



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three Month Period Ended

March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF 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 interim consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	March 31, 2022	December 31, 2021
	(\$)	(\$)
ASSETS		
Current assets		
Cash	217,718	105,899
Prepaid expenses	1,042	1,667
Receivables (Note 4)	7,249	8,473
Short-term investment (Note 5)	-	22,500
	226,009	138,539
Exploration and evaluation assets (Notes 7)	652,009	652,009
Reclamation bond (Note 6)	4,674	11,106
	882,692	801,654
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 8 and 10)	40,877	124,024
Notes payable (Note 9)	-	60,000
	40,877	184,024
Shareholders' equity		
Share capital (Note 11)	7,552,836	6,971,873
Reserves (Note 11)	602,547	602,547
Deficit	(7,313,568)	(6,956,790)
	841,815	617,630
	882,692	801,654

Nature of Operations and Going Concern (Note 1)

On behalf of the Board:

"Ken Brophy"

Ken Brophy - Director

"Sean McGrath"

Sean McGrath - Director

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended March 31, 2022	Three Month Period Ended March 31, 2021
	(\$)	(\$)
Expenses		
Consulting fees (Note 10)	78,025	47,250
General and administrative	9,396	13,216
Management fees (Note 10)	15,000	15,000
Professional fees (Note 10)	29,551	27,071
Transfer agent and filing fees	6,435	10,125
	(138,407)	(112,662)
Finance expense	(3,179)	(592)
Impairment of exploration and evaluation assets (Note 7)	-	(46,795)
Interest and other income	20,002	61,999
Loss on debt settlement	(228,864)	-
Loss on short-term investments (Note 5)	(6,330)	(13,750)
	(218,371)	862
Loss from continuing operations	(356,778)	(111,800)
Income from discontinued operations (Note 16)	-	14,790
Loss and comprehensive loss	(356,778)	(97,010)
Basic and diluted income (loss) per share:		
Continuing operations	(0.04)	(0.02)
Discontinued operations	-	0.00
Weighted average common shares outstanding:		
Basic	8,279,514	5,308,464
Diluted	8,279,514	5,308,464

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital		Reserves				Total
	Number of Shares	Amount (\$)	Options (\$)	RSUs (\$)	Warrants (\$)	Deficit (\$)	
Balance at December 31, 2020	5,308,466	6,186,276	395,389	-	66,630	(5,965,202)	683,093
Comprehensive loss	-	-	-	-	-	(97,010)	(97,010)
Balance at March 31, 2021	5,308,466	6,186,276	395,389	-	66,630	(6,062,212)	586,083
Share issuance - property acquisitions	225,000	131,000	-	-	-	-	131,000
Share issuance - private placement	1,473,125	633,875	-	-	-	-	633,875
Share issuance - stock options	28,125	20,722	(9,472)	-	-	-	11,250
RSUs vested	-	-	-	150,000	-	-	150,000
Comprehensive loss	-	-	-	-	-	(894,578)	(894,578)
Balance at December 31, 2021	7,034,716	6,971,873	385,917	150,000	66,630	(6,956,790)	617,630
Share issuance - debt settlement	1,204,545	361,363	-	-	-	-	361,363
Share issuance - private placement	1,996,363	219,600	-	-	-	-	219,600
Comprehensive loss	-	-	-	-	-	(356,778)	(356,778)
Balance at March 31, 2022	10,235,624	7,552,836	385,917	150,000	66,630	(7,313,568)	841,815

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended March 31, 2022	Three Month Period Ended March 31, 2021
	(\$)	(\$)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	(356,778)	(97,010)
Items not affecting cash:		
Finance expense	3,179	-
Impairment of exploration and evaluation assets	-	46,795
Interest and other income	(20,000)	(61,407)
Loss on debt settlement	228,864	-
Loss on short-term investments	6,330	13,750
Changes in non-cash working capital items:		
Receivables	1,224	87,575
Prepays	625	3,392
Accounts payable and accrued liabilities	(50,648)	2,441
	(187,204)	(4,464)
Discontinued operations	-	1,558
	(187,204)	(2,906)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	-	(463,175)
Proceeds from sale of short-term investments	16,170	-
Reclamation bond refund	6,432	28,501
	22,602	(434,674)
FINANCING ACTIVITIES		
Common shares issued for cash, net of issuance costs	219,600	-
Interest paid on note payable	(3,179)	-
Proceeds from note payable	100,000	100,000
Repayment of note payable	(40,000)	-
	276,421	100,000
Change in cash during the period	111,819	(337,580)
Cash - beginning of period	105,899	527,607
Cash - end of period	217,718	190,027

Supplemental Cash Flow Information (Note 15)

See accompanying notes to the condensed interim consolidated financial statements

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Supernova Metals Corp. (“Supernova” or the “Company”) was incorporated on November 20, 2000 under the laws of the province of Alberta, Canada and was continued into the province of British Columbia in 2010. The Company’s offices are located at 1090 Hamilton Street, Vancouver, BC, Canada, V6B 2R9. The Company’s shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “SUPR”.

On January 10, 2022, the Company completed a consolidation of its common shares at a ratio of one new share for every eight old shares. Consequently, all share and per share amounts in these financial statements have been restated to reflect the share consolidation.

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

The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company’s financial statements and such adjustments could be material.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company’s working capital is insufficient to support ongoing operations and the Company has incurred ongoing losses and will require additional funding to continue operations for the upcoming year. The above conditions may cast significant doubt on the Company’s ability to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

2. BASIS OF PREPARATION

Statement of compliance

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

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on April 29, 2022.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Basis of measurement

All references to dollar amounts in these financial statements and related notes are in Canadian dollars, unless otherwise indicated.

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

Basis of consolidation

These consolidated financial statements include the accounts of Supernova and its wholly-owned subsidiary Supernova Metals (US) Corp. ("SMUC") which was incorporated in Arizona, USA.

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of both the Company and SMUC is the Canadian dollar.

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the year.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

Significant Accounting Judgments, Estimates and Assumptions

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

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

The following areas required a significant degree of estimation:

Recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Share-based compensation

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

Income taxes

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

The following areas required a significant degree of judgment:

Functional Currency

The functional currency of the Company and its subsidiary is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

Non-monetary transactions

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

Going Concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at December 31, 2021.

4. RECEIVABLES

	March 31, 2022	December 31, 2021
	(\$)	(\$)
GST receivable	7,208	8,434
Trade receivables	41	39
	<u>7,249</u>	<u>8,473</u>

5. SHORT-TERM INVESTMENT

Carrying Value December 31, 2020	Additions	Dispositions	Unrealized Gain (Loss)	Fair Value December 31, 2021
(\$)	(\$)	(\$)	(\$)	(\$)
-	47,500	-	(25,000)	22,500

Carrying Value December 31, 2021	Additions	Dispositions	Unrealized Gain (Loss)	Fair Value March 31, 2022
(\$)	(\$)	(\$)	(\$)	(\$)
22,500	-	(22,500)	-	-

Short-term investment consisted of 250,000 common shares of 79 Resources Ltd. (SNR.V) received pursuant to a mineral property option agreement (Note 7). During the three month period ended March 31, 2022, the Company disposed of the investment for cash proceeds of \$16,170 and recorded a loss on short-term investments of \$6,330.

6. RECLAMATION BOND

As at March 31, 2022, the drilling permit for the Cold Springs property (Note 7) requires a refundable reclamation bond totaling \$4,674 (December 31, 2021 - \$11,106), which is held by the US Bureau of Land Management.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

There were no exploration and evaluation expenditures incurred during the three month period ended March 31, 2022.

A summary of exploration and evaluation assets by property for the year ended December 31, 2021 is set out below:

Property	Balance at	Additions	Option		Balance at
	December 31,		Payment(s)	Received	December 31,
	2020		Received	Impairment	2021
	(\$)	(\$)	(\$)	(\$)	(\$)
Canning's Brook	-	57,476	-	(57,476)	-
Cold Springs	59,648	592,361	-	-	652,009
Clanton Hills	-	46,795	-	(46,795)	-
Gander North	-	56,774	-	(56,774)	-
Gander South	-	46,361	-	(46,361)	-
Lac Roy and Faraud	180,000	-	-	(180,000)	-
Lac Saint Simon	10,501	-	(10,501)	-	-
	250,149	799,767	(10,501)	(387,406)	652,009

A summary of the exploration and evaluation assets by cost category is set out below:

	(\$)
Balance at December 31, 2020	250,149
Acquisition and land costs	171,000
Assays	25,639
Camp costs	34,702
Consulting	154,965
Drilling	355,920
Geophysics	30,775
Reclamation	4,366
Reports and administration	22,400
Option payments	(10,501)
Impairment	(387,406)
Balance at December 31, 2021 and March 31, 2022	652,009

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)Cold Springs, Nevada

On September 1, 2020, the Company entered into an option agreement (the “Silver Range Agreement”) with Silver Range Resources Ltd. (“Silver Range”) wherein it can acquire up to a 75% interest in the Cold Springs gold property located in Nevada, USA in exchange for completing at least 2,000 metres of drilling on the property by August 31, 2023 and by making the following cash payments:

<u>Date</u>	<u>Amount</u>
	(\$)
On execution of the Option Agreement (paid)	10,000
By November 30, 2020 (paid)	20,000
By February 28, 2021 (paid)	20,000
By August 31, 2021	50,000
By August 31, 2022	100,000
By August 31, 2023	100,000
	<u>300,000</u>

Silver Range retained a 2.5% net smelter returns royalty (“NSR”) subject to 1.5% being available for purchase by the Company for a cash payment of \$1,250,000.

On May 11, 2021, the Silver Range Agreement was amended wherein the Company acquired 100% ownership of the Cold Springs gold property, free of any encumbrances, in exchange for the issuance of 125,000 common shares which were valued at \$55,000.

Lac Saint Simon, Quebec

On June 1, 2017, the Company acquired a 100% interest in the Lac Saint Simon lithium property located in west-central Quebec in exchange for 78,125 common shares which were valued at \$325,000.

On February 3, 2021, the Company entered into an agreement (the “SNR Agreement”) with 79 Resources Ltd. (“SNR”) whereby they could acquire 100% of the project from the Company by issuing 1,500,000 common shares (250,000 shares received at a value of \$47,500), paying \$155,000 (\$25,000 received) in cash and expending \$700,000 on the property by the third anniversary of the SNR Agreement.

SNR did not meet the terms of the SNR Agreement and the option was subsequently terminated in February 2022.

Lac Roy and Faraud, Quebec

On January 2, 2020, the Company acquired a 100% interest in the Lac Roy and Faraud vanadium properties located in Quebec in exchange for 375,000 common shares which were valued at \$180,000.

During the year ended December 31, 2021, the Company abandoned the Lac Roy and Faraud properties and recorded a write-off of \$180,000.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)Canning's Brook, Newfoundland

On May 31, 2021, the Company entered into an option agreement to acquire a 100% interest in the Canning's Brook property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

Date	Cash	Shares	Expenditures
	(\$)		(\$)
On execution of the Option Agreement (issued at a value of \$38,000)	-	50,000	-
By December 31, 2021 (incurred)	-	-	20,000
By May 31, 2022	-	62,500	-
By December 31, 2022	-	-	30,000
By May 31, 2023	-	62,500	-
By December 31, 2023	-	-	50,000
By May 31, 2024 ⁽¹⁾	150,000	75,000	-
By December 31, 2024	-	-	100,000
		250,000	200,000

The vendor would retain a 2% NSR on the Property, subject to a buyback option wherein the Company could acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

⁽¹⁾ The Company had the option to make the \$150,000 payment in either cash or common shares.

During the year ended December 31, 2021, the Company abandoned the Canning's Brook property and recorded a write-off of \$57,476.

Gander North, Newfoundland

On May 26, 2021, the Company entered into an option agreement with a third party wherein it can acquire a 100% interest in the Gander North property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

Date	Cash	Shares	Expenditures
	(\$)		(\$)
On execution of the Option Agreement (paid and issued at a value \$19,000)	10,000	25,000	-
By September 3, 2021 (incurred)	-	-	25,000
By May 26, 2022	10,000	28,125	-
By September 3, 2022	-	-	40,000
By May 26, 2023	20,000	34,375	-
By September 3, 2023	-	-	60,000
By May 26, 2024	20,000	37,500	-
	60,000	125,000	125,000

The vendor would retain a 2% NSR on the Property, subject to a buyback option wherein the Company could acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

During the year ended December 31, 2021, the Company abandoned the Gander North property and recorded a write-off of \$56,774.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)Gander South, Newfoundland

On May 26, 2021, the Company entered into an option agreement with a third party wherein it can acquire a 100% interest in the Gander South property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

<u>Date</u>	<u>Cash</u>	<u>Shares</u>	<u>Expenditures</u>
	(\$)		(\$)
On execution of the Option Agreement (paid and issued at a value \$19,000)	10,000	25,000	-
By September 3, 2021	-	-	25,000
By May 26, 2022	10,000	28,125	-
By September 3, 2022	-	-	40,000
By May 26, 2023	20,000	34,375	-
By September 3, 2023	-	-	60,000
By May 26, 2024	20,000	37,500	-
	60,000	125,000	125,000

The vendor would retain a 2% NSR on the Property, subject to a buyback option wherein the Company could acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

During the three month period ended March 31, 2022, the Company abandoned the Gander South property, and accordingly an impairment charge of \$46,361 was recorded as at December 31, 2021.

8. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	<u>March 31,</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Trade payables	377	10,799
Related party payables (Note 10)	10,500	88,235
Accrued liabilities	30,000	25,000
	40,877	124,024

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

9. NOTES PAYABLE

On May 11, 2020 and December 15, 2020, the Company borrowed an aggregate of \$60,000 under a COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (“CEBA”). The credit line is interest free until December 31, 2020, and any unpaid balance on January 1, 2021 will be converted to a two year 0% interest term loan that must be repaid by December 31, 2022. A total of \$20,000 of the loan will be forgiven if \$40,000 is repaid in full on or before December 31, 2023. The Company can exercise an option for a three year term extension but any remaining principal balance outstanding will be subject to 5% interest.

On March 22, 2021, the Company borrowed \$100,000 pursuant to a promissory note that is unsecured, bears interest at a rate of 24% compounded monthly and is repayable on or before December 31, 2022. During the year ended December 31, 2021, the Company repaid the loan and all accrued interest totaling \$5,747.

On January 8, 2022, the Company borrowed \$100,000 pursuant to a promissory note that was unsecured, bore interest at a rate of 24% compounded monthly and was repayable on or before December 31, 2022. During the three month period ended March 31, 2022, the Company repaid the loan plus accrued interest of \$3,179 through the issuance of 909,091 units valued at \$272,727 and a cash payment of \$3,179. Each unit consisted of a common share and a common share purchase warrant that entitles the holder to acquire an additional common share at \$0.145 of a period of two years. The warrants were assigned a \$nil value and a loss on debt settlement of \$172,27 was recorded.

10. RELATED PARTY TRANSACTIONS

Key management includes the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), directors and companies controlled by them. The Company incurred the following transactions with key management of the Company during the three month periods ended March 31, 2022 and 2021:

	March 31, 2022	March 31, 2021
	(\$)	(\$)
Consulting fees	17,900	26,650
Professional fees	15,000	15,000
Management fees	15,000	15,000
Mineral royalties	-	266
	<u>47,900</u>	<u>56,916</u>

As at March 31, 2022, a total of \$10,500 (December 31, 2021 - \$88,235) was included in accounts payable and accrued liabilities owing to key management of the Company.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

11. SHARE CAPITAL

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preference shares without par value.

Issued share capital

On January 10, 2022, the Company completed a consolidation of its common shares at a ratio of one new share for every eight old shares. Consequently, all share and per share amounts in these financial statements have been restated to reflect the share consolidation.

Three month period ended March 31, 2022

On February 25, 2022, the Company completed a non-brokered private placement wherein it issued 1,996,363 common shares at \$0.11 per share for aggregate proceeds of \$219,600.

On February 25, 2022, the Company completed a debt settlement wherein it issued 1,204,545 units at \$0.11 per unit to settle \$100,000 in notes payable and \$32,500 in related party accounts payable. The share purchase warrants were valued at \$nil and loss on debt settlement of \$228,864 was recorded.

Year ended December 31, 2021

On May 25, 2021, the Company issued 125,000 common shares valued at \$55,000 in connection with the amended Silver Range Agreement. (Note 7)

On June 4, 2021, the Company completed a non-brokered private placement wherein it issued 1,250,000 common shares at \$0.40 per share for aggregate proceeds of \$500,000.

On June 7, 2021, the Company issued 100,000 common shares valued at \$76,000 in connection with the Canning's Brook, Gander North and Gander South property agreements. (Note 7)

On July 14, 2021, the Company completed a non-brokered private placement wherein it issued 223,125 flow-through common shares at \$0.60 per share for aggregate proceeds of \$133,875.

During the year ended December 31, 2021, the Company issued 225,000 common shares at \$0.40 per share from the exercise of stock options for aggregate proceeds of \$11,250. As a result of the option exercises, a total of \$9,472 was transferred from share option reserve into share capital.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)***Restricted Stock Units***

The Company has a rolling Restricted Share Unit (“RSU”) plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, issue RSUs to eligible participants, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Vesting provisions as well as method of settlement (ie. cash or common shares) are determined by the Board of Directors of the Company. The maximum number common shares reserved for issuance to any one RSU holder will not exceed five percent (5%) of the issued and outstanding common shares. Any unvested RSUs are immediately forfeited following cessation of the RSU holder’s position with the Company unless otherwise approved by the Board of Directors.

On September 10, 2021, the Company issued 375,000 RSUs and all remain outstanding as at March 31, 2022. The RSUs vested immediately and a share-based payment totaling \$150,000 was recorded during the year ended December 31, 2021.

Stock options

The Company has a rolling incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not 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 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.

There were no options granted or vested during the three month period ended March 31, 2022 or the year ended December 31, 2021.

Warrants

As at March 31, 2022 and December 31, 2021, there are 125,000 share purchase warrants outstanding and exercisable at \$0.56 per share until June 4, 2022.

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Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

12. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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. The Company's primary exposure to credit risk is on its cash held in bank accounts as well as receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company prepares a general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

The Company is exposed to liquidity risk.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for base and precious metals are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the period ended March 31, 2022.

Price risk

Price risk is the risk that a short-term investment which is publicly traded on a recognized stock exchange will fluctuate in value.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

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Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

12. FINANCIAL RISK MANAGEMENT (continued)***Foreign exchange risk***

The Company's functional and presentation currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary. The Company also has certain assets and liabilities denoted in US dollars. A 10% change in the currency exchange rates between the Canadian dollar relative to the US dollar would have an effect on the Company's results of operations, financial position and/or cash flows of approximately \$47. The Company has not hedged its exposure to currency fluctuations.

Classification of financial instruments

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial assets included in the statement of financial position are cash, receivables, short-term investments and reclamation bond. Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities and note payable. The fair value of cash, receivables, and accounts payable approximate the carrying amount due to their short term to maturity. The fair value of the short-term investments is measured using level 1 of the fair value hierarchy. The fair value of the reclamation bonds approximates their fair value based on current interest rates. The fair value of note payable reflects the market rate of interest. The effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its 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 its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended March 31, 2022.

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Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

13. SEGMENTED INFORMATION

The Company has one reportable business segment being precious metal exploration. Assets by geographical area are as follows:

	March 31, 2022	December 31, 2021
	(\$)	(\$)
Current assets		
Canada	226,009	138,539
USA	-	-
	226,009	138,539
Non-current assets		
Canada	-	-
USA	656,683	663,115
	882,692	663,115
Total assets		
Canada	226,009	138,539
USA	656,683	663,115
	882,692	801,654

All revenues are located in Canada.

14. COMMITMENT

As at March 31, 2022, the Company has \$64,764 in flow through funds which need to be spent on qualifying exploration and evaluation expenditures prior to December 31, 2022.

15. SUPPLEMENTAL CASH FLOW INFORMATION

	March 31, 2022	March 31, 2021
	(\$)	(\$)
Non-cash investing and financing activities:		
Receipt of common shares from an option agreement on an exploration and evaluation asset	-	10,999
Settlement of accounts payable through the issuance of common shares	32,500	-
Settlement of notes payable through the issuance of units	100,000	-
Exploration and evaluation expenditures included in accounts payable	-	78,755
Interest paid during the year	3,179	-
Income taxes paid during the year	-	-

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Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended March 31, 2022

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16. DISCONTINUED OPERATIONS

The net loss from the oil properties that were sold on May 1, 2021 has been reclassified to discontinued operations for the period ended March 31, 2021 as follows:

	March 31, 2021
	(\$)
Revenues	
Oil sales	29,397
Royalties and freehold mineral tax	(3,905)
Expenses	
Accretion	355
Depletion	1,203
Field operating expenses	9,144
Income from Discontinued Operations	14,790

The Company recorded a gain on disposal of oil properties as follows:

	Amount
	(\$)
Proceeds	5,000
Assets sold	(30,410)
Assumption of asset retirement obligation (Note 11)	73,073
Gain on disposal of oil properties	47,663