# QUANTUM BATTERY METALS CORP.
## (formerly Quantum Cobalt Corp.)

## CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEARS ENDED
## JANUARY 31, 2021 AND 2020

**(Expressed in Canadian Dollars)**

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Quantum Battery Metals Corp. (formerly Quantum Cobalt Corp.)

**Opinion**

We have audited the consolidated financial statements of Quantum Battery Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**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 *Auditors' 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 is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter - Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the 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.

**Other Information**

Management is responsible for the other information, which is comprised of the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the consolidated financial statements does not cover the other information and do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits and remain alert for indicators that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

**Auditor's Responsibilities for the Audit of the 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 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 audits.

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 audits resulting in this independent auditors' report is Ted McLellan.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
May 28, 2021

**QUANTUM BATTERY METALS CORP. (formerly Quantum Cobalt Corp.)**
**Consolidated Statements of Financial Position**
**As at January 31, 2021 and 2020**
***(Expressed in Canadian dollars)***

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash | $ 4,165 | $ 23,857 |
| Tax recoverable | 15,595 | 4,175 |
| Prepaid expenses | 13,335 | 5,511 |
| | 33,095 | 33,543 |
| NON-CURRENT | | |
| Exploration and evaluation assets (Note 4) | 701,335 | 700,000 |
| | $ 734,430 | $ 733,543 |
| **LIABILITIES** | | |
| CURRENT | | |
| Accounts payable and accrued liabilities (Notes 6 and 7) | $ 1,215,543 | $ 825,094 |
| Premium on flow-through shares (Note 7) | 51,833 | 51,833 |
| Other payable (Note 4) | 500,000 | 500,000 |
| Loans payable (Notes 5 and 6) | 498,327 | 639,908 |
| | 2,265,703 | 2,016,835 |
| **SHAREHOLDERS' DEFICIENCY** | | |
| Share capital (Note 7) | 20,193,782 | 20,193,782 |
| Subscriptions received (Note 7) | 1,500 | 1,500 |
| Reserves | 3,150,450 | 3,150,450 |
| Deficit | (24,877,005) | (24,629,024) |
| | (1,531,273) | (1,283,292) |
| | $ 734,430 | $ 733,543 |

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 12)

Approved and authorized for issue on behalf of the Board on May 28, 2021:

*"Quinn Field-Dyte"*
Director

*"Andrew Sostad"*
Director

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

**QUANTUM BATTERY METALS CORP. (formerly Quantum Cobalt Corp.)**
**Consolidated Statements of Loss and Comprehensive Loss**
**For the years ended January 31, 2021 and 2020**
***(Expressed in Canadian dollars)***

| | 2021 | 2020 |
|---|---|---|
| **EXPENSES** | | |
| Consulting fees | $ - | $ 30,588 |
| Flow-through share penalties | 8,154 | 36,392 |
| Indemnification provision of flow-through shares | 10,234 | 64,331 |
| Interest expense (Note 5) | 28,419 | 48,108 |
| Investor relations | - | 785 |
| Management fees (Note 6) | 326,649 | 82,000 |
| Office and miscellaneous | 12,744 | 26,426 |
| Professional fees | 64,855 | 74,729 |
| Transfer agent and filing fees | 18,250 | 27,929 |
| | (469,305) | (391,288) |
| **OTHER ITEMS** | | |
| Expense recovery | - | 96,762 |
| Foreign exchange gain (loss) | 6,040 | (65) |
| Interest income | - | 1,496 |
| Write-off of receivables | - | (430) |
| Forgiven loan payable (Notes 5 and 6) | 210,000 | - |
| Write-off of accounts payable | 5,284 | - |
| Write-off of mineral property | - | (13,158,634) |
| Settlement on mineral property claims (Note 4) | - | (210,000) |
| | 221,324 | (13,270,871) |
| **NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR** | $ (247,981) | $ (13,662,159) |
| **LOSS PER SHARE – BASIC AND DILUTED** | $ (0.04) | $ (2.91) |
| **WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED** | 6,042,519 | 4,700,053 |

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

**QUANTUM BATTERY METALS CORP. (formerly Quantum Cobalt Corp.)**
**Consolidated Statements of Changes in Shareholders' Deficiency**
**For the years ended January 31, 2021 and 2020**
***(Expressed in Canadian dollars)***

| | Common Shares | | Amount | | Subscriptions Received | | Reserves | | Deficit | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance at January 31, 2019 | 4,042,519 | $ | 19,493,782 | $ | 306,500 | $ | 3,150,450 | $ | (10,966,865) | $ | 11,983,867 |
| Shares issued for mineral properties (Notes 4 and 7) | 2,000,000 | | 700,000 | | - | | - | | - | | 700,000 |
| Share subscriptions refund (Note 7) | - | | - | | (5,000) | | - | | - | | (5,000) |
| Share subscriptions converted (Note 5) | - | | - | | (300,000) | | - | | - | | (300,000) |
| Net loss and comprehensive loss | - | | - | | - | | - | | (13,662,159) | | (13,662,159) |
| Balance at January 31, 2020 | 6,042,519 | $ | 20,193,782 | $ | 1,500 | $ | 3,150,450 | $ | (24,629,024) | $ | (1,283,292) |
| Net loss and comprehensive loss | - | | - | | - | | - | | (247,981) | | (247,981) |
| Balance at January 31, 2021 | 6,042,519 | $ | 20,193,782 | $ | 1,500 | $ | 3,150,450 | $ | (24,877,005) | $ | (1,531,273) |

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

**QUANTUM BATTERY METALS CORP. (formerly Quantum Cobalt Corp.)**
**Consolidated Statements of Cash Flows**
**For the years ended January 31, 2021 and 2020**
***(Expressed in Canadian dollars)***

| | | 2021 | 2020 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net loss for the year | $ | (247,981) | $ (13,662,159) |
| Adjustment for non-cash items: | | | |
| Accrued interest | | 28,419 | 48,108 |
| Write-off of receivables | | - | 430 |
| Forgiven loan payable | | (210,000) | - |
| Write-off of accounts payable | | (5,284) | - |
| Write-off of mineral property | | - | 13,158,634 |
| Changes in non-cash working capital items: | | | |
| Tax recoverable | | (11,420) | 103,006 |
| Prepaid expenses | | (7,824) | 2,489 |
| Accounts payable and accrued liabilities | | 395,733 | 82,751 |
| Net cash used in operating activities | | (58,357) | (266,741) |
| **INVESTING ACTIVITY** | | | |
| Mineral property exploration expenditures | | (1,335) | - |
| Net cash used in investing activity | | (1,335) | - |
| **FINANCING ACTIVITIES** | | | |
| Proceeds from loans | | 40,000 | 313,850 |
| Repayment of loans | | - | (22,050) |
| Share subscriptions refund | | - | (5,000) |
| Net cash provided by financing activities | | 40,000 | 286,800 |
| INCREASE (DECREASE) IN CASH | | (19,692) | 20,059 |
| CASH, BEGINNING OF YEAR | | 23,857 | 3,798 |
| CASH, ENDING OF YEAR | $ | 4,165 | $ 23,857 |

| | | | |
|---|---|---|---|
| **NON-CASH TRANSACTION** | | | |
| Shares issued for property acquisition (Notes 4 and 7) | $ | - | $ 700,000 |

Supplementary cash flow information and non-cash transactions (Note 10)

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

## 1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Quantum Battery Metals Corp. (formerly Quantum Cobalt Corp.) (the “Company”) was incorporated on August 6, 2010 under the British Columbia Business Corporations Act. On November 7, 2017, the Company changed its name to Quantum Cobalt Corp. from Bravura Ventures Corp. to better reflect its direction and cobalt resource properties and begun trading under the stock symbol “QBOT”. Subsequent to the year ended January 31, 2021, the Company changed its name to Quantum Battery Metals Corp. to better reflect its direction and its cobalt and lithium resource properties and begun trading under the stock symbol “QBAT” (Note 12). The Company is domiciled in Canada and is a reporting issuer with its common shares publicly traded on the Canadian Securities Exchange (“CSE”). The Company is currently in the process of identifying, exploring and developing mineral properties. The address of its head office is 400-837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6.

On January 29, 2021, the Company consolidated its issued and outstanding common shares on the basis of 1 post-consolidation common share for every 10 pre-consolidation common shares (Note 7). All share figures have been retroactively adjusted to reflect the share consolidation.

At January 31, 2021, the Company had a working capital deficiency of $2,232,608 (2020 - $1,983,292). The Company has incurred losses since its inception and has an accumulated deficit of $24,877,005 as of January 31, 2021 (2020 - $24,629,024) which has been funded primarily by the issuance of shares and loans.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company has incurred ongoing losses and has a working capital deficiency. The Company’s ability to continue on a going concern basis beyond the next twelve months depends on its ability to raise additional financing. In addition, the Company has not made all of the required payments under its November 29, 2017 share exchange agreement to acquire the Nipissing Lorain Property described in Note 4, which may cause the Company to be considered in default under the share exchange agreement. Accordingly, these factors give rise to a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company’s business and financial condition.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue in accordance with a resolution from the Board of Directors on May 28, 2021.

b) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these consolidated financial statements are in accordance with IFRS. The functional currency of the Company and its subsidiaries is the Canadian Dollar, which is also the presentation currency.

The accounting policies set out below have been applied consistently except for changes described in Note 3 to all periods presented in these consolidated financial statements.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 10336602 Canada Inc., 1142674 BC Ltd. and Bravura Ventures (NV) Corp. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

d) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated 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:

*Critical accounting estimates*

i. The measurement of deferred income tax assets and liabilities;
ii. The discount rate used to determine the fair value of loans payable; and
iii. The valuation of share-based payments.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Significant accounting estimates and judgments (continued)

*Critical accounting judgments*

i. The determination of categories of financial assets and financial liabilities;
ii. The evaluation of the Company's ability to continue as a going concern;
iii. The impairment of exploration and evaluation assets; and
iv. The determination of functional currency.

e) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units of production method over estimated recoverable reserves. Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

f) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. The tax rate used is the rate that is enacted or substantively enacted.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income taxes (continued)

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.

g) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to $Nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is insignificant.

h) Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity-settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity-settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity-settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the year. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

j) Flow-through shares

Current Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. At the time the Company issues flow-through shares, the sale of tax deductions is deferred and presented as other liabilities in the consolidated statement of financial position to recognize the obligation to incur and renounce eligible resource exploration and evaluation expenditures. The tax deduction is measured as the difference between the current market price of the Company’s common shares and the issue price of the flow-through share. Upon incurring and renouncing eligible resource exploration and evaluation expenditures, the Company recognizes the sale of tax deductions as a tax deduction recovery on the statement of comprehensive income (loss) and reduces the other liability.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

k) Impairment of non-financial assets

At the end of each reporting period, the Company assesses each cash-generating unit to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

When an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate and 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 years. A reversal of an impairment loss is recognized immediately in profit or loss.

l) Cash and cash equivalents

Cash and cash equivalents consist of cash and liquid investments which are readily convertible into cash with maturities of three months or less when purchased. The Company’s cash and cash equivalents are invested with major financial institutions and are not invested in any asset-backed deposits or investments. As of January 31, 2021, the Company only held cash.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

n) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. 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 opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

| Financial assets/liabilities | IFRS 9 Classification |
|---|---|
| Cash | FVTPL |
| Accounts payable | Amortized cost |
| Loans payable | Amortized cost |
| Other payable | Amortized cost |

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs expensed in the statements of loss and comprehensive loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial instruments (continued)

Impairment of financial assets at amortized cost (continued)

risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve months expected credit losses. The Company shall recognize in the statements of net loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of income (loss) and comprehensive income (loss).

## 3. RECENT ACCOUNTING PRONOUNCEMENTS

New accounting standards issued and effective

New standards or amendments are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

Accounting standards and amendments issued but not yet adopted

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after February 1, 2021, or later periods. The Company has not early adopted these new standards in preparing these consolidated financial statements. There new standards are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

***(Expressed in Canadian dollars)***

## 4. EXPLORATION AND EVALUATION ASSETS

| | Rabbit Cobalt Property | Kahuna Cobalt Property | Nipissing Lorain Property | Albanel Lithium Property | Kelso Lithium Property | Total |
|---|---|---|---|---|---|---|
| Balance, January 31, 2019 | $ 2,436,067 | $ 1,022,567 | $ 9,700,000 | $ - | $ - | $ 13,158,634 |
| Property acquisition | - | - | - | 350,000 | 350,000 | 700,000 |
| Write-off | (2,436,067) | (1,022,567) | (9,700,000) | - | - | (13,158,634) |
| Balance, January 31, 2020 | - | - | - | 350,000 | 350,000 | 700,000 |
| Exploration expenditures | - | - | - | 978 | 357 | 1,335 |
| Balance, January 31, 2021 | $ - | $ - | $ - | $ 350,978 | $ 350,357 | $ 701,335 |

**Musgrove Creek Property**

On September 14, 2016, the Company entered into an agreement with Soleil Gold Corp. to acquire an undivided 100% interest in and to certain mineral property leases, together with the surface rights, mineral rights, personal property and permits associated therewith ("Musgrove Creek Property"), located in Lemhi County, Idaho.

During the year ended January 31, 2019, the Company was not able to renew the mining claims. As a result, a write-off of $629,139 was recorded in the consolidated statement of loss and comprehensive loss.

During the year ended January 31, 2020, the Company was served with a notice of civil claim (the "Claim") filed with the Second Judicial District Court of the State of Nevada for failure to pay the United States Bureau of Land Management federal annual mining claim maintenance fees on the Musgrove Creek Property. On May 3, 2019, the Claim was dismissed as a result of the settlement whereby the Company agreed to make a settlement payment of $210,000 (USD $150,000). The Company recorded an expense of $210,000 in relation to this settlement.

**Rabbit Cobalt Property**

On August 16, 2017, the Company closed its acquisition of 10336602 Canada Inc. ("10336602") pursuant to a share exchange agreement, dated July 28, 2017, among the Company, 10336602 and the shareholders of the target. 10336602 holds the approximately 1,000-hectares of a gold-nickel-silver property located 55 kilometers south of Cobalt, Ontario.

Pursuant to the share exchange agreement, the Company made a cash payment of $350,000 and issued a total of 400,000 common shares in the capital of the Company, to the shareholders of 10336602 in exchange for 100,000 Class A common shares in the capital of 10336602. A finder's fee in the amount of $35,000 was paid in connection with the acquisition.

As at January 31, 2020, substantive expenditure on further exploration for and evaluation of the Rabbit Cobalt Property has not yet been planned and will be evaluated pending the Company obtaining further funding. As a result, a write-off of $2,436,067 was recorded to the consolidated statement of loss and comprehensive loss.

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

### Kahuna Cobalt Property

On October 5, 2017, the Company closed and signed the definitive agreement with Caprock Ventures Corp. dated August 10, 2017 to acquire 100% of the approximately 1,200-hectare Kahuna cobalt-silver property, located 37 kilometers south of Cobalt, Ontario. Pursuant to the share exchange agreement, the Company made a cash payment of $300,000 and issued a total of 100,000 common shares in the capital of the Company. A finder's fee in the amount of $31,500 was paid in connection with the acquisition. The properties are subject to a 0.5% net smelter return royalty on cobalt-gold production, which includes advance royalty payments of $25,000 annually on December 31, beginning in 2020. The Company has the option at any time to purchase 0.5% of the royalty on payment of $500,000. The original vendors of the property will retain a 1% Net Smelter Return on the properties. The Company will have the right to purchase the 1% for $1,000,000.

As at January 31, 2020, substantive expenditure on further exploration for and evaluation of the Kahuna Cobalt Property has not yet been planned and will be evaluated pending the Company obtaining further funding. As a result, a write-off of $1,022,567 was recorded to the consolidated statement of loss and comprehensive loss.

### Nipissing Lorain Property

On November 29, 2017, the Company closed the acquisition of 1142674 B.C. Ltd. (“1142674”) pursuant to a share exchange agreement, among the Company, 1142674 and the shareholders of 1142674. The Nipissing Lorrain cobalt project is located 26 kilometers southeast of Cobalt, Ont. The property consists of two separate claims. Six separate underground workings have been historically mined for cobalt, silver and nickel.

Pursuant to the share exchange agreement, the Company will pay an aggregate amount of $1,000,000 over a six-month period from date of close of the share exchange agreement, with an initial cash payment of $500,000 (paid on closing) and $250,000 subsequently every three months. As at January 31, 2020, the Company has recorded another payable of $500,000 (2019 - $500,000) on the consolidated statement of financial position relating to the required subsequent payments. A total of 500,000 common shares in the capital of the Company were also issued on closing to the shareholders of 1142674 in exchange for one Class A common share in the capital of 1142674.

As at January 31, 2020, substantive expenditure on further exploration for and evaluation of the Nipissing Lorain Property has not yet been planned and will be evaluated pending the Company obtaining further funding. In addition, the Company has not made all of the required payments under its November 29, 2017 share exchange agreement. As a result, a write-off of $9,700,000 was recorded to the consolidated statement of loss and comprehensive loss.

### Albanel Quebec Lithium Property

On October 3, 2019, the Company entered into a binding acquisition agreement with 1225768 B.C. Ltd. to acquire a 100% interest in, and to, certain mineral properties, together with surface right, mineral rights, personal property and permits associated there with, located in the Albanel Quebec lithium property. The Albanel Quebec lithium property is a lithium prospect with an approximate area of 2,751 hectares in a mining-friendly jurisdiction of Quebec. Pursuant to the acquisition agreement, the Company issued a total of 1,000,000 common shares in the capital of the Company with a fair value of $350,000 (Note 7).

***(Expressed in Canadian dollars)***

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

### Kelso Quebec Lithium Property

On October 3, 2019, the Company entered into a binding acquisition agreement with 1225768 B.C. Ltd. to acquire a 100% interest in, and to, certain mineral properties, together with surface right, mineral rights, personal property and permits associated there with, located in the Kelso Quebec lithium property. The Kelso Quebec lithium property is a lithium prospect with an approximate area of 2,592 hectares in a mining-friendly jurisdiction of Quebec. Pursuant to the acquisition agreement, the Company issued a total of 1,000,000 common shares in the capital of the Company with a fair value of $350,000 (Note 7).

## 5. LOANS PAYABLE

As at January 31, 2021 and 2020, loans payable are as follows:

| | January 31, 2021 | January 31, 2020 |
|---|---|---|
| Third party loan, unsecured (due on demand, bearing interest at 7% per annum) (a) | $ 300,000 | $ 300,000 |
| Third party loans, unsecured (due on demand, bearing interest at 8% per annum) (b) | 81,800 | 81,800 |
| Third party loan, unsecured (due on demand, bearing interest at 3% per annum) (e) | 20,000 | - |
| Related party loan, unsecured (due on demand, bearing interest at 3% per annum) (e) | 20,000 | - |
| Related party loan, unsecured (due on demand, non-interest bearing) (c) | - | 210,000 |
| Accrued interest | 76,527 | 48,108 |
| | $ 498,327 | $ 639,908 |

a) During the year ended January 31, 2018, the Company received share subscriptions of $300,000 from a non-related party. On July 31, 2019, the share subscriptions were converted into a loan which bears interest at 14% per annum from February 1, 2019 to January 31, 2020 and 7% per annum onwards. The loan is unsecured and due on demand.

b) During the year ended January 31, 2020, the Company received loans of $81,800 from non-related parties which bear interest at 8% per annum, which are unsecured and due on demand.

c) On May 1, 2019, the Company obtained a loan of $210,000 from a company controlled by a former director. This loan is unsecured, non-interest bearing and due on demand. The funds were used to settle a fee dispute and legal claim brought against the Company on the Musgrove Creek Property. During the year ended January 31, 2021, the loan was forgiven pursuant to a settlement agreement with a former director (Note 6).

d) On May 31, 2019, the Company obtained a loan of $22,050 from a company controlled by a director. The funds were used for general operating expenses. This loan is unsecured, non-interest bearing and due on demand. This loan was repaid during the year ended January 31, 2020 (Note 6).

***(Expressed in Canadian dollars)***

## 5. LOANS PAYABLE (continued)

e) On June 2, 2020, the Company received loans of $40,000, of which $20,000 was from a non-related party and the remaining $20,000 was from a company controlled by a director. The loans bear interest at 3% per annum, unsecured, and due on demand (Note 6).

## 6. RELATED PARTY TRANSACTIONS AND BALANCES

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers. The following compensation was paid to key management or companies controlled by key management during the years ended January 31, 2021 and 2020:

| | | 2021 | | 2020 |
|---|---|---|---|---|
| Management fees | $ | 326,649 | $ | 76,000 |
| Management fees – former director | | - | | 6,000 |
| | $ | 326,649 | $ | 82,000 |

As at January 31, 2021, the Company has included in accounts payable and accrued liabilities a total of $222,363 (2020 - $199,213), which are payable to former directors, former officers, and companies controlled by a former officer (Note 5).

As at January 31, 2021, the Company has included in accounts payable and accrued liabilities a total of $591,324 (2020 - $246,353), which are payable to directors, officers, and companies controlled by directors (Note 5).

During the year ended January 31, 2021, the Company received a loan of $20,000 from a company controlled by a director. The loan bears interest at 3% per annum, unsecured, and due on demand (Note 5).

During the year ended January 31, 2020, the Company obtained loans for a total of $232,050 from companies controlled by directors and former directors of the Company. Since then, the Company has repaid $22,050 of these loans (Note 5). These loans are unsecured, non-interest bearing and due on demand.

On November 8, 2019, the Company commenced legal action against the former CEO, David Schmidt, for gross negligence that resulted in significant shareholder value loss. The claim alleged that while serving in the role of chief executive officer of the Company, Mr. Schmidt failed to act honestly and in good faith with a view to the best interests of the Company and failed to exercise the care, diligence and skill of a reasonably prudent individual. Mr. Schmidt failed to make key property payments, which caused significant loss and damage, in particular:

- Payment to Idaho's Bureau of Land Management by September 1, 2018: The failure to make this payment resulted in the irrevocable forfeiture of the Company's Musgrove mining claims. Further, Mr. Schmidt failed to direct the Company to take any steps to restake the claims, which resulted in a third party acquiring the claims.

- Option payment due by December 31, 2018: The failure to respond to notices of payment for Grew Creek and the further failure to direct the company to cure the default resulted in Quantum losing its option on the Grew Creek property.

## 6. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

On March 20, 2020, the Company entered into a settlement agreement with Mr. Schmidt. Pursuant to the settlement agreement, Mr. Schmidt forgave a loan of $210,000 to the Company (Note 5). The Company has provided Mr. Schmidt a full and final release and the Company has recorded the forgiven loan as other income.

## 7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding: 6,042,519 (2020 - 6,042,519).

On January 29, 2021, the Company consolidated its issued and outstanding common shares on the basis of 1 post-consolidation common share for every 10 pre-consolidation common shares. All share figures have been retroactively adjusted to reflect the share consolidation.

No shares were issued during the year ended January 31, 2021.

b) Issued and outstanding: 6,042,519 (2020 - 6,042,519) (continued).

<u>During the year ended January 31, 2020</u>:

On October 3, 2019, the Company issued a total of 2,000,000 common shares with a fair value of $700,000 pursuant to the Albanel Quebec Lithium Property and Kelso Quebec Lithium Property acquisitions (Note 4).

As at January 31, 2021 and 2020, the Company had $1,500 share subscriptions receipts.

c) Flow-through shares issued

During fiscal 2018, the Company renounced $471,500 of Canadian exploration expenditures to subscribers of the 2018 flow-through financing. As a result of the flow-through financing the Company recognized a liability relating to the premiums subscribers had paid for the flow-through feature.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds received less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent on qualifying expenditures. At January 31, 2021, the amount of flow-through proceeds remaining to be spent on qualifying expenditures was $311,000.

As a result of not incurring the qualified expenditures and not filing the forms with Canada Revenue Agency during the year ended January 31, 2021, the Company recognized an expense of $8,154 (2020 - $36,392) for late filing penalties and interest. As at January 31, 2021, accounts payable and accrued liabilities include $51,213 (2020 - $43,059) related to interest and penalties.

***(Expressed in Canadian dollars)***

## 7. SHARE CAPITAL (continued)

c) Flow-through shares issued (continued)

The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. During the year ended at January 31, 2021, the Company recognized an expense of $10,235 (2020 - $64,331) for the indemnification of flow-through shareholders. As at January 31, 2021, accounts payable and accrued liabilities include $245,765 (2020 - $235,531) related to this indemnification provision.

d) Stock options

The Company has no outstanding options as at January 31, 2021 and 2020.

e) Share purchase warrants

A summary of share purchase warrant activities are as follows:

| | Number of warrants | Weighted average exercise price |
|---|---|---|
| Outstanding and exercisable at January 31, 2019 | 155,250 | $ 2.20 |
| Warrants expired | (150,000) | 2.00 |
| Outstanding and exercisable at January 31, 2020 and 2021 | 5,250 | $ 7.00 |

During the year ended January 31, 2020, 150,000 share purchase warrants with an exercise price of $2.00 expired unexercised.

A summary of the share purchase warrants issued at January 31, 2021 is as follows:

| | Warrants issued and exercisable | Exercise price | Expiry date |
|---|---|---|---|
| Share purchase warrants | 5,250 | $ 7.00 | May 19, 2021 |

The weighted average life of warrants outstanding at January 31, 2021 is 0.30 year.

## 8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at January 31, 2021, the Company considers the aggregate of its equity accounts as capital. 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 the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash on hand.

## 9. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments consist of cash, accounts payable, loans payable and other payable. The following table summarizes the carrying values of the Company's financial instruments as at January 31, 2021 and 2020:

| | | **January 31, 2021** | | **January 31, 2020** |
|---|---|---|---|---|
| FVTPL (i) | $ | 4,165 | $ | 23,857 |
| Amortized cost (ii) | $ | 1,800,096 | $ | 1,612,036 |

(i) Cash
(ii) Accounts payable, loans payable, and other payable

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The fair values of accounts payable, loans payable and other payable approximate their carrying values because of their current nature.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution. The Company believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. The Company's accounts payable, loans payable, and other payable have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. The Company is exposed to liquidity risk.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have significant foreign exchange risk as the majority of its transactions are in Canadian dollars.

Interest Rate Risk

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

***(Expressed in Canadian dollars)***

## 10. SUPPLEMENTARY CASH FLOW INFORMATION

During the years ended January 31, 2021 and 2020, the Company did not pay any interest expense or income taxes in cash.

## 11. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates for the years ended January 31, 2021 and 2020:

| | | **2021** | | **2020** |
|---|---|---|---|---|
| Combined statutory tax | | 27% | | 27% |
| Expected income tax recovery at statutory rate | $ | (67,000) | $ | (3,689,000) |
| Non-deductible expenses and other | | 5,000 | | 27,000 |
| Change in unrecognized deferred tax assets | | 62,000 | | 3,662,000 |
| Income tax expenses | $ | - | $ | - |

The significant components of the Company's deferred income tax assets are shown below:

| | | **2021** | | **2020** |
|---|---|---|---|---|
| Mineral property | $ | 3,906,000 | $ | 3,906,000 |
| Non-capital loss carry-forwards | | 2,739,000 | | 2,649,000 |
| Share issuance costs | | 25,000 | | 53,000 |
| Tax benefit not recognized | | (6,670,000) | | (6,608,000) |
| Net deferred income tax assets | $ | - | $ | - |

As at January 31, 2021, the Company has available for deduction against future tax income non-capital losses of approximately $10,143,000 (2020 - $9,809,000). These non-capital losses expire as follows:

| **Expiry Date** | | |
|---|---|---|
| 2031 | $ | 30,000 |
| 2032 | | 334,000 |
| 2033 | | 240,000 |
| 2034 | | 205,000 |
| 2035 | | 207,000 |
| 2036 | | 282,000 |
| 2037 | | 1,319,000 |
| 2038 | | 5,821,000 |
| 2039 | | 865,000 |
| 2040 | | 506,000 |
| 2041 | | 334,000 |
| | $ | 10,143,000 |

As at January 31, 2021, the Company has approximately $15,166,000 (2020 - $15,165,000) in resource expenditure that can be carried-forward for tax purposes to reduce taxable income for future years.

## 12. SUBSEQUENT EVENTS

On March 11, 2021, the Company closed a non-brokered private placement, comprising 4,166,666 units at a price of $0.24 per unit for gross proceeds of $1,000,000. Each unit comprises one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable into a common share of the Company for a period of 12 months at an exercise price of $0.31 during the 12 months.

On March 23, 2021, the Company changed its name and symbol to Quantum Battery Metals Corp. and “QBAT”, respectively.

On April 15, 2021, the Company entered into a share exchange agreement with 1296991 B.C. Ltd. (“1296991”) and the shareholders of 1296991 to acquire 100% of the outstanding shares of 1296991 by issuing 7,000,000 common shares to the vendors upon closing. 1296991 holds an option over the surface access rights, mineral rights, mineral exploration data and permits to 32 mining claims comprising the Rose West lithium project. On April 23, 2021, the transaction has been completed.