FIRST ENERGY METALS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

Notice to Reader

These condensed interim financial statements of First Energy Metals Limited have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

FIRST ENERGY METALS LIMITED
Condensed Interim Statements of Financial Position
(Unaudited -expressed in Canadian dollars)

	Note		June 30, 2022		March 31, 2022
ASSETS					
Current Assets					
Cash		$	1,227,373	$	111,486
Amounts receivable and prepaid expenses	4		635,154		776,453
Total Current Assets			1,862,527		887,939
Non-current Assets					
Reclamation deposits			11,000		11,000
Exploration and evaluation assets	5		6,004,875		6,004,875
Total Non-current Assets			6,015,875		6,015,875
Total Assets		$	7,878,402	$	6,903,814
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	6	$	369,190	$	262,798
Due to related parties, net	7		37,270		36,923
Flow-through share premium liability		$	129,208		129,208
Total Liabilities			535,668		428,929
SHAREHOLDERS' EQUITY					
Share capital	8		47,012,888		45,943,854
Warrants reserve			2,772,095		2,471,579
Share subscriptions			19,134		19,134
Share-based payments reserve	8		1,833,998		1,833,998
Deficit			(44,295,381)		(43,793,680)
Total Shareholders' Equity			7,342,734		6,474,885
Total Liabilities and Shareholders' Equity		$	7,878,402	$	6,903,814

Going concern	*1*
Subsequent events	*12*

Approved and authorized for issue on behalf of the board of directors on August 27, 2022 by:

/s/*Gurminder Sangha*
Director

/s/*Jurgen Wolf*
Director

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

FIRST ENERGY METALS LIMITED

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited -expressed in Canadian dollars)

	Note		Three months ended June 30, 2022		2021
Expenses					
Consulting fees	*7*	$	10,000	$	57,500
Exploration and evaluation costs	*5*		225,131		978,361
General and administrative			4,264		4,325
Investor relations			245,561		30,588
Professional fees			10,000		8,250
Salaries, fees and benefits	*7*		50,000		45,000
Shareholder communications			46,273		365,920
Share-based payments			-		276,997
Loss Before Other Items			(591,229)		(1,489,944)
Other Items					
Other income			(89,366)		-
Interest income			(162)		-
Total Other Income			(89,528)		-
Net Loss and Comprehensive Loss for the Period			(501,701)		(1,489,944)
Loss per Common Share, Basic and Diluted		$	(0.01)	$	(0.03)
Weighted Average Number of Shares Outstanding – Basic and Diluted			82,339,926		54,586,133

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

FIRST ENERGY METALS LIMITED

Condensed Interim Statements of Changes in Equity

(Unaudited -expressed in Canadian dollars)

	Note	Common Shares Without Par Value: Shares	Common Shares Without Par Value: Amount	Warrants Reserve	Share subscriptions (Receivable)	Share-based Payments Reserve	Deficit	Total Equity
Balance, March 31, 2021		49,522,670	$ 38,712,936	$ 1,586,508	$ 76,734	$ 1,201,548	$ (39,102,358)	$ 2,475,368
Warrant exercised		232,000	60,350	(11,150)	(35,200)	-	-	14,000
Shares issued for exploration and evaluation assets		6,650,000	2,290,500	-	-	-	-	2,290,500
Private placements		2,686,063	684,259	315,741	-	-	-	1,000,000
Share issue costs		198,161	(41,736)	16,307	(41,534)	-	-	(66,963)
Share-based payments		-	-	-	-	276,997	-	276,997
Net loss for the period		-	-	-	-	-	(1,489,944)	(1,489,944)
Balance, June 30, 2021		59,288,894	$ 41,706,309	$ 1,907,406	$ -	$ 1,478,545	$ (40,592,302)	$ 4,499,958
Balance, March 31, 2022		78,238,894	$ 45,943,854	$ 2,471,579	$ 19,134	$ 1,833,998	$ (43,793,680)	$ 6,474,885
Private placements		6,198,571	1,118,467	300,516	-	-	-	1,418,983
Share issue costs		126,750	(49,433)	-		-	-	(49,433)
Net loss for the period		-	-	-	-	-	(501,701)	(501,701)
Balance, June 30, 2022		84,564,215	$ 47,012,888	$ 2,772,095	$ 19,134	$ 1,833,998	$ (44,295,381)	$ 7,342,734

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

FIRST ENERGY METALS LIMITED

Condensed Interim Statements of Cash Flows

(Unaudited -expressed in Canadian dollars)

		Three months ended June 30,		
		2022		**2021**
Cash provided from (used for):				
Operating activities				
Net loss for the period	$	(501,701)	$	(1,736,353)
Items not involving cash:				
Share-based payments		-		276,997
Changes in non-cash working capital balances:				
Amounts receivable and prepaid expenses		141,299		(773,542)
Accounts payable and accrued liabilities		106,392		276,380
Due to related parties, net		347		(24,000)
Net cash used in operating activities		(253,663)		(1,980,518)
Investing activities				
Acquisition of exploration and evaluation assets		-		(500,000)
Cash used in investing activities		-		(500,000)
Financing activities				
Proceeds from financing		1,394,900		1,000,000
Share issue costs		(25,350)		(66,963)
Proceeds from exercise of warrants		-		14,000
Net cash provide from financing activities		1,369,550		947,037
Net decrease in cash during the period		1,115,887		(1,533,481)
Cash, beginning of the period		111,486		2,158,688
Cash, end of the period	$	1,227,373	$	625,207
Supplemental information				
Shares issued for exploration and evaluation assets	$	-	$	2,290,500
Fair value of shares issued to finders	$	24,083	$	35,232
Fair value of warrants exercised	$	-	$	11,550

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

1. Nature of Operations and Going Concern

First Energy Metals Limited ("First Energy" or the "Company") was incorporated on October 12, 1966 in the Province of British Columbia under the Business Corporations Act of British Columbia, and its principal business activity is the exploration of mineral properties in Canada.

The Company's head office and principal address is Suite 2421 – 1055 West Georgia Street, Vancouver, B.C., Canada, V6E 3P3. The Company's registered and records office is 25th Floor-700 West Georgia Street, Vancouver, B.C., Canada, V7Y 1B3.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumption is not appropriate for these financial statements, then adjustments would be necessary to the carrying amount of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

During the period ended June 30, 2022, the Company experienced operating losses and negative operating cash flows with the operations of the Company having been primarily funded by the issuance of share capital. The Company expects to incur further losses in the development of its business, and these matters are indicative of the existence of material uncertainty that casts significant doubt as to the Company's ability to continue as a going concern.

The Company will need to raise sufficient funds as the Company's current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. In addition to evaluating financing options, the Company has also implemented cost savings measures.

The COVID-19 pandemic also creates uncertainty in respect to global economic and market conditions however its specific, identifiable impact on the Company has not, to date, been material. Future developments in the course of the pandemic could negatively impact the Company's operations, however such future outcomes cannot currently be predicted beyond those expected to affect society as a whole. Like all entities and individuals, the Company is subject to the COVID-19-related restrictions and mandates instituted by the government of British Columbia, and continues to comply with all such requirements in the context of its continuing operations.

2. Significant Accounting Policies

(a) Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") issued and outstanding as at August 27, 2022, the date the board of directors approved these unaudited condensed interim financial statements for issue.

2. Significant Accounting Policies (continued)

(b) Basis of preparation

These unaudited condensed interim financial statements, prepared in conformity with IAS 34, follow the same accounting policies and methods of computation as the most recent audited annual financial statements.

Since these unaudited condensed interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's annual financial statements for the year ended March 31, 2022.

(c) Basis of Measurement and Presentation

These unaudited condensed interim financial statements have been prepared using the historical cost convention using the accrual basis of accounting except for some financial instruments, which have been measured at fair value. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included.

(d) Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation

3. Critical Accounting Judgments and Estimates

The preparation of financial statements requires management to make judgments and estimates that affect the amounts reported in the financial statements and notes. By their nature, these judgments and estimates are subject to change and the effect on the financial statements of changes in such judgments and estimates in future periods could be material. These judgments and estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these judgments and estimates. The more significant areas are as follows:

(a) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

(b) Going Concern

The assessment of the Company's ability to raise sufficient funds to finance its exploration and administrative expenses involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(c) Intangible Exploration and Evaluation Assets

Management is required to assess impairment in respect of intangible exploration and evaluation assets. Note 6 discloses the carrying value of such assets. The triggering events for the potential impairment of exploration and evaluation assets are defined in IFRS 6 *Exploration for and Evaluation of Mineral Properties* and are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

(Unaudited - expressed in Canadian dollars)

3. Critical Accounting Judgments and Estimates (continued)

(c) Intangible Exploration and Evaluation Assets (continued)

- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In making the assessment, management is required to make judgments as to the status of each project and its future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and accordingly some assets are likely to become impaired in future periods.

4. Amounts Receivable and Prepaid Expenses

		June 30, 2022		March 31, 2022
GST/HST	$	53,785	$	35,476
Prepayments and other receivable		461,369		740,977
Advances		120,000		-
Total	$	635,154	$	776,453

5. Exploration and Evaluation Assets

Exploration and evaluation assets deferred to the statements of financial position at June 30, 2022 and March 31, 2022 are as follows:

		March 31, 2022		Additions		Write-off		June 30, 2022
Kokanee Creek	$	932,125	$	-	$	-	$	932,125
Titan Gold		150,500		-		-		150,500
Augustus Lithium		335,000		-		-		335,000
Canadian Lithium		176,250		-		-		176,250
Abitibi Lithium		1,767,000		-		-		1,767,000
McNeely		820,000		-		-		820,000
Red Lake		792,750		-		-		792,750
Falcon Lake		50,000		-		-		50,000
Electron Lithium		981,250		-		-		981,250
	$	6,004,875	$	-	$	-	$	6,004,875

(a) Kokanee Creek and Independence Gold Properties

On March 17, 2020, the Company entered in an option agreement to acquire a 100% interest in the Kokanee Creek and Independence Gold Properties (the “Properties”). The Properties are located in British Columbia and consist of 5 claims covering 2,690 hectares.

(Unaudited - expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

(a) Kokanee Creek and Independence Gold Properties (continued)

On February 28, 2021 and again on August 13, 2021, the Company entered into amended option agreements which amended the due dates for certain cash payments, share issuances and exploration expenditure requirements of the option agreement, as noted below.

Under the terms of the Properties amended option agreement, the Company has the option to acquire a 100% interest in the Kokanee Creek Property and Independence Gold Property by completing the following option payments, common share issuances and exploration expenditures:

Due Dates	Option payments ($)	Issuance of First Energy common shares	Minimum exploration expenditures ($)	Cumulative exploration expenditure ($)
On signing (paid)	10,000	Nil	Nil	Nil
December 31, 2021 (paid and issued)	35,500	2,500,000	Nil	Nil
March 31, 2022 (issued)	Nil	2,775,000	Nil	Nil

The Company issued the remaining 2,775,000 shares as of March 31, 2022, to acquire a 100% interest in the Properties.

The Properties are subject to a 2.0% NSR royalty of which the Company will have the option to reduce the NSR by 1.0% by paying $1,000,000.

During the year ended March 31, 2021, the Company announced it would not be pursuing any further exploration work on the Independence Gold property and wrote-off all deferred costs incurred to date.

(b) Titan Gold Property

On October 2, 2020, the Company entered into an option agreement to acquire a 100% interest in the Titan Gold Property ("Titan Gold"). Titan Gold is located in the Abitibi area of Western Quebec, Canada and is comprised of 80 mining claims covering approximately 4,402 hectares.

Under the terms of the option agreement, the Company has the option to acquire a 100% interest in the Titan Gold property by completing the following option payments, common share issuances and exploration expenditures, subject to regulatory approval:

Due Dates	Option payments ($)	Issuance of First Energy common shares
On signing (paid and issued)	12,500	600,000
October 2, 2021 (accrued)	18,000	Nil
October 2, 2022	28,000	Nil
October 2, 2023	40,000	Nil

(i) Both parties remain in active negotiations for an amended agreement. Subsequent to March 31, 2022, cash payments past due remain outstanding and additional payments under the original agreement have not been accrued whilst the both parties negotiate an amendment.

The Titan Gold property is subject to a 1.5% NSR royalty. The Company will have the option to reduce the NSR by 0.5% to 1.0% by paying $500,000.

(Unaudited - expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

(c) Augustus Lithium Property

On January 18, 2021, the Company entered into an option agreement to acquire a 100% interest in the Augustus Lithium property ("Augustus Agreement"). The Augustus Lithium property is comprised of 21 mineral claims covering approximately 937 hectares located in the Abitibi area of western Quebec.

Under the terms of the Augustus Agreement, the Company has the option to acquire a 100% interest in the property by completing the following option payments, common share issuances and exploration expenditures:

Due Dates	Option payments ($)	Issuance of First Energy common shares	Minimum exploration expenditures ($)	Cumulative exploration expenditure ($)
On signing (paid and issued)	35,000	500,000	Nil	Nil
January 18, 2022 (paid, issued and completed)	40,000	500,000	50,000	50,000
January 18, 2023	45,000	500,000	150,000	200,000
January 18, 2024	60,000	500,000	350,000	550,000

The Augustus Lithium Property is subject to a 2% NSR royalty. The Company will have the option to reduce the NSR by 1.0% to 1.0% by paying $1,000,000.

(d) Canadian Lithium Property

On February 3, 2021, the Company entered into an option agreement to acquire a 100% interest in the Canadian Lithium property ("Canadian Lithium Agreement"). The Canadian Lithium property is comprised of 12 mineral claims covering approximately 671 hectares located in the Landrienne Township area of Quebec.

Under the terms of the Canadian Lithium Agreement, the Company has the option to acquire a 100% interest in the property by completing the following option payments, common share issuances and exploration expenditures:

Due Dates	Option payments ($)	Issuance of First Energy common shares
On signing (paid and issued)	15,000	325,000
February 3, 2022 (paid and issued)	20,000	250,000
February 3, 2023	25,000	300,000

The Canadian Lithium Property is subject to a 2% NSR royalty. The Company will have the option to reduce the NSR by 1.0% to 1.0% by paying $1,000,000.

(e) Abitibi Lithium Property

On March 12, 2021, the Company entered into a purchase agreement to acquire a 100% interest in the Abitibi Lithium property (the "Abitibi Agreement"). The Abitibi Lithium property is comprised of 241 mineral claims covering approximately 12,779 hectares located in the Abitibi area of western Quebec.

Under the terms of the Abitibi Agreement, the Company acquired a 100% interest in the Abitibi Lithium property by issuing 4,100,000 common shares of the Company and by paying $250,000 on April 20, 2021. The Abitibi Lithium Property is subject to a 3% NSR royalty, which the Company will have the option to reduce the NSR by 1.0% to 2.0% by paying $1,000,000.

(Unaudited - expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

(f) McNeely Lithium Property

Pursuant to the McNeely Lithium Property purchase agreement entered on June 7, 2021, the Company acquired a 100% interest in the McNeely Lithium Property, located in Quebec, by issuing 2,000,000 common shares and paying $250,000. The McNeely Lithium Property is subject to a 3.0% Gross Metal Royalty ("GMR"). Certain of the claims are subject to a pre-existing 1.0% NSR. The Company will have the option to purchase the NSR by paying $200,000 to the NSR holder.

(g) Red Lake Property

On September 14, 2020, the Company entered in an option agreement to acquire a 100% interest in the Red Lake Property. The Red Lake property is located in the Red Lake Mining District of Northwestern Ontario and consists of 94 mining cell claims covering 1,880 hectares in the Ball and Todd townships.

On February 28, 2021, and again on August 13, 2021, the Company entered into amended option agreements which amended the due dates for certain cash payments, share issuances and exploration expenditure requirements of the Properties Option Agreement, as noted below.

Under the terms of the amended Red Lake option agreement, the Company has the option to acquire a 100% interest in the Red Lake Property by completing the following option payments, common share issuances and exploration expenditures, subject to regulatory approval:

Due Dates	Option payments ($)	Issuance of First Energy common shares	Minimum exploration expenditures ($)	Cumulative exploration expenditure ($)
March 31, 2022 (issued)	Nil	2,775,000	Nil	Nil

The Company issued 2,775,000 shares as of March 31, 2022, to acquire a 100% interest in the Red Lake property.

The Red Lake property is subject to a 2.5% NSR royalty, with the Company having the option to reduce the NSR by 1% to 1.5% by paying $1,000,000.

Exploration and evaluation expenditures recorded in the statements of loss and comprehensive loss for the three months ended June 30, 2022 and 2021 are as follows:

Three months ended June 30, 2022	Assay and sampling	Drilling and mobilization	Field expenditures	Geological Consulting	Geological and Technical Services	**Total June 30, 2022**
Quebec						
Titan Gold	$ -	$ -	$ 32,400	$ 56,700	$ -	$ 89,100
Augustus Lithium	504	42,900	17,435	48,000	23,892	132,731
General Exploration	-	-	-	3,300	-	3,300
Total	$ 504	$ 42,900	$ 49,835	$ 108,000	$ 23,892	$ 225,131

(Unaudited - expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

Three months ended June 30, 2021	Assay and sampling	Drilling and mobilization	Field expenditures	Geological Consulting	Geological and Technical Services	Total June 30, 2021
British Columbia						
Kokanee Creek	$ -	$ -	$ 17,000	$ 47,500	$ 10,000	$ 74,500
Ontario						
Phyllis Cobalt	-	11,250	-	-	-	11,250
Quebec						
Titan Gold	-	-	-	75	-	75
Augustus Lithium and Canadian Lithium	74,553	597,284	112,866	91,713	14,883	891,299
General Exploration	-	-	-	-	1,237	1,237
Total	$ 74,553	$ 608,534	$ 129,866	$ 139,288	$ 26,120	$ 978,361

6. Accounts Payable and Accrued Liabilities

	June 30, 2022	March 31, 2022
Trade and other payables	$ 332,190	$ 225,798
Accrued liabilities	37,000	37,000
Total	$ 369,190	$ 262,798

7. Related Party Transactions and Balances

Remuneration of directors and key management personnel of the Company for the three months ended June 30, 2022 and 2021 were as follows:

	For the three months ended June 30, 2022	2021
Consulting fees charged by directors of the Company	$ 10,000	$ 2,500
Salaries, fees and benefits	50,000	45,000

Related party balances as at June 30, 2022 and March 31, 2022 were as follows:

	June 30, 2022	March 31, 2022
Amounts due to Directors and Officers of the Company	$ 6,300	$ 5,723
Amounts due to companies controlled by directors and officers	30,970	31,200
	$ 37,270	$ 36,923

The directors' and officers' balances also include fees and expenses owing to directors and officers incurred in the normal course of business.

8. Share Capital

(a) Authorized - Unlimited number of common shares without par value.

8. Share Capital (continued)

(b) Issued share capital

The Company had 84,564,215 common shares issued and outstanding as at June 30, 2022 and 78,238,894 common shares issued and outstanding as at March 31, 2022.

Fiscal 2023

During the three months ended June 30, 2022:

i) On May 2, 2022, the Company closed a non-brokered private placement, consisting of 3,448,571 flow-through units ("FT Units") priced at $0.245 per FT Unit and 2,750,000 non-flow through units ("NFT Units") priced at $0.20 per NFT Unit for aggregate gross proceeds of $1,394,900. Each FT Unit consists of one flow-through common share and one-half of one common share purchase warrant (each a "Flow Through Warrant"). Each whole Flow Through Warrant entitles the holder to purchase one common share at a price of $0.45 for a period of two years from the issue date. Each NFT Unit consists of one non-flow-through common share and one non-flow-through common share purchase warrant. Each NFT warrant entitles the holder to purchase one common share at a price of $0.50 for a period of one year from the issue date. The Company also paid finder's fees of $25,350 and issued 126,750 finder's shares valued at $24,083.

Fiscal 2022

During the three months ended June 30, 2021:

ii) On April 20, 2021, in connection with the private placement closed on March 4, 2021, the Company issued 198,161 common shares valued at $35,232, pursuant to a finders' agreement;

iii) On April 20, 2021, the Company issued 4,100,000 common shares valued at $1,517,000, pursuant to the purchase agreement, to acquire 100% interest in the Abitibi Lithium Property (see Note 5);

iv) On April 20, 2021, the Company issued 550,000 common shares valued at $203,500, pursuant to the Bald Eagle Silver Property option agreement (see Note 5);

v) On June 3, 2021, closed a non-brokered private placement for aggregate gross proceeds of $1,000,000 through the issuance of 2,003,376 flow-through units ("FT Units") at $0.385 per FT Unit for proceeds of $771,300 and through the issuance of 682,687 units ("Units") at $0.335 per Unit for gross proceeds of $228,700. Each FT Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.45 for a period of two years from the issue date. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.40 for a period of two years from the issue date. The share purchase warrants were valued using the Black-Scholes pricing model with the following assumptions: weighted average risk-free interest rate of 0.32%, volatility factor of 231.77% and an expected life of two years. Share issue costs were $102,195, which included a finder's fee of 8% paid in connection with the above noted private placement consisting of $64,963 cash, and issuance of 105,169 compensation units fair valued at $35,232 using the Black-Scholes pricing model as above;

vi) On June 9, 2021, the Company acquired a 100% interest in the McNeely Lithium Property, by issuing 2,000,000 common shares valued at $820,000, pursuant to the McNeely Lithium Property purchase agreement (see Note 5); and

vii) The Company issued an aggregate of 232,000 common shares for gross proceeds of $49,200 pursuant to the exercise of share purchase warrants. Fair value of the warrants exercised was $11,150.

(Unaudited - expressed in Canadian dollars)

8. Share Capital (continued)

c) Stock Options

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with the TSX-V's policies. Under the Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the discounted market price of the Company's stock at the date of grant. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not, within a twelve-month period, exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed, within a twelve-month period, two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

The continuity for stock options for the three months ended June 30, 2022 is as follows:

	Number of Shares	Weighted Average Exercise Price
Balance, fully vested and exercisable at June 30, 2022 and March 31, 2022	6,680,000	0.29

As at June 30, 2022, the following stock options were outstanding:

Expiry Date	Number Outstanding and Exercisable	Weighted average exercise price	Average Remaining Contractual Life
February 9, 2026	2,640,000	$0.21	3.62
February 11, 2026	1,300,000	$0.35	3.63
May 14, 2026	850,000	$0.35	3.88
July 13, 2026	900,000	$0.25	4.04
January 5, 2023	750,000	$0.40	0.52
January 6, 2027	240,000	$0.35	4.53
	6,680,000	$0.29	3.40

d) Share Purchase Warrants

The continuity for share purchase warrants for the three months ended June 30, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, March 31, 2022	20,453,206	0.40
Granted	4,474,286	0.48
Balance, June 30, 2022	24,927,492	0.45

(Unaudited - expressed in Canadian dollars)

8. Share Capital (continued)

d) Share Purchase Warrants (continued)

As at June 30, 2022, the following share purchase warrants issued in connection with private placements were outstanding:

Expiry Date	Exercise Price	Number Outstanding and Exercisable	Average Remaining Contractual Life
December 31, 2023	$0.40	1,000,000	1.51
December 31, 2023	$0.25	14,000	1.51
January 27, 2024	$0.40	1,650,000	1.58
March 4, 2023	$0.40	7,199,661	0.68
June 11, 2023	$0.40	787,857	0.95
June 11, 2023	$0.45	1,001,688	0.95
November 26, 2022	$0.50	8,800,000	0.41
May 2, 2023	$0.50	2,750,000	0.84
May 2, 2024	$0.45	1,724,286	1.85
		24,927,492	0.80

e) Share-Based Payments Reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments. This reserve also includes the value attributed to warrants on unit private placements. At the time that the stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

The fair value of each option granted to employees, officers, and directors was estimated on the date of grant using the Black-Scholes option-pricing model.

9. Segmented Information

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets and operates in one geographic segment being Canada. The total assets relate to exploration and evaluation assets and have been disclosed in Note 5.

10. Financial Instruments and Risk Management

Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(Unaudited - expressed in Canadian dollars)

10. Financial Instruments and Risk Management (continued)

The following provides the valuation method of the Company's financial instruments as at June 30, 2022 and March 31, 2022:

	Level		June 30, 2022		March 31, 2022
Cash	1	$	1,227,373	$	111,486
Reclamation deposits	1		11,000		11,000
Financial Liabilities	1		406,460		299,721

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. As at June 30, 2022, the Company had cash of $1,227,373 to settle current liabilities of $406,460. Further information relating to liquidity risk is disclosed in Note 1.

Interest Rate Risk

The Company has no significant exposure at June 30, 2022, to interest rate risk through its financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investment, reclamation bonds and amounts receivable. The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash with a high credit quality major Canadian financial institution as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable.

Currency Risk

The Company has no significant exposure at June 30, 2022, to currency risk through its financial instruments.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in order to maintain liquidity while achieving a satisfactory return. Fluctuations in interest rates impact the amount of return the Company may realize but interest rate risk is not significant to the Company.

There were no transfers from levels or change in the fair value measurements of financial instruments for the period ended June 30, 2022 and year ended March 31, 2022.

11. Management of Capital

The Company primarily considers shareholders' equity in the management of its capital. The Company manages its capital structure and makes adjustments to it based on funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

• To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining sufficient level of funds, to support continued evaluation and maintenance of the Company's existing properties, and to acquire, explore and develop other precious metals, base metals and industrial mineral deposits;

• To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal; and

• To obtain the necessary financing if and when it is required.

The properties in which the Company currently holds an interest are in the exploration stage and the Company is dependent on external financing to explore and take the project to development. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company's management informs the Board of Directors as to the quantum of expenditures for review and approval prior to commencement of work. In addition, the Company may issue new equity, incur additional debt, enter into joint venture agreements or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the period ended June 30, 2022, compared to the year ended to March 31, 2022. The Company is not subject to externally imposed capital requirements. Further information relating to management of capital is disclosed in Note 1.