

RockTech Lithium

**Rock Tech Lithium Inc.
Consolidated Financial Statements
March 31, 2022**

**Expressed in Canadian Dollars
(Unaudited)**

**Consolidated Statements of Financial Position
Consolidated Statements of Comprehensive Loss
Consolidated Statements of Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to the Consolidated Financial Statements**

Rock Tech Lithium Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	<i>Note</i>	March 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	10, 12	\$ 40,738,627	\$ 55,761,461
Receivables		1,815,561	826,372
Prepaid expenses and deposits		283,187	309,682
		42,837,375	56,897,515
Non-current assets			
Land and equipment	3	1,842,102	1,884,147
Right of use assets	8	218,903	260,991
Exploration and evaluation assets	4	16,108,716	12,976,889
TOTAL ASSETS		\$ 61,007,096	\$ 72,019,542
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	5, 7	\$ 6,534,205	\$ 9,108,697
Current portion of lease liabilities	8	177,491	175,413
		6,711,696	9,284,110
Non-current liabilities			
Lease liabilities	8	44,373	87,707
Deferred tax liability	11	428,667	428,667
TOTAL LIABILITIES		7,184,736	9,800,484
SHAREHOLDERS' EQUITY			
Share capital	6	109,386,946	107,646,762
Shares-to-be-issued	14	172,090	-
Reserves	6	15,330,027	14,220,963
Accumulated other comprehensive income (loss)		(32,815)	41,196
Deficit		(71,033,888)	(59,689,863)
TOTAL SHAREHOLDERS' EQUITY		53,822,360	62,219,058
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 61,007,096	\$ 72,019,542

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 14)

Approved on behalf of the Board on May 30, 2022:

"Dirk Harbecke"

Dirk Harbecke – Director

"Peter Kausch"

Peter Kausch – Director

Rock Tech Lithium Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

		Three months ended March 31,	
	<i>Note</i>	2022	2021
Expenses			
Amortization	3, 8	\$ 49,330	\$ 280
Consulting fees	7	1,505,011	118,642
Downstream development	9	4,961,880	1,326,569
General administration		246,885	44,174
Finance charges		2,401	-
Foreign exchange loss		551,732	-
Management fees	7	169,625	105,000
Professional fees		800,566	13,442
Salaries and wages	7	1,512,721	69,167
Stock-based payments	6, 7	1,109,064	3,318,600
Transfer agent and filing fees		72,760	93,644
Travel and promotion		362,050	184,371
Net loss for the period		\$ (11,344,025)	\$ (5,273,889)
Other comprehensive loss:			
Item that may be reclassified to profit or loss			
Foreign currency translation		(74,011)	-
Comprehensive loss for the period		\$ (11,418,036)	\$ (5,273,889)
Loss per share - basic and diluted		\$ (0.16)	\$ (0.10)
Weighted average number of shares outstanding - basic and diluted		72,563,215	50,241,028

Rock Tech Lithium Inc.
Condensed Interim Consolidated Statement of Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Note	Common Shares		Reserves			Shares-to-be-issued	Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' Equity
		Number	Amount	Conversion feature reserve	Stock option reserve	Warrant reserve				
Balance, December 31, 2020		48,798,963	\$ 42,045,446	\$ 75,994	\$ 7,303,460	\$ 748,266	\$ -	\$ -	\$ (37,527,583)	\$ 12,645,583
Shares issued for private placements	6	5,080,645	7,965,474	-	-	-	-	-	-	7,965,474
Stock-based compensation	6	-	-	-	3,318,600	-	-	-	-	3,318,600
Shares issued on exercise of warrants	6	1,121,256	999,493	-	-	-	-	-	-	999,493
Shares issued on exercise of stock options	6	1,440,000	764,600	-	-	-	-	-	-	764,600
Reclassification on exercise of options		-	2,252,560	-	(2,252,560)	-	-	-	-	-
Loss and comprehensive loss for the period		-	-	-	-	-	-	-	(5,273,889)	(5,273,889)
Balance, March 31, 2021		56,440,864	\$ 54,027,573	\$ 75,994	\$ 8,369,500	\$ 748,266	\$ -	\$ -	\$ (42,801,472)	\$ 20,419,861
Balance, December 31, 2021		72,483,898	\$ 107,646,762	\$ 75,994	\$ 13,396,703	\$ 748,266	\$ -	\$ 41,196	\$ (59,689,863)	\$ 62,219,058
Shares issued for private placements	6	331,429	1,720,184	-	-	-	-	-	-	1,720,184
Stock-based compensation	6	-	-	-	1,109,064	-	-	-	-	1,109,064
Shares issued on exercise of warrants	6	20,000	20,000	-	-	-	-	-	-	20,000
Shares-to-be-issued	14	-	-	-	-	-	172,090	-	-	172,090
Loss and comprehensive loss for the period		-	-	-	-	-	-	(74,011)	(11,344,025)	(11,418,036)
Balance, March 31, 2022		72,835,327	\$ 109,386,946	\$ 75,994	\$ 14,505,767	\$ 748,266	\$ 172,090	\$ (32,815)	\$ (71,033,888)	\$ 53,822,360

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

Rock Tech Lithium Inc.
Condensed Interim Consolidated Statement of Cash Flows
(Expressed as Canadian Dollars)
(Unaudited)

	Three months ended March 31,	
	2022	2021
Operating Activities		
Net loss for the period	\$ (11,344,025)	\$ (5,273,889)
Items Not Affecting Cash:		
Amortization	49,330	280
Non-cash interest	2,401	-
Stock-based payments	1,109,064	3,318,600
Changes in Non-Cash Operating Working Capital:		
Receivables	(989,189)	(3,494)
Prepaid expenses and deposits	26,495	18,656
Accounts payable and accrued liabilities	(483,097)	533,190
Due to related parties	-	41,033
Net Cash used in Operating Activities	(11,629,021)	(1,365,624)
Investing Activities		
Expenditures on exploration and evaluation assets	(3,400,231)	(42,802)
Purchase of land and equipment	(1,859,572)	-
Net Cash used in Investing Activities	(5,259,803)	(42,802)
Financing Activities		
Lease payments made	(43,658)	-
Proceeds from shares-to-be-issued	172,090	-
Proceeds from warrant exercises	20,000	999,493
Proceeds from option exercises	-	764,600
Proceeds from private placement	1,720,184	7,965,474
Net Cash provided by Financing Activities	1,868,616	9,729,567
Effect of foreign exchange on cash	(2,626)	-
Increase (decrease) in cash and cash equivalents	(15,022,834)	8,321,141
Cash and cash equivalents, beginning of year	55,761,461	8,987,743
Cash and cash equivalents, end of period	\$ 40,738,627	\$ 17,308,884
Supplemental cash flow information:		
Exploration and evaluation assets in accounts payable and accrued liabilities	\$ 1,022,747	\$ 31,354

See details of cash and cash equivalents in Note 12.

1. Nature and continuance of operations

Rock Tech Lithium Inc. (the “Company”) was incorporated in British Columbia (“BC”) and is a Tier I listed issuer on the TSX Venture Exchange (“TSX-V”) and trades under the symbol “RCK”. The Company is engaged in lithium development activities and holds a 100% interest in the Georgia Lake lithium project in the Thunder Bay Mining District of Ontario. The Company is also planning to build European and North American lithium hydroxide conversion capacity. The head office, principal address and records office of the Company are located at 777 Hornby Street, Suite 600, Vancouver, BC, Canada, V6Z 1S4.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries (the “Group”) will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The recoverability of carrying amounts for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral properties, the ability of the Company to obtain necessary financing to complete exploration and development, achievement of future profitable production or proceeds from the disposition thereof. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Company’s continuation as a going-concern is dependent upon the successful results of its mineral property exploration activities and its ability to raise equity capital sufficient to meet current and future obligations. As at March 31, 2022, the Company had cash and cash equivalents of \$40,738,627 which alleviates significant doubt about the Group’s ability to continue as a going concern.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and the related adverse public health developments have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant but could affect the Company’s ability to raise financings in the future or restrict access to travel to its exploration properties. Management continues to monitor the situation.

2. Significant accounting policies and basis of preparation

These financial statements were authorized for issue on May 30, 2022, by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements have been prepared in accordance with accounting policies as prescribed under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of preparation

The consolidated financial statements of the Group have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

These unaudited interim condensed consolidated financial statements have been prepared based on the principles of International Financial Reporting Standards (IFRS) and International Accounting Standard 34, “Interim Financial Reporting” and follows the same accounting policies and methods of application as the Company’s most recent annual financial statements. The unaudited interim condensed consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements and accompanying notes for the year ended December 31, 2021.

2. Significant accounting policies and basis of preparation (continued)

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Province/Country of incorporation	Percentage owned	
		Mar. 31, 2022	Dec. 31, 2021
James Bay Midarctic Developments Inc.	Ontario	100%	100%
1152011 B.C. Ltd.	BC	100%	100%
Rock Tech Consulting GmbH	Germany	100%	100%
Rock Tech Guben GmbH	Germany	100%	100%
Rock Tech Europe Holding S.A. R.L.	Germany	100%	100%

Inter-company balances and transactions, including income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of land and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and assumptions.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty and, the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

Rock Tech Lithium Inc.
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in Canadian dollars)
(Unaudited)
For the three months ended March 31, 2022 and 2021

3. Land and equipment

	Equipment		Land		Total
Cost:					
December 31, 2020	\$ 45,069	\$	-	\$	45,069
Additions for the year	66,201		1,822,991		1,889,192
December 31, 2021	\$ 111,270	\$	1,822,991	\$	1,934,261
Foreign exchange	(2,171)		(68,236)		(70,407)
Additions for the period	34,394		2,187		36,581
At March 31, 2022	\$ 143,493	\$	1,756,942	\$	1,900,435
Accumulated amortization:					
At December 31, 2020	\$ (39,460)	\$	-	\$	(39,460)
Charge for the year	(10,654)		-		(10,654)
At December 31, 2021	\$ (50,114)	\$	-	\$	(50,114)
Foreign exchange	(978)		-		(978)
Charge for the period	(7,241)		-		(7,241)
At March 31, 2022	\$ (58,333)	\$	-	\$	(58,333)
Net book value:					
At December 31, 2021	\$ 61,156	\$	1,822,991	\$	1,884,147
At March 31, 2022	\$ 85,160	\$	1,756,942	\$	1,842,102

4. Exploration and evaluation assets

Georgia Lake, Ontario	For the period ended:		For the year ended:	
	March 31, 2022		December 31, 2021	
Property acquisition costs				
Balance, beginning of year	\$	1,420,375	\$	1,420,375
Acquisitions		-		-
Balance, end of period		1,420,375		1,420,375
Exploration and evaluation expenditures				
Balance, beginning of year		11,556,514		2,836,543
Costs incurred during period:				
Administration		92,474		84,841
Assaying		152,700		163,861
Camp and field costs		287,811		237,200
Drilling		1,319,779		1,442,593
Engineering consulting		376,838		732,359
Environmental baseline and permitting		505,047		591,902
Field exploration		54,590		123,690
Geological consulting		157,703		352,383
Labour		145,674		339,175
Permitting and land holding costs		1,181		3,822
Technical reports		-		87,369
Transportation		38,030		31,889
Total exploration and evaluation expenditures		3,131,827		4,191,084
Reversal of mineral property impairment		-		4,528,887
Balance, end of period	\$	14,688,341	\$	11,556,514
Total Exploration and Evaluations Assets	\$	16,108,716	\$	12,976,889

Georgia Lake, Ontario

The Company holds a 100% interest in the Georgia Lake lithium project. The total Georgia Lake land package consists of 277 claim units and 41 mining leases.

The Company did not recognize any impairment on the property during the current period.

In financial reporting periods prior to the year ended December 31, 2021, the Company had recorded impairment charges on the Georgia Lake lithium project as at that time further exploration work on the property was neither budgeted nor planned. As at December 31, 2021, this condition no longer existed. The recoverable amount of the property was determined to be higher than what the carrying value would have been had no impairment been recognized, resulting in a reversal of the entire previously recorded impairment in the amount of \$4,528,887.

5. Accounts payable and accrued liabilities

	March 31, 2022	December 31, 2021
Trade payables	\$ 6,402,805	\$ 8,901,734
Accrued liabilities	131,400	206,963
	\$ 6,534,205	\$ 9,108,697

6. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At March 31, 2022, the Company had 72,835,327 common shares issued and outstanding.

On January 5, 2022, the Company issued 331,429 units at US\$4.20 (\$5.37) per unit related to a private placement for total proceeds of \$1,779,826. Each unit consisted of one common share and one share purchase warrant exercisable into one common share at a price of \$6.77 until July 5, 2024. The Company recorded \$59,642 as share issuance cost.

On January 21, 2022, the Company issued 20,000 common shares related to the exercise of share purchase warrants and received proceeds of \$20,000.

At December 31, 2021, the Company had 72,483,898 common shares issued and outstanding.

On January 8, 2021, the Company issued 2,580,645 units at \$1.55 per unit related to a private placement. Each unit consisted of one common share and one share purchase warrant exercisable into one common share at a price of \$1.80 until January 8, 2023. The Company recorded \$5,498 as share issuance cost.

On January 20, 2021, the Company issued 2,500,000 units at \$1.60 per unit related to a private placement. Each unit consisted of one common share and one share purchase warrant exercisable into one common share at a price of \$2.00 until January 21, 2023. The Company recorded \$29,028 as share issuance cost.

On December 30, 2021, the Company issued 9,430,476 units at US\$4.20 (\$5.38) per unit related to a private placement for total proceeds of \$50,814,144. Each unit consisted of one common share and one share purchase warrant exercisable into one common share at a price of \$6.77 until June 30, 2024. The Company recorded \$2,048,280 as share issuance cost.

During the year ended December 31, 2021, the Company issued 2,585,000 common shares related to the exercise of stock options and received proceeds of \$1,413,450.

During the year ended December 31, 2021, the Company issued 6,588,814 common shares related to the exercise of share purchase warrants and received proceeds of \$6,221,093.

6. Share capital (continued)

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the quarters ended March 31, 2022 and 2021 was based on the loss attributable to common shareholders and the weighted average number of common shares outstanding. Diluted loss per share did not include the effect of stock options and warrants as the effect would be anti-dilutive.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. In connection with the foregoing, the number of Common Shares reserved for issuance to any one person in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Company has obtained Disinterested Shareholder Approval to exceed such limit.

On February 16, 2021, the Company granted 1,480,000 stock options to directors, officers, employees and consultants of the Company. The options have an exercise price of \$4.21. The grant date fair value of the options was \$3,318,600, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.20%; volatility of 118%; dividend rate 0%; forfeiture rate 0%; and expected life of 1.5 years.

On May 3, 2021, the Company granted 375,000 stock options to employees, directors and consultants of the Company. The options have an exercise price of \$4.42. The grant date fair value of the options was \$956,627, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.29%; volatility of 113%; dividend rate 0%; forfeiture rate 0%; and expected life of 2 years.

On May 3, 2021, the Company granted 65,000 stock options to employees of the Company. The options have an exercise price of \$4.42 and fully vest on May 3, 2022, with an expiry date of May 3, 2024. The fair value of the options granted was \$178,769, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.29%; volatility of 101%; dividend rate 0%; forfeiture rate 0%; and expected life of 3 years. The share-based compensation expense recognized in the period for the vesting of these options was \$44,080.

On May 3, 2021, the Company granted 65,000 stock options to employees of the Company. The options have an exercise price of \$4.42 and fully vest on May 3, 2023, with an expiry date of May 3, 2025. The fair value of the options granted was \$190,177, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.29%; volatility of 95.4%; dividend rate 0%; forfeiture rate 0%; and expected life of 4 years. The share-based compensation expense recognized in the period for the vesting of these options was \$23,446.

On May 25, 2021, the Company granted 130,000 stock options to consultants of the Company. The options have an exercise price of \$4.06 with an expiry date of May 25, 2023, and vest as follows: 50% on August 25, 2021, and 50% on November 25, 2021. The fair value of the options granted was \$303,951, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.30%; volatility of 113%; dividend rate 0%; forfeiture rate 0%; and expected life of 2 years.

6. Share capital (continued)

Stock options (continued)

On May 25, 2021, the Company granted 600,000 stock options to a consultant of the Company. The options have an exercise price of \$4.06 with an expiry date of May 25, 2023, and vest as follows: 25% on August 25, 2021, 25% on November 25, 2021, 25% on February 25, 2022, and 25% on May 25, 2022. The fair value of the options granted was \$1,402,851, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.30%; volatility of 113%; dividend rate 0%; forfeiture rate 0%; and expected life of 2 years. The share-based compensation expense recognized in the period for the vesting of these options was \$157,636.

On July 6, 2021, the Company granted 12,500 stock options to an employee of the Company. The options have an exercise price of \$5.21 and fully vest on July 6, 2022, with an expiry date of July 6, 2024. The fair value of the options granted was \$40,568, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.46%; volatility of 101%; dividend rate 0%; forfeiture rate 0%; and expected life of 3 years. The share-based compensation expense recognized in the period for the vesting of these options was \$10,003.

On July 6, 2021, the Company granted 12,500 stock options to an employee of the Company. The options have an exercise price of \$5.21 and fully vest on July 6, 2023, with an expiry date of July 6, 2025. The fair value of the options granted was \$43,384, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.46%; volatility of 96%; dividend rate 0%; forfeiture rate 0%; and expected life of 4 years. The share-based compensation expense recognized in the period for the vesting of these options was \$5,349.

On September 1, 2021, the Company granted 475,000 stock options to employees and directors of the Company. The options have an exercise price of \$5.05. The grant date fair value of the options was \$1,345,198, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 0.37%; volatility of 109%; dividend rate 0%; forfeiture rate 0%; and expected life of 2 years.

On January 12, 2022, the Company granted 1,196,000 stock options to directors, employees and consultants of the Company. The options have an exercise price of \$6.08 and fully vest between January 12, 2024 and January 12, 2026, with expiry dates between January 12, 2026 and January 12, 2028. The grant date fair value of the options recognized as share-based compensation for the period was \$836,035, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 1.09%; volatility between 97% and 105%; dividend rate 0%; forfeiture rate 0%; and expected life between 4 and 6 years.

On February 14, 2022, the Company granted 100,000 stock options to employees of the Company. The options have an exercise price of \$5.03 and fully vest on February 14, 2026, with an expiry date on February 14, 2028. The grant date fair value of the options recognized as share-based compensation for the period was \$29,287, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 1.43%; volatility of 103%; dividend rate 0%; forfeiture rate 0%; and expected life of 6 years.

On March 7, 2022, the Company granted 25,000 stock options to an employee of the Company. The options have an exercise price of \$4.19 and fully vest on March 7, 2026, with an expiry date of March 7, 2028. The grant date fair value of the options recognized as share-based compensation for the period was \$3,228, based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 1.36%; volatility of 102%; dividend rate 0%; forfeiture rate 0%; and expected life of 6 years.

6. Share capital (continued)

Stock options (continued)

The changes in options during the three months ended March 31, 2022 and 2021 are as follows:

	March 31, 2022		March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	4,410,000	\$3.29	3,780,000	\$0.52
Options granted	1,321,000	\$5.96	1,480,000	\$0.49
Options exercised	-	-	(1,440,000)	\$0.53
Options outstanding, ending	5,731,000	\$3.91	3,820,000	\$2.41

Details of options outstanding and exercisable at March 31, 2022 are as follows:

Number outstanding	Number exercisable	Price	Remaining Life	Weighted average grant date fair value
970,000	970,000	\$0.53	3.76 years	\$0.46
250,000	250,000	\$0.60	3.32 years	\$0.28
1,455,000	1,455,000	\$4.21	0.88 years	\$2.24
375,000	375,000	\$4.42	1.09 years	\$2.55
65,000	-	\$4.42	2.09 years	\$2.75
65,000	-	\$4.42	3.09 years	\$2.93
730,000	580,000	\$4.06	1.15 years	\$2.34
12,500	-	\$5.21	2.27 years	\$3.25
12,500	-	\$5.21	3.27 years	\$3.47
475,000	475,000	\$5.05	1.42 years	\$2.83
846,000	-	\$6.08	3.79 years	\$4.10
350,000	-	\$6.08	5.79 years	\$4.90
100,000	-	\$5.03	5.88 years	\$4.03
25,000	-	\$4.19	5.94 years	\$3.34
5,731,000	4,105,000	\$3.91	2.45 years	\$2.43

6. Share capital (continued)

Warrants

The changes in warrants during the three months ended March 31, 2022 and 2021 are as follows:

	March 31, 2022		March 31, 2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning	21,554,068	\$ 3.72	13,631,761	\$ 0.95
Warrants issued	331,429	\$ 6.77	5,080,645	\$ 1.90
Warrants exercised	(20,000)	\$ 1.00	(1,121,256)	\$ 0.92
Warrants outstanding, ending	21,865,497	\$ 3.77	17,591,150	\$ 1.23

Details of warrants outstanding and exercisable as at March 31, 2022 are as follows:

Number outstanding	Price	Remaining Life
150,057	\$0.85	0.02 years
927,500	\$0.70	0.85 years
5,926,000	\$1.00	0.72 years
19,390	\$1.25	0.02 years
2,580,645	\$1.80	0.78 years
2,500,000	\$2.00	0.81 years
9,430,476	\$6.77	2.25 years
331,429	\$6.77	2.27 years
21,865,497	\$3.77	1.42 years

Reserves

Stock option reserve

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount remains in the reserve account.

Warrant reserve

The warrant reserve records items recognized as the value of agent's warrants issued with respect to financings, until such time as the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount remains in the reserve account.

Conversion feature reserve

The conversion feature reserve records the value of conversion features related to convertible debt financings, until such time as the conversion feature is exercised, at which time the corresponding amount will be transferred to share capital. If the debt expires unconverted, the amount remains in the reserve account.

7. Related party transactions

Included in accounts payable and accrued liabilities are amounts due to related parties of \$125,959 (December 31, 2021- \$180,140). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company's key management consists of its officers and directors. Key management compensation for the three months ended March 31, 2022 and 2021 is as follows:

	Three months ended March 31,	
	2022	2021
Management fees	\$ 169,625	\$ 105,000
Salaries and wages	212,809	52,500
Consulting fees	130,036	32,500
Share-based payments	677,990	3,318,600
Downstream development	66,195	-
	\$ 1,256,655	\$ 3,508,600

8. Right of use asset and lease liability

The Company entered into lease agreements for long-term office space during the year and recognized an initial lease liability of \$327,751, measured using the present value of the lease payments discounted using an incremental borrowing rate of 4%. The Company recorded a right of use asset of the same amount which relates to long-term office leases. Depreciation of the right of use asset is calculated using the straight-line method over the remaining lease term.

During the quarter ended March 31, 2022, the Company recognized interest expense on the lease liability of \$2,401 (March 31, 2021 - \$Nil) which was recorded within finance expense.

Right-of-use assets:

Balance - December 31, 2020	\$ -
Additions	327,751
Depreciation	(66,760)
Balance - December 31, 2021	\$ 260,991
Additions	-
Depreciation	(42,088)
Balance - March 31, 2022	\$ 218,903

8. Right of use asset and lease liability (continued)

Lease liability:

Balance - December 31, 2020	\$	-
Additions		327,751
Lease payments		(69,299)
Finance expense		4,668
Balance - December 31, 2021	\$	263,120
Additions		-
Lease payments		(43,657)
Finance expense		2,401
Balance - March 31, 2022	\$	221,864
Current lease liability included in lease	\$	177,491
Non-current lease liability included in long-term lease		44,373
Total	\$	221,864

Maturity Analysis - Undiscounted contractual payments:

		March 31, 2022
Short-term portion of the lease (<1 Year)	\$	182,260
Long-term portion of the lease (>1 Year)		45,565
Total	\$	227,825

9. Downstream development

Rock Tech is planning to build a lithium hydroxide production plant that will convert hard rock lithium feedstock into a lithium chemical commonly used in the battery industry. The Company commenced basic engineering and metallurgical studies regarding the planned lithium hydroxide converter during the year ended December 31, 2020. Expenses incurred during the periods ended March 31, 2022 and 2021 were as follows:

	Three months ended	
	March 31, 2022	March 31, 2021
Lithium Hydroxide Converter		
Costs incurred during the year:		
Site Due Diligence	\$ 27,279	\$ 28,175
Engineering	3,627,391	776,945
Metallurgy	116,107	126,947
Project Management	686,888	366,859
Permitting	504,215	-
Disbursements	-	27,643
Total	\$ 4,961,880	\$ 1,326,569

10. Financial instruments

Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Group considers that the carrying amounts of all its financial assets and financial liabilities recognized at amortized cost in these consolidated financial statements approximate their fair values due to the demand nature or short-term maturity of these instruments. Cash and cash equivalents are classified as Level 1 fair value. There were no transfers between Level 1 and Level 2 during the quarter ended March 31, 2022.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at December 31, 2021, the Group does not have any Level 3 financial instruments.

11. Deferred tax liability

The Company has recognized the following deferred tax liability:

	March 31, 2022	December 31, 2021
Canadian non-capital loss carry-forwards	\$ 29,419	\$ 29,419
Exploration and evaluation assets	(482,425)	(482,425)
Land and equipment	24,339	24,339
Net deferred tax liability	\$ (428,667)	\$ (428,667)

12. Supplemental cash flow disclosures

The Company's cash and cash equivalents are comprised of the following:

	March 31, 2022	December 31, 2021
Cash and cash equivalents consist of:		
Cash	\$ 39,788,627	\$ 54,811,461
Redeemable Guaranteed Investment Certificate	950,000	950,000
	\$ 40,738,627	\$ 55,761,461

13. Segmented information

The Company's non-current, non-financial assets are located in the following geographical areas:

March 31, 2022	Canada	Germany	Total
Land and equipment	\$ 10,505	\$ 1,831,597	\$ 1,842,102
Right of use assets	-	218,903	218,903
Exploration and evaluation assets	16,108,716	-	16,108,716
Total	\$ 16,119,221	\$ 2,050,500	\$ 18,169,721

December 31, 2021	Canada	Germany	Total
Land and equipment	\$ 11,788	\$ 1,872,359	\$ 1,884,147
Right of use assets	-	260,991	260,991
Exploration and evaluation assets	12,976,889	-	12,976,889
Total	\$ 12,988,677	\$ 2,133,350	\$ 15,122,027

14. Subsequent events

On April 8, 2022, the Company granted 1,000 stock options to an employee of the Company. The options have an exercise price of \$5.57 and fully vest on April 8, 2026, with an expiry date of April 8, 2028.

On April 19, 2022, the Company issued 111,113 common shares related to the exercise of share purchase warrants and received proceeds of \$94,446.

On May 4, 2022, the Company granted 100,000 stock options to an officer of the Company. The options have an exercise price of \$4.92 and fully vest on May 4, 2026, with an expiry date of May 4, 2028.

Subsequent to period end, the Company issued 200,000 common shares for total proceeds of \$114,750 upon the exercise of 200,000 stock options, and 58,334 common shares for total proceeds of \$57,340 upon the exercise of 58,334 warrants. The proceeds for these exercises were received prior to period end and included in shares-to-be-issued at March 31, 2022.

Subsequent to period end, 600,000 stock options that were previously granted to a consultant of the Company on May 25, 2021, had the terms amended to vest as follows: 50% on November 25, 2021, and 50% on May 25, 2022.