

FIRST TELLURIUM

Essential Metals for a Sustainable Future

FIRST TELLURIUM CORP.

(formerly Deer Horn Capital Inc.)

FINANCIAL STATEMENTS

For the nine months ended April 30, 2022 and 2021

(Expressed in Canadian Dollars)

NOTICE TO READER

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

The condensed interim financial statements for the Company for the third quarter ended April 30, 2022 have been prepared for and are the responsibility of the Company's management.

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

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	April 30, 2022	July 31, 2021
Assets			
Current Assets			
Cash		\$ 1,105,125	\$ 2,504
Receivables	3	34,973	20,223
Prepaid expenses	4	19,217	1,079
		1,159,315	23,806
Equipment	5	3,284	3,830
Right-of-use asset	6	1,308	5,864
Exploration and evaluation assets	8	129,095	63,770
Reclamation deposit	7	136,212	85,212
Investment in associated companies	9	44,084	36,785
		\$ 1,473,298	\$ 219,267
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	10	\$ 63,161	\$ 186,531
Lease liability	6	11	5,942
Loans payable	11	182,000	182,000
Due to related parties	13	3,000	350,965
		248,172	725,438
Shareholders' Deficiency			
Share capital	12	18,759,264	15,530,514
Share-based payments reserve		677,235	529,908
Share subscriptions		14,349	13,840
Deficit		(18,225,722)	(16,580,433)
		1,225,126	(506,171)
		\$ 1,473,298	\$ 219,267

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 17)

On behalf of the Board:

"Tyrone Docherty"
Director

"Josef Fogarassy"
Director

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

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the nine months ended April 30,

	Note	Three months ended April 30,		Nine months ended April 30,	
		2022	2021	2022	2021
Operating Expenses					
Advertising and promotion		93,223	-	629,288	3,570
Consulting fees		81,434	15,000	165,594	55,000
Depreciation	5	1,481	212	4,472	4,798
Exploration and evaluation Expenditures (recovery)		21,500	-	24,357	19,548
Interest expense		4,623	4,624	15,014	13,873
Investor relations and shareholder information		280,537	3,349	341,057	14,106
Loss on settlement of debt		-	-	-	84,086
Management fees	11	89,000	30,000	149,000	90,000
Office and miscellaneous		55,268	7,290	74,439	17,481
Professional fees		5,112	7,014	27,035	11,874
Regulatory and filing fees		16,307	3,288	67,541	12,976
Share-based payments		-	-	147,327	17,169
Travel		165	-	165	1,449
		(648,650)	(70,777)	(1,645,289)	(345,930)
Loss and comprehensive loss for the period					
		\$ (648,650)	\$ (70,777)	\$ (1,645,289)	\$ (345,930)
Basic and diluted loss per share					
		\$ (0.01)	\$ -	\$ (0.035)	\$ (0.01)
Weighted average shares outstanding					
		51,160,168	32,499,676	45,616,256	30,917,832

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

DEER HORN CAPITAL INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars)

	Number of common shares	Share Capital	Share Subscriptions	Share-based payments reserve	Deficit	Total shareholders' deficiency
Balance, July 31, 2020	28,443,431	\$ 15,262,754	\$ 13,840	\$ 545,347	\$ (16,126,939)	\$ (304,998)
Private placement	2,800,000	134,000	-	6,000	-	140,000
Shares for debt	1,000,000	70,000	-	64,086	-	134,086
Reversal of expired warrants	-	62,760	-	(62,760)	-	-
Share based compensation	-	-	-	17,169	-	17,169
Loss and comprehensive loss for the period	-	-	-	-	(345,930)	(345,930)
Balance, April 30, 2021	32,243,431	\$ 15,529,514	\$ 13,840	\$ 569,842	\$ (16,472,869)	\$ (359,673)
Balance, July 31, 2021	32,243,431	\$ 15,530,514	\$ 13,840	\$ 529,908	\$ (16,580,433)	\$ (506,171)
Private placements	22,950,000	1,942,000	-	-	-	1,942,000
Share subscriptions	-	-	509	-	-	509
Exercise of warrants	12,457,500	1,245,750	-	-	-	1,245,750
Exercise of stock options	400,000	41,000	-	-	-	41,000
Share based compensation	-	-	-	147,327	-	147,327
Loss and comprehensive loss for the period	-	-	-	-	(1,645,289)	(1,645,289)
Balance, April 30, 2022	68,050,931	\$ 18,759,264	\$ 14,349	\$ 677,235	\$ (18,225,722)	\$ 1,225,126

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

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the nine months ended April 30

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,645,289)	\$ (345,930)
Items not involving cash:		
Depreciation	4,472	4,798
Share-based payments	147,327	17,169
Interest expense	15,014	13,873
Loss on settlement of debt	-	84,086
Changes in non-cash working capital balances:		
Decrease (increase) in receivables	(14,750)	(6,825)
Decrease (increase) in prepaid expenses	(18,138)	927
Increase (decrease) in due to related party	(347,965)	80,569
Increase (decrease) in accounts payable and accrued liabilities	(123,370)	(82,484)
Cash flows used in operating activities	(1,982,699)	(233,817)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	3,219,431	181,212
Loan repayment	-	(25,000)
Right of use asset	(4,556)	(4,128)
Loans received	-	14,700
Reclamation deposit	(51,000)	-
Acquisition of exploration and evaluation asset	(65,325)	(63,770)
Investment in associated company	(7,299)	-
Lease payments	(5,931)	(4,398)
Cash flows provided from financing activities	3,085,320	118,616
Increase (decrease) in cash during period	(1,102,621)	(115,201)
Cash, beginning of period	2,504	120,292
Cash, end of period	\$ 1,105,125	\$ 5,091
Supplemental non-cash investing and financing activities:		
Transfer expired warrants to share capital	\$ 73,570	\$ 62,760
Shares issued for debt settlement	-	50,000
Share issuance costs	9,319	-

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

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

First Tellurium Corp. (formerly “Deer Horn Capital Inc.”) (“First Tellurium” or the “Company”) was incorporated under the *Business Corporations Act* (Canada) and continued into British Columbia pursuant to the *Business Corporations Act* (British Columbia, Canada). The Company’s head office and principal place of business is 381 – 1440 Garden Place, Delta, British Columbia, Canada. The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, Canada and trades on the Canadian Securities Exchange under the symbol “FTEL”. The Company owns interests in exploration and evaluation assets in British Columbia and its principal business is the exploration of those assets.

These financial statements are 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 in the foreseeable future. Management believes that the Company’s working capital at April 30, 2022, is sufficient to finance operations through the next twelve months. The Company has incurred ongoing losses and has a shareholders’ deficiency. The Company’s ability to continue on a going concern basis depends on its ability to successfully raise additional financing. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable 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 continues 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.

NOTE 2 – BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

These unaudited condensed interim financial statements should be read in conjunction with the most recently issued annual audited financial statements of the Company, which include information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies were presented as Note 3 to the financial statements for the year ended July 31, 2021 and have been consistently applied in the preparation of these unaudited condensed interim financial statements.

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 3 – RECEIVABLES

	As at April 30, 2022	As at July 31, 2021
Amounts due from the Government of Canada pursuant to GST input tax credits	\$ 34,973	\$ 20,223
Total	\$ 34,973	\$ 20,223

NOTE 4 – PREPAID EXPENSES

	As at April 30, 2022	As at July 31, 2021
Prepaid expenses	\$ 19,217	\$ 1,079
Total	\$ 19,217	\$ 1,079

NOTE 5 – EQUIPMENT

Office equipment	
Cost:	
Balance at July 31, 2019	\$ 19,651
Additions	4,102
Balance at July 31, 2020	\$ 23,753
Additions	-
Balance at April 30, 2022	\$ 23,753
Accumulated depreciation:	
Balance at July 31, 2020	19,051
Depreciation	872
Balance at July 31, 2021	19,923
Depreciation	546
Balance at April 30, 2022	\$ 20,469
Carrying amounts:	
July 31, 2021	\$ 3,830
April 30, 2022	\$ 3,284

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 6 – RIGHT-OF-USE ASSET AND LEASE LIABILITY

	ROU asset	Lease liability
Balance at July 31, 2020	\$ 5,330	\$ 5,942
Depreciation expense	(7,292)	-
Lease extension	7,826	7,826
Interest expense	-	430
Payments	-	(8,256)
Balance at July 31, 2021	\$ 5,864	\$ 5,972
Depreciation expense	(4,556)	-
Interest expense	-	(688)
Payments	-	(5,273)
Balance at April 30, 2022	\$ 1,308	\$ 11

NOTE 7 – RECLAMATION DEPOSIT

The Company provided funding for deposits as security against potential future reclamation work related to the Deerhorn property (Note 9).

	As at April 30, 2022	As at July 31, 2021
Reclamation deposit: Deerhorn property	\$ 136,212	\$ 85,212

NOTE 8 – EXPLORATION AND EVALUATION ASSETS

Deerhorn property

The Company owns a 50% interest in the Deerhorn property, located in north western British Columbia, acquired from a company related by virtue of common directors. It may acquire an additional 25% interest by incurring all costs required to bring the property to commercial production.

Exploration and evaluation expenditures

	As at April 30, 2022	As at July 31, 2021
Geological consulting	\$ 1,597	\$ 8,883
Camp and field supply	19,099	
Other	3,660	6,917
Total exploration expense	\$ 24,356	\$ 15,800

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 8 – EXPLORATION AND EVALUATION ASSETS *(continued)*

Colorado Klondike property

During fiscal 2021, the Company entered into an option agreement to acquire a 100% interest in the Colorado Klondike property, located in south-central Colorado, USA, from Colorado Klondike LLC. The terms of the agreement include consideration for an aggregate US\$260,000 (approximately US\$50,000 per year) cash and the incurrence of an aggregate US\$300,000 in exploration expenditures on the property within five years, at which time the option may be fully exercised upon an additional payment of US\$1,200,000, or the higher real estate appraised value, to a maximum of US\$1,500,000. Upon full exercise of the option Colorado Klondike LLC will retain a 3% NSR, with the Company reserving the right to buy-back a 1% NSR for consideration of US\$1,000,000. The Company will also be required to pay an advance royalty payment of US\$60,000 per annum commencing on the first anniversary of the exercise of the option. The Company has paid US\$100,000 (\$129,095) to the Optionor in consideration.

NOTE 9 – INVESTMENT IN ASSOCIATED COMPANIES

The Company has a 49% investment in two private companies, Cheona Metals Inc. and Cheona Health Inc., which are classified as long-term investments. As the Company owns a 49% interest in each entity and maintains significant influence, but not control, the Company accounts for these investments under the equity method.

The following table is a reconciliation of the investment in Cheona Metals Inc.:

Investment in Cheona Metals Inc.	
Balance at July 31, 2021	\$ 36,785
Additions	14,700
Share of loss	(7,401)
Balance at April 30, 2022	\$ 44,084

The following table summarizes Cheona Metals Inc.'s statement of financial position:

As at October 31, 2021	
Current assets	\$ 33,863
Current liabilities	(57,500)
Net liabilities at April 30, 2022	\$ (23,637)

The following table summarizes Cheona Metals Inc.'s income and expenses for the period:

For the period ended April 30, 2022	
Income	\$ -
Expenses	(15,069)
Income for the period	\$ (15,069)

FIRST TELLURIUM CORP.
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NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 9 – INVESTMENT IN ASSOCIATED COMPANIES *(continued)*

The following table summarizes Cheona Health Inc.'s statement of financial position:

As at April 30, 2022	
Current assets	\$ 550
Current liabilities	(12,424)
Net Liabilities at April 30, 2022	\$ (11,874)

NOTE 10 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at April 30, 2022	As at July 31, 2021
Trade payables	\$ 18,576	\$ 85,230
Other accrued liabilities	44,585	101,301
Total	\$ 63,161	\$ 186,531

NOTE 11 – LOANS PAYABLE

In fiscal 2016 the Company issued debenture loans in the principal amount of \$182,000. The loans bear an annual interest rate of 10% and matured on March 2, 2021. The Company recorded interest expense of \$13,182 (2021 - \$13,182) for the nine months ended April 30, 2022 in relation to the accrued interest on the debenture loans and is included in accounts payable and accrued liabilities.

In fiscal 2018, the Company made the required interest payments under the loan agreements, however the Company has not received a waiver of the previous breach of terms, accordingly, the loans are presented as current. Interest payments for the further periods remain outstanding. The Company is therefore currently in default for interest payments due.

In fiscal 2022, the Company received other unsecured loans of \$27,000, which have been repaid in full.

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 12 – SHARE CAPITAL *(continued)*

a) **Authorized:** An unlimited number of common shares without par value.

b) **Share issuance:**

Fiscal 2022

On October 15, 2021, the Company completed the first tranche of a non-brokered private placement, issuing 5,825,000 units at a price of \$0.08 per unit for total proceeds of \$466,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.12 per share for a period of two years. No value was attributed to the warrant portion of the units.

On November 2, 2021, the Company completed the second tranche of a non-brokered private placement, issuing 6,350,000 units at a price of \$0.08 per unit for total proceeds of \$508,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.12 per share for a period of two years. No value was attributed to the warrant portion of the units.

On November 16, 2021, the Company completed the third tranche of a non-brokered private placement, issuing 3,000,000 units at a price of \$0.08 per unit for total proceeds of \$240,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.12 per share for a period of two years. No value was attributed to the warrant portion of the units.

On November 26, 2021, the Company completed the fourth and final tranche of a non-brokered private placement, issuing 7,375,000 units at a price of \$0.08 per unit for total proceeds of \$590,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.12 per share for a period of two years. No value was attributed to the warrant portion of the units. The Company incurred \$3,525 in share issuance costs in connection with the private placement.

On December 30, 2021, the Company completed a non-brokered private placement, issuing 400,000 flow-through units at a price of \$0.35 per unit for total proceeds of \$140,000. Each unit consisted of one flow-through common share and one common share purchase warrant exercisable at \$0.45 per share for a period of two years. No value was attributed to the warrant portion of the units.

Fiscal 2021

On November 6, 2020, the Company completed a debt settlement transaction, issuing 1,000,000 units to settle debt of \$50,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of two years. The common shares were issued with a fair value of \$65,000 and the warrants were issued with a fair value of \$59,277. The Company recognized a loss of \$74,277 on the settlement of debt.

On November 6, 2020, the Company completed the first tranche of a non-brokered private placement, issuing 1,600,000 units at a price of \$0.05 per unit for total proceeds of \$80,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of two years. No value was attributed to the warrant portion of the units.

On December 11, 2020, the Company completed the second and final tranche of a non-brokered private placement, issuing 1,200,000 units at a price of \$0.05 per unit for total proceeds of \$60,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of two years. No value was attributed to the warrant portion of the units.

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 12 – SHARE CAPITAL *(continued)*

b) **Share issuance: (continued)**

On June 1, 2020, the Company completed a non-brokered private placement, issuing 2,000,000 units at a price of \$0.06 per unit for total proceeds of \$120,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.10 per share for a period of two years. No value was attributed to the warrant portion of the units.

c) **Share-based compensation:**

The Company is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company, on a rolling basis. Options may be granted at an exercise price of no less than a 25% discount of the market price on the date of the grant, or such higher price as determined by the board of directors. Options can be granted for a maximum term of ten years. Vesting may be set on an individual basis as determined by the board of directors.

As at April 30, 2022, all outstanding stock options were vested and exercisable, with a weighted average exercise price of \$0.11.

The continuity for stock options for the period ended April 30, 2022, is as follows:

Number outstanding July 31, 2021	Granted	Exercised	Expired/Cancelled	Number outstanding April 30, 2022	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
850,000	-	(100,000)	-	750,000	\$0.14	April 5, 2028	5.69
100,000	-	(100,000)	-	-	\$0.05	January 27, 2030	-
1,050,000	-	-	-	1,050,000	\$0.10	March 6, 2030	7.58
150,000	-	-	-	150,000	\$0.10	August 6, 2030	8.02
-	850,000	(200,000)	-	650,000	\$0.11	October 4, 2031	9.17
-	700,000	-	-	700,000	\$0.11	October 18, 2031	9.17
2,150,000	1,550,000	(400,000)	-	3,300,000	\$0.11	<i>(weighted average)</i>	7.82
				Exercisable			
	\$0.11	\$0.10	-	3,300,000	\$0.11	<i>(weighted average)</i>	-

The continuity for stock options for the period ended April 30, 2021, is as follows:

Number outstanding July 31, 2020	Granted	Exercised	Expired/Cancelled	Number outstanding April 30, 2021	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
120,000	-	-	-	120,000	\$0.25	June 16, 2021	0.14*
850,000	-	-	-	850,000	\$0.14	April 5, 2028	6.94
100,000	-	-	-	100,000	\$0.05	January 27, 2030	8.46
1,050,000	-	-	-	1,050,000	\$0.10	March 6, 2030	8.83
-	150,000	-	-	150,000	\$0.10	August 6, 2030	9.27
2,120,000	-	-	-	2,270,000	\$0.12	<i>(weighted average)</i>	7.68
				Exercisable			
	\$0.12	\$0.10	-	2,270,000	\$0.12	<i>(weighted average)</i>	-

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 12 – SHARE CAPITAL *(continued)*

c) Share-based compensation: (continued)

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.

Fiscal 2022

During the period ended April 30, 2022, the Company recorded \$147,327 in share based compensation pursuant to options granted.

The fair value of 850,000 options granted on October 4, 2021 with an exercise price of \$0.11 was determined using a risk free interest rate of 0.02%, an expected volatility of 180%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of \$84,622 or \$0.11 per option.

The fair value of 700,000 options granted on October 18, 2021 with an exercise price of \$0.11 was determined using a risk free interest rate of 0.02%, an expected volatility of 180%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of \$62,705 or \$0.11 per option.

Fiscal 2021

During the period ended January 31, 2021, the Company recorded \$17,169 in share based compensation pursuant to options granted.

The fair value of 150,000 options granted on August 6, 2020 with an exercise price of \$0.10 was determined using a risk free interest rate of 0.12%, an expected volatility of 177%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of \$17,169 or \$0.11 per option.

FIRST TELLURIUM CORP.
(formerly Deer Horn Capital Inc.)
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended April 30, 2022

NOTE 12 – SHARE CAPITAL (continued)

d) **Share-purchase warrants:**

The continuity for share purchase warrants for the period ended April 30, 2022 is as follows:

Number outstanding July 31, 2021	Granted	Exercised	Expired/Cancelled	Number outstanding April 30, 2022	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
2,182,500	-	(2,082,500)	(100,000)	-	\$0.10	January 27, 2022	-
1,300,000	-	(1,300,000)	-	-	\$0.10	February 26, 2022	-
1,600,000	-	(1,600,000)	-	-	\$0.10	February 19, 2022	-
2,300,000	-	(2,300,000)	-	-	\$0.10	February 19, 2022	-
3,050,000	-	(2,750,000)	(300,000)	-	\$0.10	March 13, 2022	-
2,000,000	-	(1,425,000)	-	575,000	\$0.10	June 1, 2022	0.09
1,000,000	-	-	-	1,000,000	\$0.10	November 6, 2022	0.59
1,600,000	-	(1,000,000)	-	600,000	\$0.10	November 6, 2022	0.59
1,200,000	-	-	-	1,200,000	\$0.10	December 11, 2022	0.62
-	5,825,000	-	-	5,825,000	\$0.12	October 19, 2023	1.42
-	6,350,000	-	-	6,350,000	\$0.12	October 29, 2023	1.67
-	3,000,000	-	-	3,000,000	\$0.12	November 24, 2023	1.70
-	7,375,000	-	-	7,375,000	\$0.12	November 26, 2023	1.70
-	400,000	-	-	400,000	\$0.45	December 30, 2023	1.73
16,232,500	22,950,000	(12,457,500)	(400,000)	26,325,000	\$0.12	(weighted average)	1.46
\$0.10	\$0.13	\$0.10	\$0.10	Exercisable 26,325,000	-	-	-

The continuity for share purchase warrants for the period ended April 30, 2021 is as follows:

Number outstanding July 31, 2020	Granted	Exercised	Expired/Cancelled	Number outstanding April 30, 2021	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
2,182,500	-	-	-	2,182,500	\$0.10	January 27, 2022	0.75
3,050,000	-	-	-	3,050,000	\$0.10	March 13, 2022	0.87
1,300,000	-	-	-	1,300,000	\$0.10	February 26, 2022	0.83
1,600,000	-	-	-	1,600,000	\$0.10	February 19, 2022	0.81
2,300,000	-	-	-	2,300,000	\$0.10	February 19, 2022	0.81
2,000,000	-	-	-	2,000,000	\$0.10	June 1, 2022	1.09
-	1,000,000	-	-	1,000,000	\$0.10	November 6, 2022	1.59
-	1,600,000	-	-	1,600,000	\$0.10	November 6, 2022	1.59
-	1,200,000	-	-	1,200,000	\$0.10	December 11, 2022	1.62
100,000	-	-	100,000	-	-	August 3, 2020	-
100,000	-	-	100,000	-	-	August 13, 2020	-
41,000	-	-	41,000	-	-	August 29, 2020	-
12,673,500	3,800,000	-	(241,000)	16,232,500	\$0.10	(weighted average)	0.99
\$0.29	\$0.10	-	-	Exercisable 16,232,500	-	-	\$0.10

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NOTE 13 – RELATED PARTY TRANSACTIONS

- a) The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers, directors or close family members of those individuals as follows:

Name	Nature of transactions
Docherty Capital Corp. (Tyrone Docherty)	Management fees charged as CEO, expense allowances, share-based compensation
Saulnier Business Consulting LLP (Pamela Saulnier)	Management fees charged as CFO, expense allowances, share-based compensation
Josef Fogarassy	Consulting fees charged by a director, expense allowances, share-based compensation
Allen Schwabe	Directors fees
Matt Wayrynen	Directors fees

The Company incurred the following fees with individuals and / or companies owned, or partially owned, by key management which the Company defines as officers and directors.

For the period ended	April 30, 2022	Jan. 31, 2021
Management fees CEO	\$ 105,000	\$ 67,500
Management fees CFO	24,000	22,500
Directors fees	-	10,000
Consulting fees	45,000	45,000
Rent (included in office and miscellaneous)	13,500	13,500
Share-based compensation	44,000	-
Total	\$ 231,500	\$ 158,500

The Company owes amounts to key management personnel and other related parties as follows:

Nine months ended April 30,	2022	2021
Due to key management or companies controlled by key management personnel	\$ 3,000	\$ 312,113
Total	\$ 3,000	\$ 312,113

Balances owed to related parties are unsecured and non-interest bearing.

During fiscal 2021, the Company settled related party debt of \$50,000 by way of issuance of units with a fair value of \$124,277, resulting in a loss on settlement of debt of \$74,277. The terms of the units and measurement of compensatory warrants are described in Note 13.

NOTE 14 – SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets in Canada and the United States, as described in note 8. The total assets attributable to the geographical locations relate primarily to equipment and reclamation deposits in Canada.

NOTE 15 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value (“FV”) 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 in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices); and

Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company’s financial instruments consist of cash, receivables, reclamation deposit, accounts payable and accrued liabilities, loans payable and due to related parties.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, reclamation deposit, accounts payable and accrued liabilities, loans payable and due to related parties approximate their fair value because of the short term nature of these instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company’s exposure to credit risk includes cash, receivables and deposits. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company’s receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

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NOTE 15 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances or debt financings. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company has cash balances and debt. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk.

Commodity price risk

The Company is nominally exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 16 – CAPITAL MANAGEMENT

The Company manages common shares, stock options, and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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 the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

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

The Company does not pay out dividends at this time. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. Cash consists of cash on hand, balances with banks and investments in highly liquid instruments, if any. The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents as the fair value approximates carrying value. There have been no changes to the Company's approach to capital management during the period ended April 30, 2022. The Company is not subject to externally imposed capital requirements.

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NOTE 17 – SUBSEQUENT EVENTS

Subsequent to April 30, 2022, the Company:

- a) Issued 900,000 common shares upon exercise of common share purchase warrants at \$0.10 per warrant share; and