

SPEARMINT RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

October 31, 2022

NOTICE OF NO AUDITOR REVIEW

The condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended October 31, 2022 and 2021 have not been reviewed by the Company's external auditor.

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

<u>ASSETS</u>	October 31, <u>2022</u>	January 31, <u>2022</u>
Current assets		
Cash and cash equivalents – Note 3	\$ 1,022,209	\$ 2,330,214
Receivables	21,048	34,433
Prepaid expenses	2,032	8,945
Total current assets	1,045,289	2,373,592
Non-current assets		
Security deposits – Note 4	16,121	16,121
Exploration and evaluation assets – Note 4	3,378,361	3,153,848
Total assets	\$ 4,439,771	\$ 5,543,561
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities – Notes 5 and 9	\$ 50,623	\$ 720,705
Flow-through share premium liability – Note 6	4,049	61,476
Total current liabilities	54,672	782,181
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Note 7	10,250,511	9,990,999
Reserves – Note 7	2,030,597	1,593,616
Accumulated deficit	(7,896,009)	(6,823,235)
Total shareholders' equity	4,385,099	4,761,380
Total liabilities and shareholders' equity	\$ 4,439,771	\$ 5,543,561

Nature and Continuance of Operations – Note 1
Subsequent Events – Note 4

APPROVED BY THE DIRECTORS:

“James Nelson” Director
James Nelson

“Dennis Aalderink” Director
Dennis Aalderink

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

	Three months ended October 31,		Nine months ended October 31,	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Operating expenses				
Consulting fees	\$ 16,500	\$ 16,500	\$ 49,500	\$ 49,500
Corporate branding	9,854	135,027	45,207	455,799
Management fees – Note 9	17,500	17,500	47,500	47,500
Office and miscellaneous	7,002	12,949	33,869	42,523
Professional fees – Note 9	20,040	22,023	54,433	53,196
Resource expenses	-	1,455	-	1,455
Share-based payments – Notes 7 and 9	18,254	350,304	443,993	866,759
Shareholder information	7,326	9,515	14,652	20,316
Transfer agent and filing fees	6,731	6,212	24,454	23,214
Travel	4,328	6,411	19,637	11,956
	<u>(107,535)</u>	<u>(577,896)</u>	<u>(733,245)</u>	<u>(1,572,218)</u>
Interest income	6,729	2,231	12,325	6,173
Other income on settlement of flow-through share premium – Note 6	32,180	17,206	57,427	37,964
Write-down of exploration and evaluation assets – Note 4	(409,281)	(302,797)	(409,281)	(302,797)
	<u>(370,372)</u>	<u>(283,360)</u>	<u>(339,529)</u>	<u>(258,660)</u>
Net loss and comprehensive loss for the period	<u>\$ (477,907)</u>	<u>\$ (861,256)</u>	<u>\$ (1,072,774)</u>	<u>\$ (1,830,878)</u>
Loss per share - basic and diluted - Note 8	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding - basic and diluted - Note 8	<u>257,903,583</u>	<u>252,009,126</u>	<u>257,160,360</u>	<u>246,242,238</u>

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

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

	Nine months ended October 31,	
	<u>2022</u>	<u>2021</u>
Operating Activities		
Loss for the period	\$ (1,072,774)	\$ (1,830,878)
Adjustments for non-cash items:		
Other income on settlement of flow-through share premium liability	(57,427)	(37,964)
Share-based payments	443,993	866,759
Write-down of exploration and evaluation assets	409,281	302,797
Changes in non-cash working capital items:		
Receivables	13,385	(3,049)
Prepaid expenses	6,913	4,229
Accounts payable and accrued liabilities	(140,554)	(85,913)
Cash used in operating activities	<u>(397,183)</u>	<u>(784,019)</u>
Investing Activities		
Exploration and evaluation assets	<u>(983,322)</u>	<u>(323,194)</u>
Cash used in investing activities	<u>(983,322)</u>	<u>(323,194)</u>
Financing Activities		
Proceeds from issuance of share capital	72,500	2,166,437
Share issue costs	-	(66,612)
Cash provided by financing activities	<u>72,500</u>	<u>2,099,825</u>
Change in cash and cash equivalents during the period	(1,308,005)	992,612
Cash and cash equivalents, beginning of the period	<u>2,330,214</u>	<u>1,962,170</u>
Cash and cash equivalents, end of the period	<u>\$ 1,022,209</u>	<u>\$ 2,954,782</u>

Supplemental Disclosure with Respect to Cash Flows (Note 11)

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

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

	No. of shares	Amounts	Reserves	Accumulated deficit	Total
Balance, January 31, 2021	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	16,998,731	891,273	(41,336)	-	849,937
Stock options exercised	5,700,000	316,500	-	-	316,500
Transfer of reserve on options exercised	-	182,157	(182,157)	-	-
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 period	-	-	-	(1,830,878)	(1,830,878)
Balance, October 31, 2021	254,649,583	9,972,653	1,585,762	(6,740,448)	4,817,967
Share purchase warrants exercised	204,000	10,973	(773)	-	10,200
Stock options exercised	100,000	16,000	-	-	16,000
Transfer of reserve on options exercised	-	(8,627)	8,627	-	-
Loss for the period	-	-	-	(82,787)	(82,787)
Balance, January 31, 2022	254,953,583	9,990,999	1,593,616	(6,823,235)	4,761,380
Share purchase warrants exercised	1,200,000	60,000	-	-	60,000
Stock options exercised	250,000	12,500	-	-	12,500
Transfer of reserve on options exercised	-	7,012	(7,012)	-	-
For exploration and evaluation assets	2,000,000	180,000	-	-	180,000
Stock options issued	-	-	443,993	-	443,993
Loss for the period	-	-	-	(1,072,774)	(1,072,774)
Balance, October 31, 2022	258,403,583	\$10,250,511	\$ 2,030,597	\$ (7,896,009)	\$ 4,385,099

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

SPEARMINT RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
October 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 October 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 condensed consolidated interim 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 October 31, 2022, the Company had not yet achieved profitable operations, incurred a net loss of \$1,072,774 during the nine months ended October 31, 2022 and has an accumulated deficit of \$7,896,009 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 condensed consolidated interim 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 condensed consolidated interim financial statements.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS34”) as issued by the International Accounting Standards Board (“IASB”). Therefore, these condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s most recently issued audited financial statements for the year ended January 31, 2022, which includes information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies, use of judgements and estimates were presented in Note 2 and Note 3 of these audited financial statements, and have been consistently applied in the preparation of these condensed interim consolidated financial statement.

2. BASIS OF PREPARATION (continued)

a) Statement of Compliance (continued)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on December 28, 2022.

b) Basis of Consolidation

These condensed consolidated interim 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.

c) 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 condensed consolidated interim 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 October 31, 2022 are as follows:

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

3. CASH AND CASH EQUIVALENTS

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

	<u>October 31, 2022</u>	<u>January 31, 2022</u>
Cash at bank	\$ 987,709	\$ 2,295,714
Short-term deposits	34,500	34,500
	<u>\$ 1,022,209</u>	<u>\$ 2,330,214</u>

SPEARMINT RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

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4. 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, 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
Acquisition costs															
Staking costs & Share issuance	-	-	-	-	-	-	-	-	-	-	-	-	16,490	210,000	226,490
Deferred exploration expenditures															
Assay	-	-	-	-	-	13,903	-	-	-	-	-	-	25,896	-	39,799
Claim maintenance fees	-	-	-	-	-	-	-	-	-	-	-	-	38,306	23,000	61,306
Drilling	-	-	-	-	-	215,689	-	-	-	-	-	-	14,569	-	230,258
Geological consulting	-	-	-	-	-	-	-	-	-	-	-	-	1,211	1,124	2,335
Geological report	-	-	-	-	-	-	-	-	421	-	-	-	46,863	-	47,284
Reclamation	-	-	-	-	-	-	-	-	-	-	-	-	12,080	-	12,080
Travel	-	-	-	-	-	-	-	-	-	-	-	-	11,459	2,783	14,242
Write-down of exploration & evaluation assets	-	-	-	-	-	(409,281)	-	-	-	-	-	-	-	-	(409,281)
Balance, October 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,102	\$ -	\$ 93,082	\$ 895,407	\$ 1,850,658	\$ 519,112	\$ 3,378,361

4. EXPLORATION AND EVALUATION ASSETS (continued)

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.

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. In April 2022, the Company decided to drop certain mineral claims and fully wrote off staking costs of \$3,781 associated with these claims as of January 31, 2022.

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.

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.

Nevada Elon and McGee Properties - Purchase Agreement

On July 12, 2016, the Company entered into a share purchase agreement with five arm’s length 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. In consideration for the net assets acquired, the Company issued 12,700,000 common shares at a value of \$444,500 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.

4. 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, 2020, 2021 and 2022, the Company provided a security deposit of \$11,098, \$631, \$938 and \$3,454, respectively, in relation to its McGee Property.

During the nine months ended October 31, 2022, the Company incurred a total of \$16,490 in staking costs to secure the placer and lode claims on the McGee Property.

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 at a value of \$120,000) to the Seller within six months of signing; and
- Issue 1,000,000 common shares (issued at a value of \$60,000) 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.

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 (valued at \$130,000) to the vendors.

Subsequent to October 31, 2022, the Company decided not to pursue with this property and fully wrote off previous carrying costs in the amount of \$409,281 as of October 31, 2022.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	October 31, <u>2022</u>	January 31, <u>2022</u>
Trade payables	\$ 36,720	\$ 701,205
Accrued liabilities	13,903	19,500
Total payables	<u>\$ 50,623</u>	<u>\$ 720,705</u>

All amounts are short-term.

6. FLOW-THROUGH SHARE PREMIUM LIABILITY

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	61,476
Liability derecognized due to exploration expenditures renounced to shareholders	<u>(57,427)</u>
Balance at October 31, 2022	<u>\$ 4,049</u>

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.

During the nine months ended October 31, 2022, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of \$57,427 and recognized it as other income.

7. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares, without par value

Issued and outstanding as at October 31, 2022 – 258,403,583 (January 31, 2022: 254,953,583)

Private placement

Nine months ended October 31, 2022:

During the nine months ended October 31, 2022, the Company did not close any private placement.

Nine months ended October 31, 2021:

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.

Share purchase warrants

The following is a summary of changes in share purchase warrants from January 31, 2021 to October 31, 2022:

	Number of Warrants	Weighted Average Exercise Price
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
Exercised	(1,200,000)	\$0.05
Balance, October 31, 2022	<u>8,027,318</u>	<u>\$0.13</u>

As of October 31, 2022, the Company had 8,027,318 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>5,527,318</u>	\$0.05	July 29, 2025
<u>8,027,318</u>		

7. SHARE CAPITAL AND RESERVES (continued)

Share-based payments

The Company has an Omnibus Equity Incentive Plan (the “Equity Plan”) effective December 2022, which superseded a previous stock option plan. The Equity Plan provides the grant of stock options, restricted share units, (“RSUs”), deferred share units (“DSUs”), and performance share units (“PSUs”). Under the Equity Plan, the maximum number of equity-based awards issued cannot exceed 20% of the Company’s issued and outstanding common shares, as at the date of grant.

Stock options

In accordance with the Equity Plan, the exercise price of each option granted shall not be less than the market price of the Company's stock. Options may be granted for a maximum term of ten years and vesting periods are determined by the Board of Directors.

The following is a summary of changes in share purchase options from January 31, 2021 to October 31, 2022:

	Number of Options	Weighted Average Exercise Price
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	15,550,000	\$0.15
Granted	18,550,000	\$0.08
Exercised	(250,000)	\$0.05
Expired	(15,300,000)	\$0.16
Balance, October 31, 2022	18,550,000	\$0.08

As of October 31, 2022, 18,550,000 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:

Number Outstanding and Exercisable	Exercise Price	Expiry Date
17,500,000	\$0.08	July 22, 2023
1,050,000	\$0.05	October 31, 2023
18,550,000		

7. SHARE CAPITAL AND RESERVES (continued)

Share-based payments (continued)

Stock options (continued)

During the nine months ended October 31, 2022, 250,000 stock options were exercised at a price of \$0.05 per share for total proceeds of \$12,500 (nine months ended October 31, 2021: 4,800,000 stock options were exercised at a price of \$0.05 per share and 900,000 stock options were exercised at a price of \$0.085 per share for total proceeds of \$316,500). 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 \$7,012 (nine months ended October 31, 2021: \$182,157).

During the nine months ended October 31, 2022, the Company granted 18,550,000 stock options with exercise prices ranging from \$0.05 to \$0.08 per share and expiry dates ranging from July 22, 2023 to October 31, 2023 (nine months ended October 31, 2021: 16,000,000 options were granted with exercise prices ranging from \$0.15 to \$0.16 per share and expiry dates ranging from July 21, 2022 to October 19, 2022). The weighted average fair value of the options issued in the nine months ended October 31, 2022 was estimated at \$0.02 per option (nine months ended October 31, 2021: \$0.05) at the grant date using the Black-Scholes option pricing model with the following assumptions:

	Nine months ended October 31,	
	<u>2022</u>	<u>2021</u>
Weighted average expected dividend yield	0.00%	0.00%
Weighted average expected volatility*	86.74%	125.56%
Weighted average risk-free interest rate	3.12%	0.60%
Weighted average expected term	1 year	1 year

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

RSUs

In accordance with the Equity Plan, the Company may grant RSUs to any participant in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”). The number of RSUs awarded and underlying vesting terms are determined by the board of directors in its discretion.

Upon settlement, participants will redeem each vested RSU for the following at the election of such participant but subject to the approval of the board of directors: (a) one fully paid and non-assessable share in respect of each vested RSU, (b) a cash payment or (c) a combination of shares and cash. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the market price per share as at the settlement date. Subject to the provisions of the Equity Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

7. SHARE CAPITAL AND RESERVES (continued)

Share-based payments (continued)

RSUs (continued)

The following is a summary of changes in RSUs from January 31, 2021 to October 31, 2022:

	<u>Number</u>
Outstanding, January 31, 2021 and 2022	-
Granted	6,600,000
Vested	<u>(Nil)</u>
Outstanding October 31, 2022	<u>6,600,000</u>

During the nine months ended October 31, 2022, the Company granted 6,600,000 RSUs to its officers, directors and consultants, whereby 40% (2,640,000) of the RSUs vest on January 31, 2023, 20% (1,320,000) vest on April 30, 2023, 20% (1,320,000) vest on July 31, 2023 and 20% (1,320,000) vest on October 31, 2023.

The RSUs are valued at the fair market value of the Company's stocks on the date of grant. Accordingly, 6,600,000 RSUs were granted at a value of \$0.05 each for a total value of \$330,000 which is being recognized as share-based payments over the vesting periods.

Total expenses arising from share-based payment transactions recognized during the nine months ended October 31, 2022 were \$443,993 (nine months ended October 31, 2021: \$866,759), of which \$Nil (nine months ended October 31, 2021: \$Nil) was attributable to vesting of RSUs granted during the period with the remaining portion of share-based payment expense being attributable to the vesting of stock options, as described above.

8. LOSS PER SHARE

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

	Nine months ended October 31,	
	<u>2022</u>	<u>2021</u>
Net loss	\$ 1,072,774	\$ 1,830,878
Weighted average number of common shares for the purpose of basic and diluted loss per share	257,160,360	246,242,238

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 7) were anti-dilutive for the nine months ended October 31, 2022 and 2021.

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

9. 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:

	Nine months ended October 31,	
	2022	2021
Management fees	\$ 47,500	\$ 47,500
Professional fees	47,500	47,500
Share-based payments*	309,320	487,720
	<u>\$ 404,320</u>	<u>\$ 582,720</u>

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

Related party balances

At October 31, 2022, accounts payable and accrued liabilities include \$5,000 (January 31, 2022: \$52,363) payable to one director and one former director of the Company for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

10. 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:

	October 31, <u>2022</u>	January 31, <u>2022</u>
Canada	\$ 1,008,591	\$ 1,187,859
U.S.A.	2,369,770	1,965,989
	<u>\$ 3,378,361</u>	<u>\$ 3,153,848</u>

11. 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 nine months ended October 31, 2022:

- Included in accounts payable and accrued liabilities was \$1,268 for exploration and evaluation assets.
- The Company issued 2,000,000 common shares valued at \$180,000 pursuant to the agreement for the acquisition of the Green Clay Lithium Project.

During nine months ended October 31 2021:

- Included in accounts payable and accrued liabilities was \$11,994 for exploration and evaluation assets.
- The Company issued 2,000,000 common shares valued at \$230,000 pursuant to the agreement for the acquisition of the Green Clay Lithium Project.