

Norris Lithium Inc.
(formerly Copper Ridge Exploration Inc.)

Condensed Interim Financial Statements

Six Months Ended April 30, 2023 and 2022

(Unaudited – Expressed in Canadian Dollars)

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)

Six Months Ended April 30, 2023 and 2022

(Unaudited – Expressed in Canadian Dollars)

<u>INDEX</u>	<u>Page</u>
Notice of No Auditor Review of Condensed Interim Financial Statements	1
Condensed Interim Statements of Financial Position	2
Condensed Interim Statements of Comprehensive Loss	3
Condensed Interim Statements of Changes in Equity	4
Condensed Interim Statements of Cash Flows	5
Notes to the Condensed Interim Financial Statements	6-16

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

June 27, 2023

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	April 30, 2023	October 31, 2022
	(unaudited)	
Assets		
Current		
Cash	\$ 3,213,720	\$ 592,164
Other receivables	37,557	8,445
Prepaid expenses (note 9)	105,834	3,938
	3,357,111	604,547
Exploration and Evaluation Assets (notes 7 and 9)	2,588,164	344,877
	\$ 5,945,275	\$ 949,424
Liabilities		
Current		
Accounts payable and accrued liabilities (note 9)	\$ 4,792	\$ 105,455
Other liabilities (note 8)	1,281,706	-
	1,286,498	105,455
Shareholders' Equity		
Share Capital (note 10)	5,410,368	682,424
Share Subscriptions (note 10)	-	508,500
Share-based Payments Reserve (note 10)	1,004,794	83,577
Deficit	(1,756,385)	(430,532)
	4,658,777	843,969
	\$ 5,945,275	\$ 949,424

Going Concern (note 2)
Subsequent Event (note 12)

Approved on behalf of the Board:

<i>"Richard Dale Ginn"</i>	<i>"Robert Jewson"</i>
..... Director Director
Richard Dale Ginn	Robert Jewson

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

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Condensed Interim Statements of Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended April 30, 2023	Three Months Ended April 30, 2022	Six Months Ended April 30, 2023	Six Months Ended April 30, 2022
Expenses				
Advertising, promotion and travel	\$ 39,949	\$ -	\$ 55,471	\$ -
Consulting fees	75,000	-	199,968	-
Foreign exchange loss	1,583	-	1,583	-
Management fees (note 9)	28,000	9,000	74,500	18,000
Occupancy fees (note 9)	15,750	4,500	28,000	8,198
Office and miscellaneous	20,214	6,176	25,950	9,900
Professional fees (note 9)	37,574	4,682	53,724	49,022
Share-based payments (notes 9 and 10)	-	-	921,551	-
Transfer agent and filing fees	5,171	-	17,227	-
	(223,241)	(24,358)	(1,377,974)	(85,120)
Other Items				
Interest income	7,827	-	7,827	-
Other income (note 8)	32,229	-	44,294	-
Net Loss and Comprehensive Loss for the Period				
	\$ (183,185)	\$ (24,358)	\$ (1,325,853)	\$ (85,120)
Basic and Diluted Loss Per Share				
	\$ (0.01)	\$ (0.00)	\$ (0.04)	\$ (0.00)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted				
	31,419,583	11,200,000	30,040,162	11,200,000

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

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Condensed Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)

	Share Capital		Share Subscriptions	Share-based Payments Reserve	Deficit	Total
	Number of Shares	Share Capital				
Balance, October 31, 2021	11,200,000	\$ 320,000	\$ -	\$ 30,000	\$ (71,965)	\$ 278,035
Net loss and comprehensive loss for the period	-	-	-	-	(85,120)	(85,120)
Balance, April 30, 2022	11,200,000	320,000	-	30,000	(157,085)	192,915
Shares issued for cash	5,171,000	517,100	-	-	-	517,100
Share issuance costs	-	(184,676)	-	30,815	-	(153,861)
Shares issued for exploration and evaluation assets	300,000	30,000	-	-	-	30,000
Share subscriptions received	-	-	508,500	-	-	508,500
Share-based payments	-	-	-	22,762	-	22,762
Net loss and comprehensive loss for the period	-	-	-	-	(273,447)	(273,447)
Balance, October 31, 2022	16,671,000	682,424	508,500	83,577	(430,532)	843,969
Shares issued for cash	12,085,600	4,081,560	(508,500)	-	-	3,573,060
Share issuance costs	-	(47,950)	-	-	-	(47,950)
Shares issued for exploration and evaluation assets	4,000,000	2,020,000	-	-	-	2,020,000
Fair value transferred upon exercise of warrants	-	334	-	(334)	-	-
Flow-through liability	-	(1,326,000)	-	-	-	(1,326,000)
Share-based payments	-	-	-	921,551	-	921,551
Net loss and comprehensive loss for the period	-	-	-	-	(1,325,853)	(1,325,853)
Balance, April 30, 2023	32,756,600	\$ 5,410,368	\$ -	\$ 1,004,794	\$ (1,756,385)	\$ 4,658,777

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

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Condensed Interim Statements of Cash Flows
For the Six Months Ended April 30,
(Unaudited – Expressed in Canadian Dollars)

	2023	2022
Operating Activities		
Net loss for the period	\$ (1,325,853)	\$ (85,120)
Items not involving cash		
Share-based payments	921,551	-
Other income	(44,294)	-
Changes in non-cash working capital		
Other receivables	(29,112)	8,603
Prepaid expenses	(101,896)	-
Accounts payable and accrued liabilities	(65,661)	(10,000)
Cash Used in Operating Activities	(645,265)	(86,517)
Investing Activity		
Exploration and evaluation asset expenditures	(258,289)	-
Cash Used in Investing Activity	(258,289)	-
Financing Activities		
Shares issued for cash	3,573,060	-
Share issuance costs	(47,950)	-
Cash Provided by Financing Activities	3,525,110	-
Change in Cash	2,621,556	(86,517)
Cash, Beginning of Period	592,164	115,610
Cash, End of Period	\$ 3,213,720	\$ 29,093
Supplemental Disclosure with Respect to Cash Flows		
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Interest received	\$ 7,827	\$ -
Flow-through liability	\$ 1,326,000	\$ -
Fair value transferred to share capital upon the exercise of warrants	\$ 334	\$ -
Shares issued for exploration and evaluation assets	\$ 2,020,000	\$ -
Net change in exploration and evaluation asset expenditures in accounts payable and accrued liabilities	\$ (35,002)	\$ -

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

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Norris Lithium Inc. (the “Company”) is an exploration stage company incorporated on May 26, 2021 under the name Copper Ridge Exploration Inc., under the laws of the province of British Columbia, Canada. On January 16, 2023, the Company changed its name to Norris Lithium Inc. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the provinces of Ontario and Québec, Canada. The Company’s common shares are traded on the Canadian Securities Exchange under the symbol “CHCK”. The Company’s head office and principal business address is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company’s registered and records office is 3200 – 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4P7.

2. GOING CONCERN

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that 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 operations.

The Company has historically experienced negative operating cash flows and has a deficit of \$1,756,385 at April 30, 2023, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and the Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of higher inflation and the energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

These events and conditions indicate that a material uncertainty exists that may cast doubt on the Company’s ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

If the going concern assumption were not appropriate for these condensed interim financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed interim financial statements of the Company should be read in conjunction with the Company’s 2022 annual financial statements that have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on June 27, 2023.

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

3. BASIS OF PREPARATION (Continued)

b) Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4).

These condensed interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited financial statements as at October 31, 2022 and for the year then ended.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next fiscal year are discussed below.

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. If, after expenditure is capitalized, an impairment loss is recognized, whether as a result of new information or otherwise, the amount capitalized is written off in profit or loss in the year the impairment occurs.

b) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

a) Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the period. The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities approximates its fair value due to the short term to maturity.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

April 30, 2023	Level 1	Level 2	Level 3	Total
Cash	\$3,213,720	\$ -	\$ -	\$3,213,720
October 31, 2022	Level 1	Level 2	Level 3	Total
Cash	\$ 592,164	\$ -	\$ -	\$ 592,164

There were no changes to the Company's risk exposures during the six months ended April 30, 2023. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it with major Canadian financial institutions. The Company has minimal credit risk. The maximum exposure to credit risk at April 30, 2023 is the carrying value of cash of \$3,213,720 (October 31, 2022 - \$592,164).

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (Continued)

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The financial liabilities of the Company as of April 30, 2023 total \$4,792 (October 31, 2022 - \$105,455). Accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no funds held in foreign currencies, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

ii) *Interest rate risk* – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

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

Capital management

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit-worthiness and to maximize returns for shareholders over the long term. The Company considers its capital to be comprised of shareholders' equity in the amount of \$4,658,777 (October 31, 2022 - \$843,969).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (Continued)

Capital management (continued)

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the six months ended April 30, 2023. The Company is not subject to externally imposed capital requirements.

7. EXPLORATION AND EVALUATION ASSETS

Solitude Property Option

On June 2, 2021, the Company entered into a purchase option agreement with parties that included a non-arm's length party. Pursuant to the agreement, the Company has an option to acquire a 100% interest in seven mineral claims known as the Solitude Property located in Ontario, Canada. The claims are subject to a net smelter return royalty ("NSR") of 1.5%, of which 0.5% can be purchased by the Company at any time for \$500,000.

Under the terms of the agreement, the Company must make cash payments and issue common shares as follows:

- A cash payment of \$15,000 (paid) upon execution and delivery of the agreement;
- A cash payment of \$18,000 (paid) and the issuance of 300,000 common shares (issued and valued at \$30,000) (note 10) on the earlier of June 2, 2022 and the date upon which the common shares are listed on a stock exchange in Canada;
- A cash payment of \$20,000 (paid) on or before June 2, 2022; and
- A cash payment of \$30,000 (paid subsequent to April 30, 2023) on or before June 2, 2023.

On September 14, 2021, with the consent of the Company, the optionors have sold and transferred the interest in the Solitude Property to Solstice Gold Corp. ("Solstice"). Subsequent to the sale and transfer, all terms and conditions pertaining to the agreement remain the same. The Company has the obligations as noted above to Solstice.

Highway Lithium Project and Bus Lithium Project

On September 12, 2022, the Company entered into a purchase option agreement to acquire a 100% interest in the Highway Lithium Project, located in Québec, Canada, and the Bus Lithium Project, also located in Québec, Canada. The claims are subject to a NSR of 3%, of which 1% can be purchased by the Company within four years of the date of the option agreement for \$1,000,000, or \$2,500,000 thereafter.

Under the agreement, the Company must make cash payments and issue common shares as follows:

- A cash payment of \$10,000 (paid) upon signing of the agreement;
- A cash payment of \$100,000 (paid) and the issuance of 2,000,000 common shares (issued and valued at \$800,000) (note 10) upon regulatory acceptance;
- A cash payment of \$100,000 (paid) and the issuance of 2,000,000 common shares (issued and valued at \$1,220,000) (note 10) by March 12, 2023; and
- The issuance of 2,000,000 common shares by September 12, 2023.

The optionors may also earn an additional 3,500,000 common shares based on achieving certain milestones during exploration.

The Company must incur \$200,000 in exploration expenditures on the properties before September 12, 2024.

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)

Notes to the Condensed Interim Financial Statements

For the Six Months Ended April 30, 2023 and 2022

(Unaudited – Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (Continued)

A summary of exploration and evaluation expenditures for the six months ended April 30, 2023 and the year ended October 31, 2022 is as follows:

	Solitude	Highway and Bus	Total
Balance, October 31, 2021	\$ 133,481	\$ -	\$ 133,481
Acquisition Costs			
Acquisition – Cash	38,000	110,000	148,000
Acquisition – Common shares	30,000	-	30,000
Total Acquisition Costs	68,000	110,000	178,000
Property Exploration Costs			
Geological	-	33,396	33,396
Total Property Exploration Costs	-	33,396	33,396
Balance, October 31, 2022	201,481	143,396	344,877
Acquisition Costs			
Acquisition – Cash	-	100,000	100,000
Acquisition – Common shares	-	2,020,000	2,020,000
Total Acquisition Costs	-	2,120,000	2,120,000
Property Exploration Costs			
Geological	-	123,287	123,287
Total Property Exploration Costs	-	123,287	123,287
Balance, April 30, 2023	\$ 201,481	\$ 2,386,683	\$ 2,588,164

8. OTHER LIABILITIES

	April 30, 2023	October 31, 2022
Balance, beginning of period	\$ -	\$ -
Liability incurred on flow-through shares issued December 23, 2022	1,326,000	-
Settlement of flow-through share liability by incurring expenditures	(44,294)	-
Balance, end of period	\$ 1,281,706	\$ -

On December 23, 2022, the Company issued 4,420,000 flow-through shares at a price of \$0.75 per share. The premium paid by investors was calculated as \$0.30 per share. Accordingly, \$1,326,000 was recorded as other liabilities.

At April 30, 2023, the Company had a remaining commitment to incur exploration expenditures of \$3,204,264 (October 31, 2022 - \$nil) in relation to its December 23, 2022 flow-through financing.

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include key management and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between the Company and a related party regardless of whether a fee is charged. Key management includes directors and officers of the Company, including the chief executive officer (“CEO”) and the chief financial officer (“CFO”).

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss:

	Six Months Ended April 30, 2023	Six Months Ended April 30, 2022
Short-term compensation (management fees, professional fees, and exploration and evaluation asset expenditures)	\$ 100,000	\$ 5,075
Share-based payments	438,833	-
	\$ 538,833	\$ 5,075

During the six months ended April 30, 2023, short-term compensation to key management personnel consisted of:

- Management fees of \$62,500 (2022 - \$nil) and exploration and evaluation assets expenditures of \$12,500 (2022 - \$nil) to a company controlled by the president, CEO and director;
- Professional fees of \$25,000 (2022 - \$nil) to a company controlled by the CFO; and
- Professional fees of \$nil (2022 - \$5,075) to a company controlled by the former CFO and director.

During the six months ended April 30, 2023, the Company paid management fees of \$nil (2022 - \$18,000) to a company controlled by a relative of the former CFO and director of the Company.

As at April 30, 2023, accounts payable and accrued liabilities of \$nil (October 31, 2022 - \$1,444) are due to a company controlled by the former CFO and director.

As at April 30, 2023, the Company had prepaid management fees and occupancy expenses of \$nil (October 31, 2022 - \$3,938) to a company controlled by a relative of the former CFO and director of the Company.

10. SHARE CAPITAL

- a) Authorized

Unlimited number of common voting shares without par value.

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

b) Issued and outstanding

During the six months ended April 30, 2023

On November 2, 2022, the Company closed a private placement for gross proceeds of \$766,000. The Company issued 7,660,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.20 for a period of two years from the date of issuance. The Company received \$508,500 in subscriptions during the year ended October 31, 2022.

On November 2, 2022, the Company issued 2,000,000 common shares valued at \$800,000 for the Highway Lithium Project and Bus Lithium Project (note 7).

On December 23, 2022, the Company closed a flow-through private placement for gross proceeds of \$3,315,000. The Company issued 4,420,000 flow-through common shares at a price of \$0.75 per share. The premium paid by investors on the flow-through shares was calculated as \$0.30 per share. Accordingly, \$1,326,000 was recorded as other liabilities. The Company incurred share issuance costs of \$47,950.

On March 1, 2023, the Company issued 2,000,000 common shares valued at \$1,220,000 for the Highway Lithium Project and Bus Lithium Project (note 7).

During the six months ended April 30, 2023, the Company issued 5,600 common shares upon the exercise of warrants for gross proceeds of \$560. The Company transferred \$334, the value of the warrants, from the share-based payment reserve to share capital upon the exercise of the warrants.

During the year ended October 31, 2022

On June 7, 2022, the Company completed its initial public offering of 5,171,000 common shares of the Company at \$0.10 per share for gross proceeds of \$517,100. The Company paid the agents a commission of \$51,710 and issued 517,100 finders' warrants to the agents with a fair value of \$30,815. Each warrant entitles the holder to acquire one common share at a price of \$0.10 for a period of two years from the date of issuance. The Company incurred a corporate finance fee of \$25,000 and other share issuance costs of \$77,151.

On June 15, 2022, the Company issued 300,000 common shares at their fair value of \$30,000 for the Solitude Property Option (note 7).

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Six Months Ended April 30, 2023		Year Ended October 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	517,100	\$ 0.10	-	-
Issued	7,660,000	\$ 0.20	517,100	\$ 0.10
Exercised	(5,600)	\$ 0.10	-	-
Outstanding, end of period	8,171,500	\$ 0.19	517,100	\$ 0.10

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Number of Warrants Outstanding
June 7, 2024	1.11	\$ 0.10	511,500
November 2, 2024	1.51	\$ 0.20	7,660,000
	1.49		8,171,500

The Company measures fair value using the Black-Scholes option pricing model in accounting for the agent warrants issued. Accordingly, there were no share issuance costs (year ended October 31, 2022 - \$30,815) recognized during the six months ended April 30, 2023.

The grant date fair value of each warrant issued was \$nil (year ended October 31, 2022 - \$0.06), calculated using the following assumptions:

	Six Months Ended April 30, 2023	Year Ended October 31, 2022
Expected life (years)	N/A	2.00
Risk-free interest rate	N/A	3.04%
Annualized volatility	N/A	115%
Dividend yield	N/A	0%
Stock price at grant date	N/A	\$ 0.10
Exercise price	N/A	\$ 0.10

The Black-Scholes option pricing model requires the input of highly subjective assumptions regarding volatility. The Company has used the historical volatility of comparable public companies to estimate the volatility of the Company's share price.

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

d) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Six Months Ended April 30, 2023		Year Ended October 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	500,000	\$ 0.10	-	-
Granted	2,100,000	\$ 0.50	500,000	\$ 0.10
Outstanding, end of period	2,600,000	\$ 0.42	500,000	\$ 0.10

The following stock options were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Number of Options Outstanding and Exercisable
November 17, 2023	0.55	\$ 0.10	100,000
March 1, 2024	0.84	\$ 0.10	100,000
November 16, 2025	2.55	\$ 0.50	2,100,000
November 16, 2031	8.55	\$ 0.10	300,000
	3.10		2,600,000

The Company measures fair value using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, there were share-based payments of \$921,551 (year ended October 31, 2022 - \$22,762) recognized during the six months ended April 30, 2023.

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months Ended April 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

d) Stock options (continued)

The weighted average grant date fair value of stock options granted during the six months ended April 30, 2023 was \$0.44 (year ended October 31, 2022 - \$0.05). The fair value of each stock option granted was calculated using the following weighted average assumptions:

	Six Months Ended April 30, 2023	Year Ended October 31, 2022
Expected life (years)	3.00	10.00
Risk-free interest rate	3.78%	3.19%
Annualized volatility	196%	115%
Dividend yield	0%	0%
Stock price at grant date	\$ 0.48	\$ 0.05
Exercise price	\$ 0.50	\$ 0.10

The Black-Scholes option pricing model requires the input of highly subjective assumptions regarding volatility. The Company has used the historical volatility of comparable public companies to estimate the volatility of the Company's share price.

e) Escrow shares

At April 30, 2023, there were 1,350,000 common shares owned by directors and officers held in escrow; 270,000 common shares will be released from escrow on each of the following dates: June 7, 2023, December 7, 2023, June 7, 2024, December 7, 2024 and June 7, 2025.

11. SEGMENTED DISCLOSURE

The Company has one operating segment, being mineral exploration and development. All of the Company's assets are located in Canada.

12. SUBSEQUENT EVENT

On June 19, 2023, the Company entered into a definitive arrangement agreement (the "Agreement"), pursuant to which Lithium One Metals Inc. ("Lithium One") will acquire all of the issued and outstanding common shares of the Company on the basis of 0.672 common shares of Lithium One for each share of the Company held, by way of a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement").

The Arrangement is subject to a number of conditions being satisfied or waived by one or both of Lithium One and the Company at or prior to closing of the Arrangement, including approval of the Company's shareholders, together with any requisite minority approvals, and receipt of all necessary regulatory and court approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature.

As of June 27, 2023, none of these conditions have been satisfied or waived.

The Agreement includes customary provisions, including non-solicitation, right-to-match and fiduciary out provisions, as well as certain representations, covenants and conditions that are customary for a transaction of this nature. A termination fee may be payable by the Company in the case of certain terminating events.