November 14, 2018, this transaction was completed.

On May 23, 2018, the Company acquired additional 140 lode claims for US\$64,680 (\$83,605) by way of staking.

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5. Exploration and evaluation assets (continued)

Clayton Valley, Nevada, USA (continued)

On June 7, 2018, Green Energy filed a complaint in the Fifth Judicial Court of the State of Nevada against Centrestone Resources LLC (“Centrestone”), a Nevada limited liability company, for certain overlying claims. On January 10, 2019, a settlement was reached with Centerstone and the Company received cash consideration of US\$ 50,000 (\$66,329).

On January 28, 2021, the Company forfeited eight (8) mining claims to Cypress Holdings (Nevada) Ltd. as per the Mining Claim Boundary Agreement.

6. Lease liability

On January 1, 2019, the Company entered into an office lease for a term of 36 months. Monthly lease payments are \$8,462, composed of basic rent of \$5,115 and additional charges of \$3,347. The fair value of the lease liability and the corresponding right of use asset was \$159,831 at the inception of the lease determined through discounting the future cash flows at the Company’s incremental borrowing rate of 10%. During the year ended January 31, 2022, an accretion of \$1,974 (2021: \$7,511) was recorded related to this lease and is included in interest and finance expense on the consolidated statements of operations and comprehensive loss.

On January 1, 2022, the Company renewed its office lease for an additional 36 months. Monthly lease payments are \$8,689, composed of basic rent of \$5,275 and additional charges of \$3,414. The fair value of the lease liability and the corresponding right of use asset was \$164,825 at the inception of the lease determined through discounting the future cash flows at the Company’s incremental borrowing rate of 10%. During the year ended January 31, 2022, accretion of \$1,330 (2021: \$Nil) was recorded on the lease and is included in interest and finance expense on the consolidated statements of operations and comprehensive loss. The balance of the lease at January 31, 2022 was \$160,880.

Lease transactions for the years ended January 31, 2022 and 2021 are as follows:

<i>Balance, January 31, 2020</i>	\$ 104,466
Payments made	(61,376)
Accretion	7,511
<i>Balance, January 31, 2021</i>	\$ 50,601
Payments made	(57,850)
Lease liability recognized	164,825
Accretion	3,304
<i>Balance, January 31 2022</i>	\$ 160,880
Current portion	\$ 49,983
Long term portion	110,897
	\$ 160,880

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7. Share capital

a) **Authorized:** Unlimited number of common shares with no par value.

b) **Issued and outstanding**

At January 31, 2022 there were 74,736,597 (2021 – 68,054,518) issued and fully paid common shares.

2022

On March 1, 2021, the Company issued 3,709,806 units pursuant to a non-brokered private placement at \$0.62 per unit for gross proceeds of \$2,300,080. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at the price of \$0.94 until March 1, 2023. All proceeds were allocated to common shares with \$nil value allocated to warrants using the residual method. In connection with the private placement, the Company incurred \$135,773 in share issuance costs.

During the year ended January 31, 2022, the Company issued 1,715,000 common shares pursuant to the exercise of options at prices ranging from \$0.07 to \$0.18 per share for cash proceeds of \$259,900. An amount of \$413,344 was transferred from reserves to share capital upon exercise of these options.

During the year ended January 31, 2022, the Company issued 1,257,273 common shares pursuant to the exercise of warrants at a price of \$0.07 per share for gross proceeds of \$88,009.

As at January 31, 2022, advances totaling \$1,400 have been received for warrants exercised subsequent to year end (Note 15).

2021

On July 17, 2020, the Company issued 2,410,000 units pursuant to the first tranche of a non-brokered private placement at \$0.075 per unit for gross proceeds of \$180,750. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at the price of \$0.10 until July 17, 2025. All proceeds were allocated to common shares with \$nil value allocated to warrants using the residual method.

On July 27, 2020, the Company closed a second tranche of the non-brokered private placement and issued 1,190,000 units at \$0.075 per unit for gross proceeds of \$89,250. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at the price of \$0.10 until July 27, 2025. All proceeds were allocated to common shares with \$nil value allocated to warrants using the residual method.

During the year ended January 31, 2021, the Company issued 4,165,000 common shares pursuant to the exercise of options at prices ranging from \$0.07 to \$0.18 per share for cash proceeds of \$518,250. An amount of \$542,495 was transferred from reserves to share capital upon exercise of these options. As at January 31, 2021, the Company has subscriptions receivable of \$25,650 related to these options exercised, which was received subsequent to January 31, 2021.

During the year ended January 31, 2021, the Company issued 17,666,036 common shares pursuant to the exercise of warrants at prices ranging from \$0.07 to \$0.14 per share for gross proceeds of \$2,097,645.

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7. Share capital (continued)

c) Stock options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX Venture Exchange policies.

On December 1, 2021, the Company granted 1,000,000 stock options to a related entity which is controlled by an officer of the Company. The options are exercisable at \$0.77 per share and expire on December 1, 2031. The options vested immediately. The estimated fair value of \$918,127, \$0.92 per share, has been expensed during the period. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 1.55%, expected life of 10 years, no annual dividend, and expected volatility of 192%.

On July 15, 2021, the Company granted 250,000 stock options to a consultant of the Company, which are exercisable at \$0.54 per share and expire on July 15, 2031. The options vested immediately. The estimated fair value of \$137,246, \$0.55 per share, has been expensed during the period. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 1.35%, expected life of 10 years, no annual dividend, and expected volatility of 196%.

On April 28, 2021, the Company granted 4,000,000 stock options to directors, officers and consultants of the Company, which are exercisable at \$0.64 per share and expire on April 28, 2031. The options vested immediately. The estimated fair value of \$2,555,724, \$0.64 per share, has been expensed during the period. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 1.63%, expected life of 10 years, no annual dividend, and expected volatility of 197%.

During the year ended January 31, 2022, the Company cancelled 1,555,000 stock options with exercise price of \$0.79 per share and expiry date of January 13, 2031. The cancelled options were re-issued to various parties. The Company also cancelled 290,000 stock options with exercise price from \$0.16 to \$0.56 with expiry date of October 12, 2028 and July 15, 2031.

On January 13, 2021, the Company granted 3,500,000 stock options to directors, officers and consultants of the Company, which are exercisable at \$0.79 per share and expire on January 13, 2031. The options vested immediately. The estimated fair value of \$3,509,058, \$1.0026 per share, has been expensed during the year. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 0.81%, expected life of 10 years, no annual dividend, and expected volatility of 166%.

On November 4, 2020, the Company granted 1,500,000 stock options to directors, officers and consultants of the Company, which are exercisable at \$0.135 per share and expire on November 4, 2030. The options vested immediately. The estimated fair value of \$199,705, \$0.1331 per share, was expensed during the year. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 0.61%, expected life of 10 years, no annual dividend, and expected volatility of 155%.

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7. Share capital (continued)

c) Stock options (continued)

On July 8, 2020, the Company granted 450,000 stock options to consultants of the Company, which are exercisable at \$0.10 per share and expire on July 8, 2030. The options vested immediately. The estimated fair value of \$44,291, \$0.0984 per share, was expensed during the year. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 0.57%, expected life of 10 years, no annual dividend, and expected volatility of 152%.

On February 5, 2020, the Company granted 650,000 stock options to a consultant of the Company, which are exercisable at \$0.165 per share for a period of 1 year until February 3, 2021. The options vested immediately. The estimated fair value of \$45,209, \$0.0696 per share, has been expensed during the year. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 1.54%, expected life of 1 year, no annual dividend, and expected volatility of 130%.

A summary of stock option activity is as follows:

	2022		2021	
	Number of options exercisable	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
Outstanding - beginning of year	5,465,000	\$ 0.14	3,630,000	\$ 0.17
Issued	4,000,000	\$ 0.64	-	\$ -
Issued	250,000	\$ 0.54	-	\$ -
Issued	1,000,000	\$ 0.77	-	\$ -
Issued	-	\$ -	450,000	\$ 0.10
Issued	-	\$ -	1,500,000	\$ 0.14
Issued	-	\$ -	650,000	\$ 0.17
Issued	-	\$ -	3,500,000	\$ 0.79
Cancelled	-	\$ -	(30,000)	\$ 0.16
Cancelled	(40,000)	\$ 0.16	(70,000)	\$ 0.15
Cancelled	(250,000)	\$ 0.54	-	\$ -
Cancelled	(1,555,000)	\$ 0.79	-	\$ -
Exercised	(650,000)	\$ 0.17	-	\$ -
Exercised	(300,000)	\$ 0.18	(750,000)	\$ 0.18
Exercised	(275,000)	\$ 0.16	(470,000)	\$ 0.16
Exercised	(100,000)	\$ 0.15	(165,000)	\$ 0.15
Exercised	(190,000)	\$ 0.14	(1,180,000)	\$ 0.14
Exercised	-	\$ -	(400,000)	\$ 0.10
Exercised	(200,000)	\$ 0.07	(1,200,000)	\$ 0.07
Outstanding - end of year	7,155,000	\$ 0.68	5,465,000	\$ 0.14

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7. Share capital (continued)

c) Stock options (continued)

The Company has the following options outstanding and exercisable:

Number of options	Weighted average exercise price	Weighted average remaining contractual life	Expiry date
30,000	\$ 0.16	6.70 years	October 12, 2028
50,000	\$ 0.10	8.44 years	July 8, 2030
130,000	\$ 0.14	8.76 years	November 4, 2030
1,945,000	\$ 0.79	8.96 years	January 13, 2031
4,000,000	\$ 0.64	9.24 years	April 28, 2031
1,000,000	\$ 0.77	9.84 years	December 1, 2031
7,155,000	\$ 0.68	9.22 years	

d) Warrants

A summary of common share purchase warrants activity is as follows:

	2022		2021	
	Number of Warrants Exercisable	Weighted average Exercise price	Number of Warrants Exercisable	Weighted average Exercise price
Outstanding - beginning of year	3,237,273	\$ 0.11	18,398,309	\$ 0.12
Unit warrants issued	3,709,806	\$ 0.62	3,600,000	\$ 0.10
Warrants expired	-	\$ -	(1,095,000)	\$ 0.14
Warrants exercised	(1,257,273)	\$ 0.07	(4,000,000)	\$ 0.07
Warrants exercised	-	\$ -	(2,390,000)	\$ 0.10
Warrants exercised	-	\$ -	(11,276,036)	\$ 0.14
Outstanding - end of year	5,689,806	\$ 0.64	3,237,273	\$ 0.11

As at January 31, 2022 the following share purchase warrants were outstanding and exercisable:

Number of Warrants Exercisable	Weighted Average Exercise Price	Weighted Average remaining contractual life	Expiry Date
3,709,806	\$ 0.94	1.08 years	March 1, 2023
770,000	\$ 0.07	2.83 years	November 28, 2024
600,000	\$ 0.10	3.46 years	July 17, 2025
610,000	\$ 0.10	3.49 years	July 27, 2025
5,689,806	\$ 0.64	1.83 years	

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7. Share Capital (continued)

e) Reserve

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

8. Related party transactions

During the fiscal year ended January 31, 2022, the Company had the following related party transactions:

- a) Paid consulting fees of \$250,000 (2021: \$NIL) to a company in which the CEO is a principal;
- b) Paid consulting fees of \$120,000 (2021: \$NIL) to a company in which the CFO is a principal;
- c) Paid consulting fees of \$40,000 (2021: \$NIL) to a company in which the COO is a principal;
- d) Paid consulting fees of \$171,307 (2021: \$NIL) to directors and company in which a director is a principal;
- e) Paid consulting fees of \$40,000 (2021: \$Nil) to a relative of a director of the Company;
- f) Paid geological consulting fees of \$88,138 (2021 - \$Nil), which have been capitalized to exploration and evaluation assets, to a company in which an officer is a principal (Note 5);
- g) As at January 31, 2022, \$13,125 (2021: \$nil) is included in accounts payable with respect to fees owed to a company controlled by a director;
- h) As at January 31, 2022, \$136,516 (2021: \$119,016) is included in accounts payable with respect to fees and out of pocket expenses owing to companies in which the former President is a principal and out of pocket expenses owing to a former director;
- i) Recorded share based compensation of \$2,962,706 (2021: \$1,783,397) to directors and officers (Note 7); and
- j) During the year ended January 31, 2021, the Company received loans totaling \$60,000 from a company with a common director. These loans are unsecured and bear interest at the rate of 10% per annum. On July 17, 2020, these loans plus interest of \$3,000 were repaid.

The Company had the following transactions with key management personnel:

	January 31, 2022	January 31, 2021
Management and consulting fees	\$ 621,307	\$ -
Share based compensation	2,962,706	1,783,397
Interest paid on loans	-	3,000
Fees capitalized in exploration and evaluation assets	88,138	-
Total	\$ 3,672,151	\$ 1,786,397

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9. Financial Instruments

Fair Values and Classification

The Company's financial instruments include cash, short term investment, reclamation bond and accounts payable. Cash, short term investment and reclamation bond are classified as financial instruments at fair value through profit and loss and are measured at fair value because of the short-term nature of these instruments. The Company classifies its accounts payable and lease liability at amortized cost.

IFRS 7 Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- 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).

The following table summarizes the carrying values of the Company's financial instruments:

	January 31, 2022	January 31, 2021
	\$	\$
Financial assets at fair value through profit or loss (i)	1,619,908	1,635,080
Financial liabilities at amortized cost (ii)	443,762	247,446

- (i) Cash, short-term investment and reclamation bond
- (ii) Accounts payable and lease liability

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

<i>Cash, short-term investments and bond</i>	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at January 31, 2021	1,635,080	-	-	1,635,080
As at January 31, 2022	1,619,908	-	-	1,619,908

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10. Financial risk management objectives and policies

The risks associated with financial instruments and the policies on how to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash, short-term investment and reclamation bond are subject to credit risk for a maximum of the amounts shown on the statements of financial position. The Company limits its exposure to credit risk on cash by depositing only with reputable financial institutions. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company maintaining sufficient cash on hand through debt or equity financing. Liquidity risk is assessed as high.

Significant commitments in years subsequent to January 31, 2022 are as follows:

	Carrying value	Contractual Cash flows	Within 1 Year	1 - 5 Years
	\$	\$	\$	\$
Accounts payable	282,882	282,882	282,882	-
Lease liability	160,880	304,098	104,268	199,830

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has no significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt as at January 31, 2022. The Company has no significant interest rate risk.

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11. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The capital structure of the Company consists of shareholder's equity, comprising issued capital and deficit. The Company is not exposed to any externally imposed requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

12. Income taxes

The following table reconciles the expected income tax recovery at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of operations and comprehensive loss for the years ended January 31, 2022 and 2021:

	2022	2021
Loss before income taxes	\$ (5,320,843)	\$ (4,996,985)
Statutory income tax rate	27%	27%
Expected income tax recovery	(1,436,628)	(1,349,186)
Increase (decrease) in income taxes resulting from:		
Non-deductible items	996,526	1,538,567
Change in tax benefits not recognized	440,102	(189,381)
Deferred income tax recovery	\$ -	\$ -

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Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax values. The unrecognized deductible temporary differences at January 31, 2022 and 2021 are as follows:

	2022	2021
Non-capital losses available for future period	\$ 1,916,508	\$ 1,442,135
Financing costs	29,327	-
Property and equipment	8,719	8,367
Exploration and evaluation	(647,996)	(583,152)
Lease obligation	43,438	13,662
Right-of-use asset	(43,267)	(14,385)
Valuation allowance	(1,306,729)	(866,627)
Deferred income tax recovery	\$ -	\$ -

As at January 31, 2022, the Company has not recognized a deferred tax asset in respect of non-capital losses available of approximately \$7,098,177 (2021 - \$5,366,668) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

2031	\$ 18,055
2032	44,557
2033	274,742
2034	308,371
2035	-
2036	222,903
2037	1,141,207
2038	829,955
2039	901,164
2040	421,652
2041	1,204,062
2042	1,731,509
	\$ 7,098,177

13. Segmented information

The Company operates in one reportable segment, being the identification, acquisition and exploration of mineral interests in the USA.

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14. Commitments and contingencies

- a. During the year ended January 31, 2022, the Company renewed an office lease as described in note 6. The lease commenced on January 1, 2022 and expires on December 31, 2024. The monthly lease payment is \$8,689.
- b. On June 14, 2021, C.T. Barrie and Associates, Inc. ("CT Barrie"), controlled by the former CEO and President of the Company, filed a Notice of Civil Claim with the Supreme Court of British Columbia against the Company. It alleges the Company has breached a management consulting agreement and owed consulting fees. The Company has filed a response to the Notice with the Supreme Court of British Columbia on July 28, 2021 and will defend vigorously against the claim. As at January 31, 2022, the lawsuit is on-going and the outcome is not determinable. As a result, the Company has not provided any provisions related to the claim.
- c. On January 25, 2021, the Company received a Notice of Civil Claim (the "Notice") from Mr. Mark Ireton and Ireton Consulting Inc. (the "Plaintiffs"), which was filed in the Supreme Court of British Columbia, on January 22, 2021. The Plaintiffs seek damage related to breach of Consulting Agreement dated February 1, 2017 and Option Agreements entered into in 2018. The Company filed a response to the Notice with the Supreme Court of British Columbia on February 23, 2021. The Company determined that the claim is not probable and as a result, no provision was recorded in the consolidated financial statements as at January 31, 2022.
- d. During the year ended January 31, 2022, the Company entered into various consulting agreements with officers and directors of the Company to provide consulting services. Pursuant to the terms, the Company shall pay a total amount of \$76,600 per month. Pursuant to the terms and conditions of the consulting agreement, the Company can terminate the agreement at any time with Cause. If the Company terminates the agreement without Cause or in the event when there is a change in control and the Company terminates the agreement within 12 month period following the date of change in control, the Company shall pay the consultants an amount equals to 24 month of the consulting fee.

15. Subsequent events

- a. Subsequent to the year end, 90,000 warrants were exercised at a price of \$0.07 per share (Note 7).
- b. Subsequent to the year ended January 31, 2022, the Company granted 1,710,000 stock options to its officers and directors and various consultants. Options are exercisable at \$0.80 per share for 10 years.
- c. On February 28, 2022, the Company closed a strategic financing agreement ("Agreement") with arms-length parties. Pursuant to the Agreement, the Company will:
 - sell a 1.0% Gross Overriding Revenue on the Clayton Valley Claims in Clayton Valley, Nevada for US\$5,000,000, of which US\$4,000,000 was received on the closing of the Agreement, and an additional US\$1,000,000 will be received upon the completion of a definitive feasibility study; and
 - issue 13,986,011 common shares (issued) of the Company at \$0.825 per share for net proceeds of US\$9,000,000 (received).