

**SPEARMINT RESOURCES INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
January 31, 2022 and 2021

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Spearmint Resources Inc.

### *Opinion*

We have audited the accompanying consolidated financial statements of Spearmint Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of \$1,913,665 during the year ended January 31, 2022 and has an accumulated deficit of \$6,823,235 since its inception. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

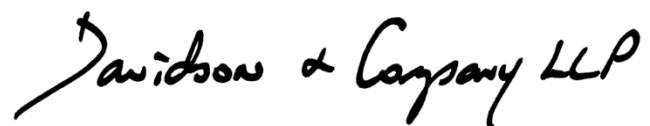
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

A handwritten signature in black ink that reads "Davidson & Coysany LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

May 27, 2022

**SPEARMINT RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

<u><b>ASSETS</b></u>	January 31, <u>2022</u>	January 31, <u>2021</u>
<b>Current assets</b>		
Cash and cash equivalents – Note 4	\$ 2,330,214	\$ 1,962,170
Receivables	34,433	3,961
Prepaid expenses	8,945	4,849
<b>Total current assets</b>	2,373,592	1,970,980
<b>Non-current assets</b>		
Security deposits – Note 5	16,121	12,667
Exploration and evaluation assets – Note 5	3,153,848	1,998,127
<b>Total assets</b>	\$ 5,543,561	\$ 3,981,774
<u><b>LIABILITIES</b></u>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities – Notes 6 and 12	\$ 720,705	\$ 270,309
Flow-through share premium liability – Note 7	61,476	9,204
<b>Total current liabilities</b>	782,181	279,513
<u><b>SHAREHOLDERS' EQUITY</b></u>		
Share capital – Note 8	9,990,999	7,669,335
Reserves – Note 8	1,593,616	942,496
Accumulated deficit	(6,823,235)	(4,909,570)
<b>Total shareholders' equity</b>	4,761,380	3,702,261
<b>Total liabilities and shareholders' equity</b>	\$ 5,543,561	\$ 3,981,774

Nature and Continuance of Operations – Note 1  
Subsequent Events – Notes 5 and 16

APPROVED BY THE DIRECTORS:

“James Nelson”                      Director  
James Nelson

“Dennis Aalderink”                      Director  
Dennis Aalderink

The accompanying notes form an integral part of these consolidated financial statements.

**SPEARMINT RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF LOSS & COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

	Years ended January 31,	
	<u>2022</u>	<u>2021</u>
<b>Operating expenses</b>		
Consulting fees	\$ 66,000	\$ 36,000
Corporate branding	491,782	241,355
Management and directors' fees – Note 12	93,500	7,500
Investor relations	-	11,777
Office and miscellaneous	53,281	53,440
Professional fees – Note 12	102,906	55,456
Resource expenses	4,617	-
Share-based payments – Notes 8 and 12	866,759	148,849
Shareholder information	30,433	39,195
Transfer agent and filing fees	28,644	24,946
Travel	20,409	-
	<u>(1,758,331)</u>	<u>(618,518)</u>
Interest income	7,993	203
Gain on settlement of accounts payable	120	569
Loss on sale of exploration and evaluation assets – Note 5	-	(170,124)
Other income on settlement of flow-through share premium – Note 7	197,728	8,582
Write-down of exploration and evaluation assets – Note 5	(361,175)	-
	<u>(155,334)</u>	<u>(160,770)</u>
<b>Net loss and comprehensive loss for the year</b>	<u>\$ (1,913,665)</u>	<u>\$ (779,288)</u>
Loss per share - basic and diluted - Note 9	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding - basic and diluted - Note 9	<u>248,426,714</u>	<u>178,256,030</u>

The accompanying notes form an integral part of these consolidated financial statements.

**SPEARMINT RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

	Years ended January 31,	
	<u>2022</u>	<u>2021</u>
<b>Operating Activities</b>		
Loss for the year	\$ (1,913,665)	\$ (779,288)
Adjustments for non-cash items:		
Gain on settlement of accounts payable	(120)	(569)
Other income on settlement of flow-through share premium liability	(197,728)	(8,582)
Realized loss on sale of exploration and evaluation assets	-	170,124
Share-based payments	866,759	148,849
Write-down of exploration and evaluation assets	361,175	-
Changes in non-cash working capital items:		
Receivables	(30,472)	(2,093)
Prepaid expenses	(4,096)	(4,849)
Accounts payable and accrued liabilities	(52,766)	(257,448)
<b>Cash used in operating activities</b>	<u>(970,913)</u>	<u>(733,856)</u>
<b>Investing Activities</b>		
Proceeds from sale of exploration and evaluation assets	-	25,000
Exploration and evaluation assets	(783,614)	(488,329)
Security deposits	(3,454)	(938)
<b>Cash used in investing activities</b>	<u>(787,068)</u>	<u>(464,267)</u>
<b>Financing Activities</b>		
Proceeds from issuance of share capital	2,192,637	3,045,867
Share issue costs	(66,612)	(37,127)
<b>Cash provided by financing activities</b>	<u>2,126,025</u>	<u>3,008,740</u>
Increase in cash and cash equivalents during the year	368,044	1,810,617
Cash and cash equivalents, beginning of the year	<u>1,962,170</u>	<u>151,553</u>
<b>Cash and cash equivalents, end of the year</b>	<u>\$ 2,330,214</u>	<u>\$ 1,962,170</u>

Supplemental Disclosure with Respect to Cash Flows (Note 15)

The accompanying notes form an integral part of these consolidated financial statements.

**SPEARMINT RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian Dollars)

	No. of shares	Amounts	Reserves	Accumulated deficit	Total
<b>Balance, January 31, 2020</b>	162,295,847	\$ 4,490,214	\$ 851,814	\$ (4,130,282)	\$ 1,211,746
Shares issued for private placement	22,733,474	699,790	-	-	699,790
Share issue costs	-	(37,127)	-	-	(37,127)
Broker warrants issued for private placement	-	(70,972)	70,972	-	-
Share purchase warrants exercised	31,421,531	2,029,054	(7,977)	-	2,021,077
Stock options exercised	6,500,000	325,000	-	-	325,000
Transfer of reserve on options exercised	-	121,162	(121,162)	-	-
For exploration and evaluation assets	2,000,000	130,000	-	-	130,000
Stock options issued	-	-	148,849	-	148,849
Flow-through share premium liability	-	(17,786)	-	-	(17,786)
Loss for the year	-	-	-	779,288)	(779,288)
<b>Balance, January 31, 2021</b>	224,950,852	7,669,335	942,496	(4,909,570)	3,702,261
Shares issued for private placement	5,000,000	1,000,000	-	-	1,000,000
Share issue costs	-	(66,612)	-	-	(66,612)
Share purchase warrants exercised	17,202,731	902,246	(42,109)	-	860,137
Stock options exercised	5,800,000	332,500	-	-	332,500
Transfer of reserve on options exercised	-	173,530	(173,530)	-	-
For exploration and evaluation assets	2,000,000	230,000	-	-	230,000
Stock options issued	-	-	866,759	-	866,759
Flow-through share premium liability	-	(250,000)	-	-	(250,000)
Loss for the year	-	-	-	(1,913,665)	(1,913,665)
<b>Balance, January 31, 2022</b>	254,953,583	\$ 9,990,999	\$ 1,593,616	\$ (6,823,235)	\$ 4,761,380

The accompanying notes form an integral part of these consolidated financial statements.



**SPEARMINT RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
January 31, 2022

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Spearmint Resources Inc. (the “Company”) was incorporated under the Business Corporations Act of British Columbia, Canada on September 23, 2009. The Company is an exploration stage public company and is listed on the Canadian Securities Exchange (the “CSE”) under the symbol “SPMT”. The Company’s principal business activities include acquiring and exploring exploration and evaluation assets. At January 31, 2022, the Company had exploration and evaluation assets located in Canada and the United States.

The Company’s head office and principal business address is located at 2905 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1K8. The Company’s registered and records office is located at 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

These consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At January 31, 2022, the Company had not yet achieved profitable operations, incurred a net loss of \$1,913,665 during the year ended January 31, 2022 and has an accumulated deficit of \$6,823,235 since its inception. The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company may require additional financing in order to conduct the planned work programs on its exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

**2. BASIS OF PREPARATION**

**a) Statement of Compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2022.

**2. BASIS OF PREPARATION (continued)**

**b) Basis of Measurement**

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments measured at fair value.

These consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currency.

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout these consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These 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.

*Critical accounting estimates*

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Whether or not an impairment has occurred in its exploration and evaluation assets;
- The inputs used in the accounting for share-based payments expense; and
- The inputs used in the accounting for finders' warrants and compensation options in share capital and equity reserves.

*Judgments*

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. The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as discussed in Note 1.

**2. BASIS OF PREPARATION (continued)**

**c) Basis of Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

**d) Subsidiaries**

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The principal subsidiaries of the Company as of January 31, 2022 are as follows:

<b>Name of subsidiary</b>	<b>Place of Incorporation</b>	<b>Ownership Interest January 31, 2022</b>	<b>Ownership Interest January 31, 2021</b>
1177905 B.C. Ltd.	Canada	100%	100%
Mathers Lithium Corp.	U.S.A.	100%	100%

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

**a) Financial instruments**

**Classification**

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**a) Financial instruments (continued)**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity instruments that are held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

Under IFRS 9, the Company classifies its financial instruments as follows:

Cash and cash equivalents	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

**Measurement**

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**a) Financial instruments (continued)**

**Financial assets at amortized cost**

These assets are subsequently measured at amortized costs using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income (“OCI”) and are never reclassified to profit or loss.

**Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Impairment of financial instruments**

The Company assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost, and debt investments at FVOCI, the Company applies the expected credit loss impairment model. On adoption of the expected credit loss model there was no material adjustment.

An expected credit loss impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**b) Exploration and evaluation assets**

*Pre-exploration costs*

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred.

*Exploration and evaluation expenditures*

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed as incurred.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of loss and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

**c) Impairment of tangible and intangible assets**

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

An impairment loss is charged to profit or loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

**d) Rehabilitation provision**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any significant rehabilitation obligations.

**e) Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e) Income taxes (continued)**

date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**f) Flow-through shares**

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital.

Upon expenses being renounced and incurred, the Company derecognizes the liability and the premium is recognized as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

**g) Share-based payment transactions**

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment, using the Black-Scholes option pricing model.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h) Valuation of equity units issued in private placements**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a warrant reserve.

**i) Investment tax credit**

Investment tax credits are recorded as either a reduction of the cost of applicable assets or credited in the statement of loss and comprehensive loss depending on the nature of the expenditures which gave rise to the credits. Claims for tax credits are accrued upon the Company attaining reasonable assurance of collections from the Canada Revenue Agency.

**j) Earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing the net income or loss attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share is calculated by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

**4. CASH AND CASH EQUIVALENTS**

The Company's cash and cash equivalents are denominated in Canadian Dollars and include the following components:

	January 31, <u>2022</u>	January 31, <u>2021</u>
Cash at bank	\$ 2,295,714	\$ 1,927,670
Short-term deposits	34,500	34,500
	<hr/>	<hr/>
	\$ 2,330,214	\$ 1,962,170
	<hr/>	<hr/>

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**5. EXPLORATION AND EVALUATION ASSETS**

	BC EL N. Nickel- Copper Prospects	BC NEBA Copper Gold Prospects	BC Safari Copper Gold Property	BC Hammerose Gold Property	BC Gold Triangle Prospects	NL Goose Gold Propert	On Carscallen W Gold Project	ON Case Lake South Cesium Prospect	ON Escape Lake North PGM Prospect	ON River Valley E. Platinum Palladium Prospect	QC Chibougama Vanadium Prospects	QC Perron E.Gold Prospect	NV Elon and McGee Lithium Properties	NV Green Clay Lithium	Total
Balance, January 31, 2020	\$ 3,547	\$ 227,073	\$ 30,751	\$ 14,120	\$ 234,050	\$ -	\$ -	\$ -	\$ -	\$ 4,850	\$ 96,651	\$ 1,372	\$ 934,994	\$ -	\$ 1,547,408
Acquisition costs															
Staking costs	-	-	-	1,966	-	-	2,450	7,050	3,950	-	-	4,543	-	-	19,959
Share issuance	-	-	-	-	-	130,000	-	-	-	-	-	-	-	-	130,000
Proceeds from sale	-	(25,000)	-	-	-	-	-	-	-	-	-	-	-	-	(25,000)
Deferred exploration expenditures															
Assay	-	-	-	2,932	-	-	-	-	-	-	-	-	17,246	-	20,178
Claim maintenance fees	-	-	-	-	-	-	-	-	-	-	-	-	13,618	-	13,618
Drilling	-	-	-	-	-	-	-	-	-	-	-	-	236,490	-	236,490
Geological consulting	-	-	-	2,250	-	9,100	-	-	-	-	-	-	40,444	-	51,794
Reclamation	-	-	-	-	-	-	-	-	-	-	-	-	6,551	-	6,551
Sampling	-	-	-	10,944	-	7,728	-	-	-	-	-	-	-	-	18,672
Survey	-	-	-	-	-	-	-	-	-	-	-	107,023	-	-	107,023
Travel	-	-	-	8,035	-	3,150	-	-	-	-	-	12,890	17,483	-	41,558
Loss on sale of exploration and evaluation assets	-	(170,124)	-	-	-	-	-	-	-	-	-	-	-	-	(170,124)
Balance, January 31, 2021	3,547	31,949	30,751	40,247	234,050	149,978	2,450	7,050	3,950	4,850	96,651	125,828	1,266,826	-	1,998,127
Acquisition costs															
Staking costs & Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	260,000	260,000
Deferred exploration expenditures															
Assay	-	-	-	-	-	-	-	-	-	-	-	4,219	2,474	-	6,693
Claim maintenance fees	-	-	-	-	-	-	-	-	-	-	-	-	13,002	22,205	35,207
Drilling	-	-	-	-	-	-	-	-	-	-	-	635,106	289,596	-	924,702
Geological consulting	-	-	-	-	-	-	-	-	9,600	-	-	8,656	35,442	-	53,698
Geological report	-	-	-	-	-	4,140	-	-	485	-	-	-	45,873	-	50,498
Survey	-	-	-	-	-	25,571	-	-	-	-	-	103,496	-	-	129,067
Testing	-	-	-	-	-	-	-	-	-	-	-	-	8,561	-	8,561
Travel	-	-	-	-	2,500	-	-	-	5,646	-	212	18,102	22,010	-	48,470
Write-down of exploration & evaluation assets	(3,547)	(31,949)	(30,751)	(40,247)	(236,550)	-	(2,450)	(7,050)	-	(4,850)	(3,781)	-	-	-	(361,175)
Balance, January 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,689	\$ -	\$ -	\$ 19,681	\$ -	\$ 93,082	\$ 895,407	\$ 1,683,784	\$ 282,205	\$ 3,153,848

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

BC EL North Nickel-Copper Prospects - Staking

In September 2017, the Company acquired a 100% interest in certain mineral claims (the “EL North and EL North 2 Nickel-Copper Prospects”) located in the Golden Triangle of British Columbia for staking costs of \$2,892. During the year ended January 31, 2020, the Company decided to drop these claims. Accordingly, previous acquisition costs of \$2,892 and exploration costs of \$14,563 were written off.

In March and September 2019, the Company acquired a 100% interest in certain mineral claims (the “EL North 3 Nickel-Copper Prospects” and the “EL North 1 Nickel-Copper Prospects”) located in the Golden Triangle Gold District of British Columbia for staking costs of \$280 and \$466, respectively.

During the year ended January 31, 2022, the Company decided to drop this property and fully wrote off prior capitalized costs of \$3,547.

BC NEBA Copper-Gold Prospects - Staking and Purchase Agreement

In September 2017, the Company acquired a 100% interest in certain mineral claims (the "NEBA Copper-Gold Prospect") located in the Golden Triangle Gold District of British Columbia for staking costs of \$2,162.

In August 2018, the Company acquired a 100% interest in certain mineral claims located in the Golden Triangle Gold District in British Columbia for staking costs of \$651. During the year ended January 31, 2020, the Company decided to drop these claims. Accordingly, previous staking costs of \$651 were written off.

On October 5, 2018, the Company entered into a share purchase agreement (the “SPA”) with two arm’s length vendors (the “Vendors”) to purchase 100% of the issued and outstanding shares of 1177905 B.C. Ltd., which holds a 100% interest in certain mineral claims in B.C. (the "NEBA Copper-Gold Prospects", the "Nickle N. Property", and the "Gold Triangle Prospects"). The acquisition has been accounted for as an asset acquisition. In consideration, the Company issued 18,000,000 shares (issued at a value of \$540,000) to the Vendors pursuant to the SPA. 1177905 B.C. Ltd. became a wholly owned subsidiary of the Company. The acquisition costs had been split evenly between these properties.

On September 14, 2020, the Company entered into a letter agreement with Enduro Metals Corporation, an arm’s length party, to sell certain mineral claims of its NEBA Prospects to Enduro Metals for \$25,000. The Company recognized a realized loss of \$170,124 during the year ended January 31, 2021.

During the year ended January 31, 2022, the Company decided to drop this property and fully wrote off prior capitalized costs of \$31,949.

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

BC Safari Copper-Gold Property - Staking

In October 2018, the Company acquired a 100% interest in certain mineral claims located in the northern Quesnel Trough in north-central British Columbia for staking costs of \$6,381.

During the year ended January 31, 2022, the Company decided to drop this property and fully wrote off prior capitalized costs of \$30,751.

BC Hammernose Gold Property - Staking

In October 2018, the Company acquired a 100% interest in certain mineral claims in the Spences Bridge gold belt located in southern British Columbia for staking costs of \$3,640.

In July 2019, the Company acquired a 100% interest in certain mineral claims to increase the size of the Hammernose Gold Property for staking costs of \$546.

In July 2020, the Company acquired a 100% interest in certain mineral claims to increase the size of the Hammernose Gold Property for staking costs of \$1,966.

Subsequent to January 31, 2022, the Company decided to drop this property and fully wrote off prior capitalized costs of \$40,247 as of January 31, 2022.

BC Gold Triangle Prospects - Staking and Purchase Agreement

In July 2017, the Company acquired a 100% interest in certain mineral claims (the “Gold Triangle Prospects”) located in the Golden Triangle Gold District in British Columbia for staking costs of \$2,900.

Under the SPA, the Company indirectly acquired a 100% interest in certain mineral claims in British Columbia.

In July 2019, the Company acquired a 100% interest in certain mineral claims (the “Prickle Claims”) located in the Golden Triangle Gold District of British Columbia for staking costs of \$3,527.

During the year ended January 31, 2020, the Company decided to drop certain mineral claims. Accordingly, previous acquisition costs of \$632 and exploration costs of \$4,488 associated with these claims were written off.

During the year ended January 31, 2022, the Company decided to drop this property and fully wrote off prior capitalized costs of \$236,550.

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

ON Carscallen West Gold Project - Staking

In May 2020, the Company acquired a 100% interest in certain mineral claims (the “Carscallen West Gold Project”) located in the Abitibi Greenstone belt in Ontario for staking costs of \$2,450.

Subsequent to January 31, 2022, the Company decided to drop this property and fully wrote off staking costs of \$2,450.

ON Case Lake South Cesium Prospect - Staking

During the year ended January 31, 2021, the Company acquired a 100% interest in certain mineral claims (the “Case Lake South Cesium Prospect”) located in the Larder Lake Mining Division in Northeast Ontario for staking costs of \$7,050.

Subsequent to January 31, 2022, the Company decided to drop this property and fully wrote off staking costs of \$7,050.

ON Escape Lake North PGM Project - Staking

In May 2020, the Company acquired a 100% interest in certain mineral claims (the “Escape Lake North PGM Project”) located north of Thunder Bay, Ontario, for staking costs of \$3,950.

As at January 31, 2022, the Company had incurred a total of \$15,731 in exploration costs on this property.

ON River Valley East Platinum-Palladium Prospect - Staking

In January 2020, the Company acquired a 100% interest in certain mineral claims (the “River Valley E. Platinum-Palladium Prospect”), all located in northern Ontario for staking costs of \$4,850.

Subsequent to January 31, 2022, the Company decided to drop this property and fully wrote off staking costs of \$4,850.

NL Goose Gold Property - Purchase Agreement

On August 10, 2020, the Company entered into a purchase agreement with arm’s length vendors to acquire a 100% interest in certain mineral claims (the “Goose Gold Project”) located in Newfoundland, Canada. In consideration, the Company issued 2,000,000 shares (issued at a value of \$130,000) to the vendors. The vendors will retain a 2.5% NSR Royalty on this property. The Company will have the right to purchase 0.25% of the royalty for \$250,000 any time prior to the commencement of commercial production.

As at January 31, 2022, the Company had incurred a total of \$49,689 in exploration costs on this property.

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

QC Chibougamau Vanadium Prospects - Staking

In June 2017, the Company acquired a 100% interest in certain mineral claims (the “Chibougamau Vanadium Prospects”), all located in the direct vicinity of Lac Chibougamau, Quebec for staking costs of \$4,550. During the year ended January 31, 2020, the Company decided not to continue with certain mineral claims and allowed them to lapse when they became due. Accordingly, prior acquisition costs of \$769 and exploration costs of \$14,710 associated with these claims had been written off during the period. Subsequent to January 31, 2022, the Company decided to drop certain mineral claims and fully wrote off staking costs of \$3,781 associated with these claims.

In December 2018 and January 2019, the Company acquired a 100% interest in certain mineral claims to increase the holdings in its Chibougamau Vanadium Prospects for aggregate staking costs of \$3,031. In February 2019, the Company acquired a 100% interest in certain mineral claims to increase the acreage in the Chibougamau Vanadium district in Quebec for staking costs of \$457.

As at January 31, 2022, the Company had incurred a total of \$89,594 in exploration costs on the remaining claims of this property.

QC Perron-East Gold Prospects - Staking

In September 2019, the Company acquired a 100% interest in certain mineral claims (the “Perron-East Gold Prospects”), all located in the Abitibi greenstone belt of northwestern Quebec for staking costs of \$1,372.

In February and June 2020, the Company acquired a 100% interest in certain mineral claims in Quebec to increase the holdings in its Perron East Gold Prospects for staking costs of \$4,543.

As at January 31, 2022, the Company had incurred a total of \$889,492 in exploration costs on this property.

Nevada Elon and McGee Properties - Purchase Agreement

On July 12, 2016, the Company entered into a share purchase agreement (the “Agreement”) with five arm’s length vendors (the “Vendors”) to purchase 100% of the issued and outstanding common shares of 1074942 B.C. Ltd., which through its wholly-owned subsidiary Mathers Lithium Corp. (a Nevada corporation) holds a 100% interest in certain lithium mineral claims (the “Elon claims” and the “McGee claims”) in Nevada. The acquisition has been accounted for as an asset acquisition. In consideration for the net assets acquired, the Company issued 12,700,000 common shares at a value of \$444,500 to the Vendors pursuant to the Agreement. The Company issued 912,000 common shares at a value of \$31,920 as a finder’s fee and paid \$20,000 for land acquisition and \$3,903 in filing fees in connection with this transaction. The above acquisition costs were allocated to the Elon Property and the McGee Property proportionately, being \$175,113 and \$325,210, respectively.

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

Nevada Elon and McGee Properties - Purchase Agreement (continued)

On June 14, 2017, the Company assumed an additional US\$30,000 payment owed to the vendors for the McGee claims as follows: US\$10,000 by September 1, 2017 (paid) and US\$20,000 by December 31, 2017 (paid). The vendors retain an NSR of 3.75% on the McGee claims.

During the years ended January 31, 2018 and 2020, the Company provided a security deposit of \$11,098 and \$631, respectively, in relation to its McGee Properties. During the year ended January 31, 2021, the Company provided additional security deposit of \$938 in relation to its McGee Properties.

As at January 31, 2022, the Company had incurred a total of \$20,156 in claim maintenance fees on the Elon Property and \$1,124,367 in exploration costs on the McGee Property, respectively.

Nevada Green Clay Lithium Project - Option Agreement

On August 31, 2021, the Company entered into an option agreement (the “Green Clay Agreement”) with an arm’s length vendor (the “Seller”), whereby the Seller granted an option to the Company to acquire a 100% interest in certain mineral claims (the “Green Clay Lithium Project”) located in the Clayton Valley of Nevada, USA. In consideration, the Company is required to the following:

- Pay \$30,000 and issue 2,000,000 common shares (paid & issued at a value of \$230,000) to the Seller on signing the Green Clay Agreement;
- Pay \$30,000 and issue 1,000,000 common shares (paid & issued subsequently) to the Seller within six months of signing; and
- Issue 1,000,000 common shares to the Seller within the first anniversary of signing.

The Seller will retain a 1.5% NSR Royalty on this property. The Company will have the right to purchase 0.75% NSR Royalty for \$500,000 at any time up to the commencement of production.

As at January 31, 2022, the Company had incurred a total of \$22,205 in claim maintenance fees on the Green Clay Lithium Project.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities recognized in the statements of financial position consist of the following:

	January 31, <u>2022</u>	January 31, <u>2021</u>
Trade payables	\$ 701,205	\$ 250,809
Accrued liabilities	19,500	19,500
Total payables	<u>\$ 720,705</u>	<u>\$ 270,309</u>

All amounts are short-term.

**7. FLOW-THROUGH SHARE PREMIUM LIABILITY**

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Balance at January 31, 2020	\$ -
Liability incurred on flow-through shares issued	17,786
Liability derecognized due to exploration expenditures renounced to shareholders	<u>(8,582)</u>
Balance at January 31, 2021	9,204
Liability incurred on flow-through shares issued	250,000
Liability derecognized due to exploration expenditures renounced to shareholders	<u>(197,728)</u>
Balance at January 31, 2022	<u>\$ 61,476</u>

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In July 2020, the Company issued 3,557,142 flow-through units (the "FT Units") at \$0.035 per unit for gross proceeds of \$124,500. Each FT Unit consisted of one flow-through common share and one share purchase warrant. The premium received on the flow-through shares issued was determined to be \$17,786 and was recorded as a share capital reduction. An equivalent premium liability was also recorded.

During the year ended January 31, 2021, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of \$8,582 and recognized it as other income.

In May 2021, the Company issued 5,000,000 flow-through units (the "FT Units") at \$0.20 per FT Unit for gross proceeds of \$1,000,000. Each FT Unit consisted of one flow-through common share and one-half of one share purchase warrant. The premium received on the flow-through shares issued was determined to be \$250,000 and was recorded as a share capital reduction. An equivalent premium liability was also recorded.

During the year ended January 31, 2022, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of \$197,728 and recognized it as other income.



## 8. SHARE CAPITAL AND RESERVES

**Authorized:** Unlimited common shares, without par value

Issued and outstanding as at January 31, 2022 – 254,953,583 (January 31, 2021: 224,950,852)

### Private placement

*Year ended January 31, 2022:*

In May 2021, the Company closed a non-brokered private placement consisting of 5,000,000 flow-through units (the “FT Units”) at \$0.20 per FT Unit for gross proceeds of \$1,000,000. Each FT Unit consisted of one flow-through common share and one-half of one share purchase warrant (each, a “Warrant”). Each whole Warrant entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.30 per share until May 12, 2023. The Company paid legal and filing fees of \$6,612, and finders' fees of \$60,000 in connection with this private placement.

*Year ended January 31, 2021:*

In July 2020, the Company closed a non-brokered private placement consisting of 3,557,142 flow-through units (the “FT Units”) at \$0.035 per FT Unit and 19,176,332 non flow-through units (the “NFT Units”) at \$0.03 per NFT Unit for gross proceeds of \$699,790. Each FT Unit consisted of one flow-through common share and one share purchase warrant which entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.05 per share until July 29, 2025. Each NFT Unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of \$0.05 per share until July 29, 2025. The Company incurred filing and legal fees totalling \$3,384, finders' fees of \$33,743, and issued 918,106 broker warrants in connection with this private placement. Each broker warrant is exercisable at \$0.05 per share until July 29, 2025. The broker warrants were valued at \$70,972 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 180.8%, risk-free interest rate 0.32% and an expected life of five years.

### Share purchase warrants

The following is a summary of changes in share purchase warrants from January 31, 2020 to January 31, 2022:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2020	31,900,000	\$0.06
Issued	23,651,580	\$0.05
Exercised	(31,421,531)	\$0.06
Balance, January 31, 2021	24,130,049	\$0.05
Issued	2,500,000	\$0.30
Exercised	(17,202,731)	\$0.05
Expired	(200,000)	\$0.05
Balance, January 31, 2022	9,227,318	\$0.12

**8. SHARE CAPITAL AND RESERVES (continued)**

**Share purchase warrants (continued)**

As of January 31, 2022, the Company had 9,227,318 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
2,500,000	\$0.30	May 12, 2023
<u>6,727,318</u>	\$0.05	July 29, 2025
<u><u>9,227,318</u></u>		

**Share-based payments**

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of grant. The exercise price of each option granted under the plan may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount, subject to a minimum exercise price of \$0.05. Options may be granted for a maximum term of five years and vesting periods are determined by the Board of Directors. Pursuant to the regulations of the CSE, stock options may be granted outside of the stock option plan.

The following is a summary of changes in share purchase options from January 31, 2020 to January 31, 2022:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
Balance, January 31, 2020	13,050,000	\$0.05
Granted	5,000,000	\$0.06
Exercised	(6,500,000)	\$0.05
Expired	(4,500,000)	\$0.05
Balance, January 31, 2021	7,050,000	\$0.06
Granted	16,000,000	\$0.16
Exercised	(5,800,000)	\$0.06
Expired	(1,100,000)	\$0.09
Forfeited	(600,000)	\$0.16
Balance, January 31, 2022	<u><u>15,550,000</u></u>	<u><u>\$0.15</u></u>

As of January 31, 2022, 15,550,000 share purchase options were outstanding entitling the holders thereof the right to purchase one common share of the Company for each option held as follows:

**8. SHARE CAPITAL AND RESERVES (continued)**

**Share-based payments (continued)**

Number Outstanding and Exercisable	Exercise Price	Expiry Date	
250,000	\$0.05	March 13, 2022	(Note 16)
9,400,000	\$0.16	July 21, 2022	
5,900,000	\$0.15	October 19, 2022	
<u>15,550,000</u>			

During the year ended January 31, 2022, 4,800,000 stock options were exercised at a price of \$0.05 per share, 900,000 stock options were exercised at a price of \$0.085 per share, and 100,000 stock options were exercised at a price of \$0.16 per share for total proceeds of \$332,500 (year ended January 31, 2021: 6,500,000 stock options were exercised at a price of \$0.05 per share for total proceeds of \$325,000). The previously recognized share-based payment expense relating to these stock options were reclassified from share-based payment reserve to share capital in the amount of \$173,530 (year ended January 31, 2021: \$121,162).

During the year ended January 31, 2022, the Company granted 16,000,000 stock options with exercise prices ranging from \$0.15 to \$0.16 per share and expiry dates ranging from July 21, 2022 to October 19, 2022 (year ended January 31, 2021: 5,000,000 stock options were granted with exercise prices ranging from \$0.05 to \$0.085 per share and expiry dates ranging from May 15, 2021 to September 4, 2021). The weighted average fair value of the options issued in the year ended January 31, 2022 was estimated at \$0.05 per option (year ended January 31, 2021: \$0.03) at the grant date using the Black-Scholes option pricing model with the following assumptions:

	Years ended January 31,	
	<u>2022</u>	<u>2021</u>
Weighted average expected dividend yield	0.00%	0.00%
Weighted average expected volatility*	125.56%	214.89%
Weighted average risk-free interest rate	0.60%	0.28%
Weighted average expected term	1 year	1 year

\* Expected volatility has been based on historical volatility of the Company's publicly traded shares.

Total expenses arising from share-based payment transactions recognized during the year ended January 31, 2022 was \$866,759 (year ended January 31, 2021: \$148,849).

## 9. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

	Years ended January 31,	
	<u>2022</u>	<u>2021</u>
Net loss	\$ 1,913,665	\$ 779,288
Weighted average number of common shares for the purpose of basic and diluted loss per share	248,426,714	178,256,030

Basic loss per share is computed by dividing loss by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants currently issued (see Note 8) were anti-dilutive for the year ended January 31, 2022 and 2021.

Basic and diluted loss per share for the year ended January 31, 2022 was \$(0.01) (year ended January 31, 2021: \$(0.00)).

## 10. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, and accounts payable and accrued liabilities approximates their carrying values due to the short term nature of the financial instruments. The Company's cash and cash equivalents are measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

### Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at January 31, 2022, the Company has a minimal exposure to the US\$ that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. The Company considers this risk to be insignificant and therefore does not hedge its foreign exchange risk.

**10. FINANCIAL INSTRUMENTS AND RISK (continued)**

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents, and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at January 31, 2022, the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at January 31, 2022, the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Price Risk

The Company is exposed to price risk with respect to commodity prices. 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 the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by foreign exchange risk, credit risk, interest rate risk and price risk.

**11. CAPITAL DISCLOSURE**

Capital is comprised of the Company's shareholders' equity. As at January 31, 2022, the Company's shareholders' equity was \$4,761,380 (January 31, 2021: \$3,702,261) and it had current liabilities of \$782,181 (January 31, 2021: \$279,513). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt and acquire or dispose of assets. As at January 31, 2022, the Company has not entered into any debt financing with any financial institution.

**11. CAPITAL DISCLOSURE (continued)**

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended January 31, 2022.

**12. RELATED PARTY TRANSACTIONS**

*Key management personnel compensation*

Key management of the Company are directors and officers of the Company and their remuneration includes the following:

	Years ended January 31,	
	2022	2021
Management and directors' fees	\$ 93,500	\$ 7,500
Professional fees	77,500	30,000
Share-based payments*	487,720	141,738
	<u>\$ 658,720</u>	<u>\$ 179,238</u>

\*Share-based payments are the fair value of options granted to key management personnel as at the grant date.

*Related party balances*

At January 31, 2022, accounts payable and accrued liabilities include \$52,363 (January 31, 2021: \$19,428) payable to four directors and one former director of the Company for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

**13. SEGMENTAL REPORTING**

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's exploration and evaluation assets are distributed by geographic locations as below:

	January 31, <u>2022</u>	January 31, <u>2021</u>
Canada	\$ 1,187,859	\$ 731,301
U.S.A.	1,965,989	1,266,826
	<u>\$ 3,153,848</u>	<u>\$ 1,998,127</u>

#### 14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	<b>2022</b>	<b>2021</b>
Loss for the year	\$ (1,913,665)	\$ (779,288)
Expected income tax (recovery)	(517,000)	(210,000)
Change in statutory rates and other	(32,000)	(2,000)
Permanent differences	181,000	38,000
Impact of flow through share	-	34,000
Share issue costs	(18,000)	(10,000)
Adjustments to prior year provision versus statutory tax returns and expiry of non-capital losses	4,000	7,000
Change in unrecognized deductible temporary differences	382,000	143,000
	<hr/>	<hr/>
Total income tax expense	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

The significant components of the Company's unrecognized deferred tax assets are as follows:

	<b>2022</b>	<b>2021</b>
Deferred Tax Assets		
Exploration and evaluation assets	\$ 295,000	\$ 171,000
Share issue costs	21,000	11,000
Property and equipment	34,000	34,000
Non-capital losses	1,038,000	790,000
Net Unrecognized Deferred Tax Assets	\$ 1,388,000	\$ 1,006,000

No net deferred tax asset has been recognized in respect of the above for the years ended January 31, 2022 and 2021 because the amount of future taxable profit that will be available to realize such assets is not probable.

The Company has non-capital losses for Canadian income tax purposes of approximately \$3,827,000, which may be carried forward and applied against taxable income in future years. These losses, if not utilized, will expire through to 2041.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

**15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows.

*During the year ended January 31, 2022:*

- Included in accounts payable and accrued liabilities was \$530,796 for exploration and evaluation assets.
- The Company issued 2,000,000 common shares valued at \$230,000 pursuant to the Green Clay Agreement for the acquisition of the Green Clay Lithium Project.

*During year ended January 31, 2021:*

- Included in accounts payable and accrued liabilities was \$27,514 for exploration and evaluation assets.
- The Company issued 2,000,000 common shares valued at \$130,000 pursuant to the Purchase Agreement for the acquisition of the Goose Gold Property.

**16. SUBSEQUENT EVENTS**

Subsequent to January 31, 2022, the following occurred:

- 1,200,000 share purchase warrants were exercised at \$0.05 per share;
- 250,000 stock options were exercised at \$0.05 per share; and
- The Company issued 1,000,000 common shares pursuant to the Green Clay Agreement for the acquisition of the Green Clay Lithium Project.