

**Ultra Lithium Inc.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**THREE MONTHS ENDED JANUARY 31, 2013 AND 2012**

**(Expressed in Canadian Dollars)**

# **Ultra Lithium Inc.**

**(the “Company”)**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Three months ended January 31, 2013 and 2012**

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The management of Ultra Lithium Inc. is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim consolidated financial statements and are in accordance with IAS 34 - Interim Financial Reporting.

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

March 18, 2013

# Ultra Lithium Inc.

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

	January 31, 2013	October 31, 2012
	\$	\$
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	33,252	205,074
Amounts receivable	19,712	22,739
Prepaid expenses and deposits (Note 6)	3,374	5,283
	56,338	233,096
Equipment (Note 3)	42,289	42,788
Exploration and evaluation assets (Note 4)	1,036,164	970,660
	1,134,791	1,246,544
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Trade payables and accrued liabilities (Note 6)	47,274	51,025
Shareholders' equity:		
Share capital (Note 5)	4,364,831	4,410,940
Reserves (Note 5)	457,941	405,500
Deficit	(3,735,255)	(3,620,921)
	1,087,517	1,195,519
	1,134,791	1,246,544

Nature of operations and going concern (Note 1)  
Commitments (Notes 4 and 7)  
Subsequent event (Notes 4, 5 and 8)

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

# Ultra Lithium Inc.

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

	Three months ended January 31,	
	2013	2012
	\$	\$
Expenses:		
Consulting fees	17,986	31,625
Depreciation	244	93
Management fees (Note 6)	18,750	15,000
Office, rent and administration (Note 6)	42,653	25,915
Professional fees (Note 6)	523	3,320
Share-based payments (Note 5)	8,920	4,133
Stock exchange and filing fees	1,913	332
Transfer agent fees	997	1,069
Travel and promotion	40,948	14,178
Loss before other items	(132,934)	(95,665)
Other items:		
Interest income	-	81
Finance and other costs	(467)	(601)
Foreign exchange gain (loss)	19,067	(7,889)
	18,600	(8,409)
Net loss for the period	(114,334)	(104,074)
Other comprehensive income (loss):		
Foreign currency translation differences for foreign operations	(2,588)	4,930
Change in fair value of available-for-sale financial assets	-	(14,000)
Comprehensive loss for the period	(116,922)	(113,144)
Loss per common share - basic and diluted	-	-
Weighted average number of common shares outstanding - basic and diluted	115,872,505	94,452,505

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

# Ultra Lithium Inc.

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

	Notes	Share Capital		Reserves					Deficit	Total shareholder's equity	
		Common shares	Amount	Stock options	Warrants	Foreign currency translation	Obligation to issue shares	Fair value			Total
		#	\$	\$	\$	\$	\$	\$			\$
Balance, October 31, 2011		94,562,505	3,283,856	402,443	196,642	(9,623)	975	(9,625)	580,812	(3,012,444)	852,224
Comprehensive loss for the period		-	-	-	-	4,930	-	(14,000)	(9,070)	(104,074)	(113,144)
Forfeited options		-	-	(22,264)	-	-	-	-	(22,264)	22,264	-
Share-based payments		-	-	4,133	-	-	-	-	4,133	-	4,133
Balance, January 31, 2012		94,562,505	3,283,856	384,312	196,642	(4,693)	975	(23,625)	553,611	(3,094,254)	743,213
Comprehensive loss for the period		-	-	-	-	1,619	-	23,625	25,244	(536,970)	(511,726)
Private placements	5	20,000,000	1,000,000	-	-	-	-	-	-	-	1,000,000
Share issuance costs	5	-	(81,698)	-	-	-	-	-	-	-	(81,698)
Agent's finder's fees	5	1,200,000	42,000	-	-	-	-	-	-	-	42,000
Modification to warrants	5	-	(31,757)	-	31,757	-	-	-	31,757	-	-
Shares issued for exploration and evaluation assets	4	110,000	4,975	-	-	-	(975)	-	(975)	-	4,000
Forfeited options	5	-	-	(10,303)	-	-	-	-	(10,303)	10,303	-
Expired warrants	5	-	193,564	-	(193,564)	-	-	-	(193,564)	-	-
Share-based payments		-	-	(270)	-	-	-	-	(270)	-	(270)
Balance, October 31, 2012		115,872,505	4,410,940	373,739	34,835	(3,074)	-	-	405,500	(3,620,921)	1,195,519
Comprehensive loss for the period		-	-	-	-	(2,588)	-	-	(2,588)	(114,334)	(116,922)
Modification to warrants	5	-	(46,109)	-	46,109	-	-	-	46,109	-	-
Share-based payments		-	-	8,920	-	-	-	-	8,920	-	8,920
Balance, January 31, 2013		115,872,505	4,364,831	382,659	80,944	(5,662)	-	-	457,941	(3,735,255)	1,087,517

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

# Ultra Lithium Inc.

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

	Three months ended January 31,	
	2013	2012
	\$	\$
Operations:		
Net loss for the period	(114,334)	(104,074)
Items not involving cash:		
Depreciation	244	93
Share-based payments	8,920	4,133
Changes in non-cash working capital items:		
Amounts receivable	3,027	(2,167)
Prepaid expenses, deposits and advances	1,909	(2,362)
Trade payables and accrued liabilities	(12,936)	(5,776)
	(113,170)	(110,153)
Investing:		
Exploration and evaluation assets	(39,451)	(39,279)
Effect of foreign exchange on cash flows	(19,201)	4,930
Decrease in cash and cash equivalents	(171,822)	(144,502)
Cash and cash equivalents, beginning of period	205,074	359,289
Cash and cash equivalents, end of period	33,252	214,787
Supplementary information:		
Exploration and evaluation asset expenditures in trade payables and accrued liabilities	9,185	7,457
Depreciation in exploration and evaluation assets	3,010	-
Forfeited options	-	22,264
Warrants modification	46,109	-

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

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

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## NOTE 1 – NATURE OF OPERATIONS

Ultra Lithium Inc. (the “Company”) was incorporated on November 27, 2004 under the Business Corporations Act of British Columbia and is engaged in the acquisition, exploration and development of exploration and evaluation assets. The Company’s common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the “Exchange”) under the symbol “ULI”.

The head office and principal address of the Company are located at Suite 507 – 700 West Pender Street, Vancouver, BC, Canada, V6C 1G8. The Company’s records office and registered office address is located at Suite 1780 - 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company’s ability to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the ability of the Company to raise additional financing in order to complete the acquisition, exploration and development of its resource properties, the discovery of economically recoverable reserves and upon future profitable production or proceeds from disposition of the Company’s exploration and evaluation assets. As a resource company in the exploration stage, the ability of the Company to complete its acquisition, exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

These consolidated financial statements have been prepared on a basis of accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has a history of losses with no operating revenue other than interest income and had working capital at January 31, 2013 of \$9,064 (October 31, 2012 – \$182,071) and accumulated deficit of \$3,735,255. Subsequent to January 31, 2013, the Company closed the first tranche of its non-brokered private placement and raised \$2,500,000 (note 8). Management expects that it has sufficient liquidity to meet its obligations for the next twelve months.

These consolidated financial statements do not reflect any adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation and consolidation

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, “Interim Financial Reporting” (“IAS 34”), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended October 31, 2012.

The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended October 31, 2012.

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

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## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

(a) Basis of preparation and consolidation (Continued)

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on March 18, 2013.

(b) Use of estimates and judgments

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported and disclosed in the interim consolidated financial statements and related notes. There has been no significant change to the Company's accounting estimates from those disclosed in note 2 of the audited consolidated financial statements for the year ended October 31, 2012.

## NOTE 3 –EQUIPMENT

	Computer hardware	Motor Vehicle	Total
	\$	\$	\$
<b>Costs:</b>			
Balance, October 31, 2011	4,895	-	4,895
Additions	2,798	46,730	49,528
Balance, October 31, 2012	7,693	46,730	54,423
Foreign exchange	-	3,235	3,235
Balance, January 31, 2013	7,693	49,965	57,658
<b>Depreciation:</b>			
Balance, October 31, 2011	3,653	-	3,653
Depreciation	792	7,190	7,982
Balance, October 31, 2012	4,445	7,190	11,635
Depreciation	244	3,010	3,254
Foreign exchange	-	480	480
Balance, January 31, 2013	4,689	10,680	15,369
<b>Net Book Value:</b>			
October 31, 2012	3,248	39,540	42,788
January 31, 2013	3,004	39,285	42,289

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

## NOTE 4 – EXPLORATION AND EVALUATION ASSETS

	Zigzag Property, Ontario (a) \$	South Big Smokey Valley, Nevada (b) \$	Mineral Concessions, Serbia (c) \$	Total \$
Balance, October 31, 2011	3,158	403,699	48,982	455,839
Acquisition and option payments:				
Cash consideration	50,000	-	-	50,000
Common shares	4,000	-	-	4,000
	54,000	-	-	54,000
Exploration:				
Consulting and geological fees	-	-	351,396	351,396
Licenses, permits and claim fees	-	23,956	1,326	25,282
Office, rent and administration	-	-	36,151	36,151
Professional fees	-	1,858	25,632	27,490
Sampling and analysis	-	-	24,730	24,730
Travel and accommodation	-	-	488	488
Wages and contract labor	-	-	60,416	60,416
	-	25,814	500,139	525,953
Less: option payments received	(57,158)	-	-	(57,158)
Foreign exchange	-	1,693	(9,667)	(7,974)
Balance, October 31, 2012	-	431,206	539,454	970,660
Exploration:				
Consulting and geological fees	-	-	24,541	24,541
Office, rent and administration	-	-	5,694	5,694
Professional fees	-	-	4,977	4,977
Wages and contract labor	-	-	16,434	16,434
	-	-	51,646	51,646
Foreign exchange	-	(130)	13,988	13,858
Balance, January 31, 2013	-	431,076	605,088	1,036,164

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

## NOTE 4 – EXPLORATION AND EVALUATION ASSETS (Continued)

### (a) Zigzag Property, Ontario

The Company entered into a mineral property acquisition agreement dated August 31, 2009 to acquire a 100% interest in certain claims comprising the Zigzag Property located near Armstrong, Ontario. As consideration, the Company agreed to pay \$112,000, issue 400,000 common shares and incur aggregate exploration expenditures of \$226,800 over a period of four years. During the year ended October 31, 2009, the Company paid \$12,000 and issued 100,000 common shares recorded at a fair value of \$10,000, which were recorded as acquisition costs.

On March 3, 2010, the Company entered into a mineral property acquisition agreement with Canadian Orebodies Inc. (“Orebodies”) whereby Orebodies was granted an option to earn an 80% interest in the Zigzag Property, thereby reducing the Company’s option to earning a 20% interest.

The Company’s remaining consideration to acquire the 20% interest is as follows:

	Cash payment		Shares to be issued	
	\$		#	
On or before August 31, 2010	20,000	(paid)	-	
On or before October 2, 2010	-		100,000	(issued)
On or before August 31, 2011	30,000	(paid)	-	
On or before October 2, 2011	-		100,000	(issued)
On or before August 31, 2012	50,000	(paid)	-	
On or before October 2, 2012	-		100,000	(issued)
	100,000		300,000	

In consideration of the Company replacing the original mineral property acquisition agreement, Orebodies is required to incur exploration expenditures of \$350,000 on the property by October 31, 2013 and make the following payments to the Company over a period of three years:

	Cash payment		Shares to be issued	
	\$		#	
On or before March 5, 2010	10,000	(received)	200,000	(received)
On or before March 5, 2011	15,000	(received)	175,000	(received)
On or before March 5, 2012	25,000	(received)	150,000	(received)
On or before March 5, 2013	50,000	<sup>(1)</sup>	125,000	<sup>(1)</sup>
	100,000		650,000	

<sup>(1)</sup> Received subsequent to January 31, 2013.

Provided that Orebodies makes all of its required payments including additional cash payments, share issuances and exploration expenditure commitments to the original vendor of the Zigzag Property, Orebodies may give written notice of acceleration, requiring the Company to satisfy its remaining payments within 30 days of such notice.

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

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## NOTE 4 – EXPLORATION AND EVALUATION ASSETS (Continued)

### (a) Zigzag Property, Ontario (Continued)

Commencing March 5, 2014, the Company and Orebodies will be required to pay a pre-production royalty of \$10,000 per year which will be deductible against future payments upon the commencement of commercial production. The royalty will be payable in cash or in common shares.

Pursuant to an agreement dated August 10, 2009, between the Company and an arm's length party, the Company paid a finder's fee of \$14,440 and issued 40,000 common shares at a fair value of \$3,200 for the property acquisition agreement relating to the Zigzag Property.

### (b) South Big Smokey Valley, Nevada

The Company entered into a mineral property acquisition agreement dated February 22, 2010, through its wholly-owned subsidiary, ULI USA, to acquire a 100% interest in certain claims comprising the South Big Smokey Valley Property located in Esmeralda County, Nevada. As consideration, the Company paid \$155,745 (US\$150,000) and issued 1,500,000 common shares at a fair value of \$85,000.

The Company issued an aggregate of 300,000 common shares at a fair value of \$18,000 to arm's length parties as finders' fees related to this acquisition.

### (c) Mining Concessions, Serbia

During the year ended October 31, 2011, the Company was granted six mineral exploration licenses ("ELs") in the Republic of Serbia through ULI Balkans. During the year ended October 31, 2012, an additional EL was granted.

An exploration license in the Republic of Serbia is granted for a term of three (3) years with the option to extend twice, each for a further two (2) year term. Requirements for every renewal include completion of at least 75% of the submitted and approved work program and reduction of the area of interest by at least 25%.

At January 31, 2013, the Company holds ELs for the following mineral prospects:

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	Expiration date
Trnava	September 12, 2015
Kragujevac	September 12, 2015
Blace	December 31, 2012 <sup>(1)</sup>
Preljina	June 25, 2015
Ladevci	June 25, 2015
Valjevo	June 20, 2015
Koceljeva	June 25, 2015

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<sup>(1)</sup> The Company submitted new EL proposals in accordance with the new Serbian laws on mining and geological exploration and anticipates receipt of the new EL in March 2013.

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

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## NOTE 4 – EXPLORATION AND EVALUATION ASSETS (Continued)

### (c) Mining Concessions, Serbia (Continued)

On May 15, 2012, the Company executed a legally binding Framework Agreement (the “Agreement”) with Beijing Guofang Mining Investment Co. Ltd. (“BGMI”) to jointly explore and develop the Company’s seven ELs for its Siberian mineral prospects (collectively the “Balkans Project”).

Within 60 days of completion of a program of geophysics (Note 9) on the Balkans Project, BGMI will make a final determination (the “Determination Date”) regarding its participation in a joint venture with the Company (the “Joint Venture”). The Joint Venture will be formed as of the Determination Date and the Company will transfer all of the issued and outstanding shares in ULI Balkans and the Balkans Project, including any related obligations, to the Joint Venture.

The Joint Venture will be initially owned 95% by the Company and 5% by BGMI. BGMI will earn its initial 5% interest by contributing \$500,000, through approved exploration expenditures, on the Determination Date. BGMI may earn up to a 35% participating interest in the Joint Venture by funding up to \$3,500,000 of approved exploration expenditures (the “Earn-in funds”) on the Balkans Project. BGMI will earn a 5% participating interest for each tranche of \$500,000 of the Earn-in funds to a maximum of 35% within a period of 3 years from Determination Date as follows:

- Not less than \$1,000,000 on or before the anniversary of the Determination Date;
- Not less than \$2,000,000 on or before the second anniversary of the Determination Date; and
- Not less than \$3,500,000 on or before the third anniversary of the Determination Date.

If during the 3 year period it is determined that no further exploration expenditures are required on the Balkans Project, any remaining balance of the Earn-in funds, after paying the liabilities of the Joint Venture, will be returned to BGMI and BGMI will retain the participating interest it has earned.

## NOTE 5 – SHARE CAPITAL AND RESERVES

### (a) Authorized

Unlimited number of voting common shares without par value.

### (b) Issued Share Capital

At January 31, 2013, there were 115,872,505 issued and fully paid common shares (October 31, 2012 – 115,872,505).

### (c) Share Issuances

During the year ended October 31, 2012, the Company closed a non-brokered private placement of 20,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.10 per share expiring two years from date of issuance. Share issue costs with respect to the private placement totaled \$81,698 which included cash issue costs of \$19,698, a finder’s fee of \$20,000 and 1,200,000 common shares at a fair value of \$42,000.

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

## NOTE 5 – SHARE CAPITAL AND RESERVES (Continued)

### (d) Warrants

Each whole warrant entitles the holder to purchase one common share of the Company. A summary of the status of the warrants outstanding follows:

	Warrants #	Weighted Average Exercise Price \$
Balance, October 31, 2011	14,746,250	0.13
Expired	(3,000,000) <sup>(1)</sup>	0.20
Issued	20,000,000	0.10
Balance, January 31, 2013 and October 31, 2012	31,746,250	0.11

<sup>(1)</sup> During the year ended October 31, 2012, the fair value of 3,000,000 expired warrants of \$193,564 was reclassified from reserves to share capital.

Warrants #	Exercise Price \$	Expiry Date
5,940,000 <sup>(1)</sup>	0.10	November 30, 2015
3,806,250 <sup>(2)</sup>	0.15	February 17, 2013
10,000,000	0.10	July 9, 2014
10,000,000	0.10	September 10, 2014
2,000,000 <sup>(3)</sup>	0.10	April 6, 2015
31,746,250		

<sup>(1)</sup> During the three months ended January 31, 2013, the expiry date of the 5,940,000 warrants was extended from November 30, 2012 to November 30, 2015. The Company calculated the incremental increase in the fair value of the warrant extension to be \$46,109 using the Black-Scholes option pricing model using the following weighted average assumptions: expected dividend yield – 0%; expected stock price volatility – 95.55%; risk-free interest rate – 1.10%; expected life – 3 years. The Company recorded the fair value of the modified warrants as a capital transaction, with a charge to share capital and reserve.

<sup>(2)</sup> Subsequent to January 31, 2013, the expiry date of 3,750,000 of the 3,806,250 warrants was extended to February 17, 2016 and 56,250 of the warrants expired unexercised.

<sup>(3)</sup> During the year ended October 31, 2012, the expiry date of 2,000,000 warrants was extended from April 6, 2012 to April 6, 2015. The Company calculated the incremental increase in the fair value of the warrant extension to be \$31,757 using the Black-Scholes option pricing model using the following weighted average assumptions: expected dividend yield – 0%; expected stock price volatility – 94.06%; risk-free interest rate – 1.28%; expected life – 3 years. The Company recorded the fair value of the modified warrants as a capital transaction, with a charge to share capital and reserve.

### (e) Stock Options

The Company adopted a stock option plan whereby the Company may from time to time in accordance with the Exchange requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options.

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

## NOTE 5 – SHARE CAPITAL AND RESERVES (Continued)

### (e) Stock Options (Continued)

A summary of the status of the options outstanding follows:

	Options #	Weighted Average Exercise Price \$
Balance, October 31, 2011	7,051,000	0.10
Granted	250,000	0.10
Forfeited/Expired	(660,000) <sup>(1)</sup>	0.10
Balance, October 31, 2012	6,641,000	0.10
Granted	600,000	0.10
Balance, January 31, 2013	7,241,000	0.10

<sup>(1)</sup> During the year ended October 31, 2012, the fair value of 660,000 forfeited options of \$32,567 was reclassified from reserves to deficit.

The following table summarizes the options outstanding and exercisable as at January 31, 2013:

Shares #	Exercise Price Per Share \$	Expiry Date	Exercisable #
261,000 <sup>(1)</sup>	0.11	February 14, 2013	261,000
250,000	0.10	April 24, 2017	156,250
600,000	0.10	November 1, 2017	150,000
660,000	0.10	May 12, 2018	660,000
1,160,000	0.10	February 5, 2019	1,160,000
200,000	0.10	June 3, 2019	200,000
50,000	0.10	August 14, 2019	50,000
250,000	0.10	September 22, 2019	250,000
300,000	0.10	January 14, 2020	300,000
300,000	0.10	June 23, 2020	300,000
200,000	0.10	September 1, 2020	200,000
820,000	0.10	October 13, 2020	820,000
2,030,000	0.11	January 24, 2021	2,030,000
150,000	0.11	February 14, 2021	150,000
10,000	0.10	August 23, 2021	8,750
7,241,000			6,696,000

<sup>(1)</sup> Subsequent to January 31, 2013, these stock options expired unexercised.

During the three months ended January 31, 2013, under the fair-value-based method, \$8,920 (2012 – \$4,133) in share-based payments was recorded for stock options granted and vested during the period.

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

## NOTE 5 – SHARE CAPITAL AND RESERVES (Continued)

### (e) Stock Options (Continued)

The fair value of stock options used to calculate share-based payments has been estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	2013	2012
Risk free interest rate	1.38%	-
Expected life of options	4.82 years	-
Expected dividend yield	0.0%	-
Expected stock price volatility	113.62%	-

The weighted average fair value of options granted during the three months ended January 31, 2013 was \$0.03 (2012 - \$Nil) per option.

## NOTE 6 – RELATED PARTY TRANSACTIONS

### (a) Related party transactions

During the three months ended January 31, 2013, the Company incurred the following transactions with a (i) company that is controlled by an officer of the Company and (ii) with a company having officers in common:

	2013	2012
	\$	\$
Legal fees (i)	250	1,252
Office, rent and administration (ii)	22,600	16,800
	22,850	18,052

The Company recovered expenses from companies having directors and officers in common:

	2013	2012
	\$	\$
Office, rent and administration	11,000	11,700

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

Three Months Ended January 31, 2013 and 2012  
(Unaudited)

## NOTE 6 – RELATED PARTY TRANSACTIONS (Continued)

### (b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three months ended January 31, 2013 and 2012 were as follows:

	2013	2012
	\$	\$
Short-term benefits – management fees	18,750	15,000
Share-based payments <sup>(1)</sup>	383	1,233
	19,133	16,233

<sup>(1)</sup> Share-based payments are the fair value of options granted and vested to key management personnel under the Company's stock option plan (note 5(e)).

### (c) Related party balances

The following related party amounts were included in (i) accounts payable and accrued liabilities, and (ii) prepaid expenses and deposits:

	January 31, 2013	October 31, 2012
	\$	\$
An officer and a director of the Company (i)	3,645	282
A former director of the Company (i)	7,203	7,203
A company having officers in common (ii)	2,000	2,000

## NOTE 7 – COMMITMENTS

(a) On June 11, 2012, the Company entered into a Technical Service Agreement (the "Technical Agreement") with Beijing Exploration Technology Engineering Co. Ltd. ("BETEC"), as amended on December 16, 2012, to complete a program of geophysics of \$500,000, in accordance with the Agreement (Note 4(c)). The Technical Agreement was for a term commencing July 8, 2010 and ending December 31, 2013. The Company agreed to pay \$250,000 within 30 days of signing the Technical Agreement (paid and recorded in exploration and evaluation assets), \$125,000 upon BETEC's completion of data collection on the Balkans Project and \$125,000 within one month of the Company's acceptance of all materials and results from BETEC.

(b) The Company is committed to future minimum annual lease payments with respect to office leases expiring January 31, 2015, as follows:

	\$
2013	75,899
2014	77,431
2015	19,485
	172,815

# Ultra Lithium Inc.

Notes to Condensed Interim Consolidated Financial Statements  
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## NOTE 7 – SEGMENTED INFORMATION

The Company operated in the following geographic segments at January 31, 2013 and October 31, 2012:

January 31, 2013	Canada	United States	Serbia	Total
	\$	\$	\$	\$
Current assets	47,946	370	8,022	56,338
Equipment	3,004	-	39,285	42,289
Exploration and evaluation assets	490,217	324,132	221,815	1,036,164
	541,167	324,502	269,122	1,134,791

  

October 31, 2012	Canada	United States	Serbia	Total
	\$	\$	\$	\$
Current assets	206,127	491	26,477	233,096
Equipment	3,248	-	39,540	42,788
Exploration and evaluation assets	474,930	324,262	171,468	970,660
	684,305	324,753	237,485	1,246,544

## NOTE 8 – SUBSEQUENT EVENT

On January 21, 2013, the Company announced that it has arranged for a non-brokered private placement of units of the Company at a price of \$0.05 per unit for gross proceeds of \$4,500,000. Each unit will consist of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to purchase an additional common share of the Company at an exercise price of \$0.10 cents per share for a period of two years from closing of the private placement.

Subsequent to January 31, 2013, the Company closed the first tranche of the private placement and issued 50,000,000 units for gross proceeds of \$2,500,000. Finders' fees of \$25,000 and 4,000,000 common shares of the Company, being 9% of the gross proceeds raised, are payable on this tranche of the private placement.

The private placement is subject to acceptance for filing by the Exchange.