LITHIUM ONE METALS INC.
(formerly Yorkton Ventures Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

Nine Month Period Ended

March 31, 2022

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements. The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

LITHIUM ONE METALS INC.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2022 ($)	June 30, 2021 ($)
ASSETS		
Current assets		
Cash	4,902	345,533
GST receivable	2,460	925
Prepaids	5,813	3,385
	13,175	349,843
Exploration advance (Note 4)	245,000	-
Exploration and evaluation assets (Note 4)	2,380,398	700,000
	2,638,573	1,049,843
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	203,869	5,545
Loans payable (Note 5)	613,000	-
	816,869	5,545
Shareholders' equity		
Share capital (Note 6)	2,852,741	1,920,241
Share-based reserves	523,299	303,499
Deficit	(1,554,336)	(1,179,442)
	1,821,704	1,044,298
	2,638,573	1,049,843

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 12)

On behalf of the Board of Directors:

"Nick Watters" Director

"Andrew Smith" Director

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

LITHIUM ONE METALS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Month Period Ended March 31, 2022	Three Month Period Ended March 31, 2021	Nine Month Period Ended March 31, 2022	Nine Month Period Ended March 31, 2021
			($)	**($)**
EXPENSES				
General and administrative	5,743	5,695	14,348	10,436
Management fees (Note 9)	30,000	-	90,000	-
Professional and consulting fees	18,400	61,675	55,000	140,925
Share-based payments	-	-	185,600	-
Shareholder relations	29,736	-	29,986	-
	(83,879)	(67,370)	(374,934)	(151,361)
Interest income	-	2,105	40	9,231
Loss and comprehensive loss for the period	(83,879)	(65,265)	(374,894)	(142,130)
Basic and diluted loss per common share	(0.00)	(0.00)	(0.02)	(0.01)
Weighted average common shares outstanding	23,944,444	20,100,000	22,628,102	19,449,635

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

LITHIUM ONE METALS INC.

Condensed Interim Consolidated Statements of Changes in Shareholders` Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Amount ($)	Share-based Reserves ($)	Deficit ($)	Total Shareholders' Equity ($)
Balance at June 30, 2020	**12,000,000**	**1,524,566**	**303,099**	**(958,296)**	**869,369**
Common shares issued - private placement	8,100,000	395,675	400	-	396,075
Loss for the period	-	-	-	(142,130)	(142,130)
Balance at March 31, 2021	20,100,000	1,920,241	303,499	(1,100,426)	1,123,314
Loss for the period	-	-	-	(79,016)	(79,016)
Balance at June 30, 2021	**20,100,000**	**1,920,241**	**303,499**	**(1,179,442)**	**1,044,298**
Common shares issued - property acquisition	1,250,000	412,500	-	-	412,500
Common shares issued - private placement	1,000,000	350,000	-	-	350,000
Common shares issued - warrant exercise	1,700,000	170,000	-	-	170,000
Share purchase warrants issued - property acquisition	-	-	34,200	-	34,200
Stock options vested	-	-	185,600	-	185,600
Loss for the period	-	-	-	(374,894)	(374,894)
Balance at March 31, 2022	**24,050,000**	**2,852,741**	**523,299**	**(1,554,336)**	**1,821,704**

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

LITHIUM ONE METALS INC.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Month Period Ended March 31, 2022 ($)	Nine Month Period Ended March 31, 2021 ($)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	(374,894)	(142,130)
Items not affecting cash:		
Share-based payments	185,600	-
Changes in non-cash working capital items:		
GST receivable	(1,535)	9,178
Prepaids	(2,428)	(75,170)
Interest receivable	-	(1,118)
Accounts payable and accrued liabilities	156,320	122,440
Cash used in operating activities	(36,937)	(86,800)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(1,191,694)	(705,136)
Exploration advance	(245,000)	-
Proceeds from loan receivable	-	75,000
Cash used in investing activities	(1,436,694)	(630,136)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	520,000	396,075
Proceeds from loan payable	613,000	-
Cash provided by financing activities	1,133,000	396,075
Change in cash during the period	(340,631)	(320,861)
Cash, beginning of period	345,533	691,446
Cash, end of period	4,902	370,585

Supplemental cash flow information (Note 11)

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Lithium One Metals Inc. ("the Company") was incorporated on August 30, 2006 under the Business Corporations Act of British Columbia, and changed its name from Yorkton Ventures Inc. to Lithium One Metals Inc. on April 20, 2022. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the trading symbol LONE. The Company's head office is located at 1090 Hamilton Street, Vancouver, BC, V6B 2R9 Canada.

The Company's principal business activities are the exploration and evaluation of resource properties in North America. The Company is in the process of exploring its resource properties, but it has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended March 31, 2022, the Company has not generated any revenues from operations and has negative cash flow from operations. As at March 31, 2022, the Company has an accumulated deficit of $1,554,336. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus ("COVID-19") pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested its employees and consultants work remotely wherever possible.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and therefore should be read in conjunction with the Company's audited financial statements for the year ended June 31, 2021, prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved by the Board of Directors of the Company on May 27, 2022.

2. BASIS OF PRESENTATION (continued)

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

Use of Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other facts and circumstances. Actual results could differ from these estimates.

The significant assumption about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relates to, but is not limited to, the following:

<u>Deferred income taxes</u>

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. Deferred tax assets, including those arising from tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. The Company has adequately provided for all income tax obligations; however, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for deferred income taxes.

<u>Non-monetary transactions</u>
Assets exchanged or transferred in non-monetary transactions are measured at the fair value of the asset given up or the fair value of the asset received, whichever is more reliable.

<u>Share-based payments</u>
The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

There were no significant judgments made by management for the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements on June 30, 2021.

4. EXPLORATION AND EVALUATION ASSETS

Parkview, Newfoundland

On July 12, 2021, the Company entered into an option agreement ("Parkview Agreement") wherein it can acquire a 100% interest in certain mineral claims (the "Parkview Claims") located in Newfoundland, Canada. To acquire the 100% interest, the Company is to make the following cash and share payments:

- Cash payment of $50,000 (paid) and the issuance of 400,000 shares (issued) on TSX-V approval;
- Cash payment of $50,000 and issuance of 300,000 shares on or before 14 months following TSX-V approval;
- Cash payment of $50,000 and issuance of 400,000 shares on or before the second-anniversary of TSX-V approval; and
- Cash payment of $50,000 and issuance of 600,000 shares on or before third-year anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR, of which half can be repurchased for $1,000,000. Furthermore, the Company will commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company begins commercial production or makes a buyout payment to the vendor.

During the nine month period ended March 31, 2022, the Company incurred $22,172 in exploration costs on the Parkview Property.

Cyr-Kapiwak, Quebec

On December 3, 2021, the Company entered into an agreement (the "Cyr-Kapiwak Agreement") to acquire a 100% interest in the Cyr-Kapiwak lithium property (the "Cyr-Kapiwak Property") located in Quebec, Canada.

To acquire the 100% interest, the Company is required to pay $25,000 in cash (paid) and issue 250,000 units (issued) wherein each unit consists of a common share of the Company and a common share purchase warrant which entitles the holder to acquire an additional common share at a price of $0.60 for a period of eighteen months.

In addition, the vendor retains a 2% net smelter return ("NSR") royalty. The Company can purchase half of the NSR at any time in exchange for a cash payment of $1,000,000.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Sirmac, Quebec

On January 11, 2022, the Company entered into an agreement (the "Sirmac Agreement") to acquire a 100% interest in the Sirmac lithium property (the "Sirmac Property") located in Quebec, Canada. To acquire the 100% interest, the Company is required to pay $25,000 in cash (paid) and issue 250,000 units (subsequently issued) wherein each unit consists of a common share of the Company and a common share purchase warrant which entitles the holder to acquire an additional common share at a price of $0.60 for a period of eighteen months. In addition, the vendor retains a 2% net smelter return ("NSR") royalty. The Company can purchase half of the NSR at any time in exchange for a cash payment of $1,000,000.

Knights Melange, Newfoundland

On July 12, 2021, the Company entered into an option agreement ("Knights Melange Agreement") wherein it can acquire a 100% interest in certain mineral claims (the "Knights Melange Claims") located in Newfoundland, Canada. To acquire the 100% interest, the Company is to make the following cash and share payments:

- Cash payment of $70,000 (paid) and the issuance of 600,000 shares (issued) on TSXV approval;
- Cash payment of $50,000 and issuance of 400,000 shares on or before 14 months following TSX-V approval;
- Cash payment of $50,000 and issuance of 400,000 shares on or before the second-anniversary of TSX-V approval; and
- Cash payment of $50,000 and issuance of 400,000 shares on or before third-year anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR royalty, of which half can be repurchased for $1,000,000. Furthermore, the Company will commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company begins commercial production or makes a buyout payment to the vendor.

On October 29, 2021, the Company advanced $245,000 to GoldSpot Discoveries Corp. to complete exploration work on its Newfoundland properties.

During the nine month period ended March 31, 2022, the Company incurred $22,172 in exploration costs on the Knights Melange Claims Property.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Bellechase, Quebec

On July 3, 2020, the Company entered into an agreement with Delta Resources Limited ("Delta") to acquire a 100% interest in the Bellechase-Timmins mineral property (the "Bellechase Property") located in Quebec, Canada.

To acquire the 100% interest, the Company was required to pay $1,700,000 in cash (paid). In addition, Delta retains a 1% net smelter return ("NSR") royalty. The Company can purchase half of the NSR in exchange for $1,000,000.

During the nine month period ended March 31, 2022, the Company incurred $7,838 in exploration costs on the Bellechase Property.

5. LOANS PAYABLE

On September 23, 2021, the Company received a loan of $230,000 which is non-interest bearing, unsecured, and due on demand. The loan remains outstanding at March 31, 2022.

On March 31, 2022, the Company received a loan $353,000 which is unsecured, bears interest at 10% per annum, and is due on demand. The loan remains outstanding at March 31, 2022.

6. SHARE CAPITAL

a) Authorized share capital

Unlimited common shares without par value.

b) Issued share capital

Nine Month Period Ended March 31, 2022

On August 11, 2021, the Company issued 400,000 common shares in connection with the Parkview Agreement and 600,000 common shares in connection with the Knights Melange Agreement. The aggregate value of the shares issued was $300,000.

On October 12, 2021, the Company issued 1,700,000 common shares for aggregate proceeds of $170,000 pursuant to the exercise of share purchase warrants.

6. SHARE CAPITAL (continued)

On October 27, 2021, the Company completed a non-brokered private placement wherein it issued 1,000,000 units at $0.35 per unit for aggregate proceeds of $350,000. Each unit consists of a common share and a one half of a share purchase warrant wherein each whole warrant entitles the holder to acquire an additional common share at a price of $0.50 for a period of eighteen months, subject to an acceleration provision.

On February 8, 2022, the Company issued 250,000 units connection with the Cyr-Kapiwak Agreement. Each unit consists of a common share and a common share purchase warrant which entitles the holder to acquire an additional common share at $0.50 until August 8, 2023. The value of the shares and warrants were determined to be $112,500 and $34,200, respectively. The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions: volatility of 82%, expected life of eighteen months, risk-free rate of 1.35%, and no expected dividends

<u>Year Ended June 30, 2021</u>

On July 23, 2020, the Company completed a non-brokered private placement wherein it issued 8,100,000 units at $0.05 per unit for gross proceeds of $405,000. Each unit consists of a common share and a share purchase warrant which entitles the holder to acquire an additional common share at $0.075 for the first 12 months, $0.10 for the subsequent 12 months and $0.12 for the final 12 months. In connection with the private placement, the Company paid finders' fees of $6,400 and issued 320,000 finders' warrants with a fair value of $400. The finder's warrants are exercisable at a price of $0.35 per common share in the first six months following closing and $0.50 in the subsequent six months. The fair value of the finder's warrants was calculated using the Black-Scholes option pricing model with the following assumptions: volatility of 88%, expected life of one year, risk-free rate of 0.33%, and no expected dividends.

c) Stock options

On April 30, 2010, the Company implemented a stock option plan pursuant to which stock options may be granted to directors, officers, employees and consultants of the Company. The Company may grant stock options to a maximum of 10% of the issued shares of the Company at the date of granting the stock options. The minimum exercise price of each stock option must not be less than the discounted market price (as permissible by TSX-V Policy). Stock options are exercisable over periods up to ten years and vesting periods can be imposed at the discretion by the Board of Directors.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

On October 14, 2021, the Company issued 1,200,000 stock options valued at $185,600 to directors, officers and consultants. The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate. Assumptions used for share options granted during the nine month period ended March 31, 2022 were as follows:

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life	Expected Dividend Yield	Fair Value Per Option	Total Fair Value
		(%)	(%)	(yrs)	(%)	($)	($)
October 14, 2021	1,200,000	91	0.74	2.00	-	0.15	185,600

The continuity of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
		($)
Balance, June 30, 2020 and 2021	-	-
Issued	1,200,000	0.35
Balance, March 31, 2022	**1,200,000**	**0.35**

d) Share purchase warrants

The continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
		($)
Balance, June 30, 2020	-	-
Issued	8,420,000	0.09
Balance, June 30, 2021	8,420,000	0.09
Exercised	(1,700,000)	0.10
Expired	(320,000)	0.50
Issued	750,000	0.53
Balance, March 31, 2022	**7,150,000**	**0.15**

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

A summary of the Company's warrants as at March 31, 2022 is as follows:

Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
		($)	(yrs)
April 27, 2023	500,000	0.50	1.07
July 23, 2023*	6,400,000	0.10	1.31
August 8, 2023	250,000	0.60	1.36
	7,150,000	0.15	1.30

* The exercise price increases to $0.12 on July 23, 2022.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, loan payable and accounts payable and accrued liabilities.

The fair value of cash is measured using level one of the fair value hierarchy. The fair value of loan payable and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments. The Company manages credit risk for cash by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist of goods and services tax due from the Canada Revenue Agency. The Company does not believe it has a material exposure to credit risk.

Liquidity risk

The Company seeks to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. As at the balance sheet date, the Company had sufficient cash to meet its current obligations and was not exposed to significant liquidity risk.

Interest rate risk

The Company's exposure to interest rate risk relates to its ability to earn short-term interest on cash balances at variable rates. The Company does not have any variable interest rate liabilities.

Currency risk

The Company is not exposed to significant foreign currency risk.

Commodity price risk

The Company is not significantly exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

8. MANAGEMENT OF CAPITAL

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended March 31, 2022.

9. RELATED PARTY TRANSACTIONS

Key management personnel include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and certain directors and officers and companies controlled or significantly influenced by them.

During the nine month period ended March 31, 2022, the Company incurred management fees of $90,000 (2021 - $Nil) to the CEO of the Company.

As at March 31, 2022, $90,000 (June 30, 2021 - $nil) was recorded in accounts payable and accrued liabilities as owing to the CEO of the Company.

10. SEGMENTED INFORMATION

The Company operates in one business segment, being the acquisition and exploration of mineral exploration and evaluation assets in Canada.

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine month period ended March 31, 2022, the Company issued 1,000,000 (2021 - Nil) common shares valued at $300,000 (2021 - $nil) in connection with the acquisition of exploration and evaluation assets.

12. SUBSEQUENT EVENTS

Subsequent to March 31, 2022, the Company issued 250,000 units in connection with the Sirmac Agreement wherein each unit consists of a common share of the Company and a common share purchase warrant which entitles the holder to acquire an additional common share at a price of $0.60 for a period of eighteen months.