NORTHERN LIGHTS RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

APRIL 30, 2021

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Canada

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Northern Lights Resources Corp.

Opinion

We have audited the accompanying consolidated financial statements of Northern Lights Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2021 and 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred losses since inception and will require additional funds to maintain its activities for the upcoming fiscal year. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

August 27, 2021

NORTHERN LIGHTS RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT APRIL 30,

	2021	2020
ASSETS		
Current		
Cash	$ 427,820	$ 6,236
Receivables	19,587	4,812
Prepaid expenses	52,667	10,000
	500,074	21,048
Exploration and evaluation assets (Note 3)	1,611,790	950,446
	$ 2,111,864	$ 971,494
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 4 and 7)	$ 131,133	$ 337,016
Loans payable (Note 5 and 7)	-	30,000
	131,133	367,016
Shareholders' equity		
Share capital (Note 6)	7,729,758	5,841,457
Share-based payment reserve	983,993	539,200
Subscriptions receivable (Note 6)	(34,930)	-
Subscriptions received in advance	-	5,000
Deficit	(6,698,090)	(5,781,179)
	1,980,731	604,478
	$ 2,111,864	$ 971,494

Nature and continuance of operations (Note 1)

On behalf of the Board:

"Albert (Rick) Timcke" Director

"Jason Bahnsen" Director

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

NORTHERN LIGHTS RESOURCES CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED APRIL 30,

	2021	2020
EXPENSES		
Amortization	$ -	$ 1,210
Consulting fees	52,608	34,208
Filing and regulatory fees	67,348	20,618
Foreign exchange	40,733	16,399
Management fees (Note 7)	179,952	180,000
Office and miscellaneous	34,731	14,278
Professional fees (Note 7)	84,348	48,708
Promotion and advertisement	181,780	96,594
Share based compensation (Note 6)	267,793	-
Travel and accommodation	7,618	22,679
Write-off of accounts payable	-	(4,329)
Loss and comprehensive loss for the year	$ (916,911)	$ (430,365)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	94,971,951	52,488,180

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

NORTHERN LIGHTS RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Share-based payment reserve	Subscriptions receivable	Subscriptions received in advance	Deficit	Total Shareholders' Equity
April 30, 2019	45,162,232	$ 4,994,203	$ 470,800	$ -	$ 60,000	$ (5,350,814)	$ 174,189
Private placements	16,047,772	733,988	68,400	-	(60,000)	-	742,388
Shares issued for exploration and evaluation assets	3,330,650	113,266	-	-	-	-	113,266
Subscription receievd in advance	-	-	-	-	5,000	-	5,000
Loss for the year	-	-	-	-	-	(430,365)	(430,365)
April 30, 2020	64,540,654	5,841,457	539,200	-	5,000	(5,781,179)	604,478
Private placements	43,730,014	2,186,501	-	(34,930)	(5,000)	-	2,146,571
Share issuance costs - cash	-	(121,200)	-	-	-	-	(121,200)
Share issuance costs - broker warrants	-	(177,000)	177,000	-	-	-	-
Share-based compensation	-	-	267,793	-	-	-	267,793
Loss for the year	-	-	-	-	-	(916,911)	(916,911)
April 30, 2021	108,270,668	$ 7,729,758	$ 983,993	$ (34,930)	$ -	$ (6,698,090)	$ 1,980,731

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

NORTHERN LIGHTS RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED APRIL 30,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (916,911)	$ (430,365)
Non-cash items:		
Amortization	-	1,210
Share based compensation	267,793	-
Write-off of accounts payable	-	(4,329)
Changes in non-cash working capital items:		
Receivables	(14,775)	5,397
Prepaid expenses	(42,667)	3,840
Accounts payable and accrued liabilities	(221,239)	195,640
Net cash used in operating activities	(927,799)	(228,607)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(645,988)	(552,827)
Net cash used in investing activities	(645,988)	(552,827)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	2,146,571	697,888
Share issuance costs	(121,200)	-
Subscription received in advance	-	5,000
Loan proceeds	-	107,308
Loan repayments	(30,000)	(32,808)
Net cash provided by financing activities	1,995,371	777,388
Change in cash for the year	421,584	(4,046)
Cash, beginning of year	6,236	10,282
Cash, end of year	$ 427,820	$ 6,236

Supplemental disclosure with respect to cash flows **(non-cash transactions)**		
Transfer of subscriptions to share capital	$ -	$ 60,000
Shares issued for exploration and evaluation	$ -	$ 113,266
Shares issued to settle loans payable	$ -	$ 44,500
Fair value of warrant component of the unit offering in private placement	$ -	$ 68,400
Broker warrants	$ 177,000	$ -
Subscriptions receivable	$ 34,930	$ -
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 15,356	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Northern Lights Resources Corp. (the "Company") was incorporated under the laws of British Columbia on March 28, 2007. The Company's principal business activities include the acquisition and exploration of resource properties. On June 28, 2012, the Company completed its initial public offering ("IPO") by way of prospectus, and a listing on the Canadian Securities Exchange ("CSE"). On February 1, 2021 the Company received DTC and Blue Sky clearance trading on the OTC QB under the symbol "NLRCF".

The Company has incurred losses since inception, and will require additional funds to maintain its activities for the upcoming fiscal year. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

These consolidated financial statements have been 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been recorded at fair value. The financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are presented below and are based on IFRS issued and outstanding as of April 30, 2021.

The Board of Directors approved these consolidated financial statements on August 27, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Secret Pass LLC, a company incorporated under the laws of Arizona, USA, and Rudy Valley Minerals, a company incorporated under the laws of Nevada. At April 30, 2021, the principal activity of the Company's subsidiaries was that of holding companies. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. All inter-company transactions and balances have been eliminated upon consolidation.

Comprehensive income

Comprehensive income (loss) reflects the net gain (loss) and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided on a declining balance basis at 20% per annum for furniture and equipment. The equipment was fully amortized during the year ended April 30, 2021.

Estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

<u>Significant Judgments</u>

a. Economic recoverability and probability of future benefits of exploration and evaluation costs

   Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

b. Deferred taxes

   The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Estimates and judgments (cont'd…)

Significant Estimates

a. Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive income (loss) over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates.*

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

Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Basic loss per common share is calculated using the weighted average number of common shares outstanding during the period.

Exploration and evaluation assets

Upon acquiring the legal right to explore an exploration and evaluation asset, costs related to acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If 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 pre-tax discount 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 the 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

Share-based payments

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

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 period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded 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 following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 statement of financial position date.

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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (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 if the Company has opted to measure them at FVTPL.

Measurement

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 are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial Instruments (cont'd…)

Measurement (cont'd…)

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

Equity investments at FVOCI

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

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured 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 has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive 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.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or liability	**Category**	**Measurement**
Cash	FVTPL	Fair value
Receivables	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Leases

Except for short term leases and leases of low-value assets, the Company (i) recognizes 'right-of-use' assets and lease liabilities in the consolidated statements of financial position, initially measured at the present value of future lease payments discounted at the incremental borrowing rate; (ii) recognizes depreciation of right-of-use assets and interest on lease liabilities in profit or loss.

3. EXPLORATION AND EVALUATION ASSETS

	Secret Pass	Medicine Springs	Total
Acquisition Costs:			
Balance at April 30, 2019	$ -	$ 98,537	$ 98,537
Cash	493,949	-	493,949
Shares	80,000	33,266	113,266
Others	7,600	38,319	45,919
Balance at April 30, 2020	581,549	170,122	751,671
Cash	33,500	63,908	97,408
Others	-	91,245	91,245
Balance at April 30, 2021	615,049	325,275	940,324
Deferred Exploration Costs:			
Balance at April 30, 2019	-	185,816	185,816
Assays	922	-	922
Consulting	5,433	6,604	12,037
Balance at April 30, 2020	6,355	192,420	198,775
Assay	39,713	-	39,713
Consulting	150,037	38,925	188,962
Drilling	18,412	-	18,412
Field work	225,604	-	225,604
Balance at April 30, 2021	440,121	231,345	671,466
Total	$ 1,055,170	$ 556,620	$ 1,611,790

3. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Medicine Springs

The Company entered into a mineral property option agreement dated August 20, 2017, and amended, to acquire 100% of the property in southeastern Elko County, Nevada.

The Medicine Springs property located on the eastern edge of the Carlin Trend in southeastern Elko County, consists of 149 unpatented Federal mineral claims.

The option agreement is a 6 phase exploration agreement. Completion of all of the phases under the agreement is subject to staged cash payments of $950,000, equity consideration of USD $250,000 and incurring exploration expenditures of USD $2,700,000. The agreement was amended in July 2020 to extend certain due dates.

The Company has the option to proceed with each subsequent Phase in the Option Agreement upon the completion of all cash and equity consideration payments to the vendors in addition to meeting the minimum exploration expenditure payments defined for each Phase of the Option Agreement.

i) Cash payments
  a) Phase 1B - USD $25,000 within 30 days of receipt of regulatory approval (paid).
  b) Phase 2 - USD $50,000 by December 31, 2020 ("Phase 2 Commencement Date") (paid).
  c) Phase 3 - USD $100,000 by December 31, 2021 ("Phase 3 Commencement Date").
  d) Phase 4 - USD $150,000 within 30 days of completion of all phase 3 requirements ("Phase 4 Commencement Date").
  e) Phase 5 - USD $200,000 within 30 days of completion of all phase 4 requirements ("Phase 5 Commencement Date").
  f) Phase 6 - USD $425,000 within 30 days of completion of all phase 5 requirements ("Phase 6 Commencement Date").

ii) Share issuance
  a) Phase 2 - issuance of common shares with a value of USD $50,000 by December 31, 2021 (issued 1,330,650 common shares fair valued at $33,266) (Note 6).
  b) Phase 3 - issuance of common shares with a value of USD $50,000 by December 31, 2021.
  c) Phase 4 - issuance of common shares with a value of USD $50,000 after the Phase 4 Commencement Date.
  d) Phase 5 - issuance of common shares with a value of USD $50,000 after the Phase 5 Commencement Date.
  e) Phase 6 - issuance of common shares with a value of USD $50,000 after the Phase 6 Commencement Date.

iii) Exploration expenditures
  a) incur USD $25,000 in exploration upon execution of the agreement (incurred).
  b) Phase 1B - incur USD $225,000 by December 31, 2020 (incurred).
  c) Phase 2 - incur USD $300,000 by December 31, 2022.
  d) Phase 3 - incur USD $400,000 by December 31, 2022.
  e) Phase 4 - incur USD $500,000 within 1 year of the Phase 4 Commencement Date.
  f) Phase 5 - incur USD $500,000 within 1 year of the Phase 5 Commencement Date.
  g) Phase 6 - incur USD $750,000 within 1 year of the Phase 6 Commencement Date.

3. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Medicine Springs (cont'd…)

In addition, the property owner will retain a 2.5% NSR. The Company has the option to purchase back 1.5% of the NSR for US$3,000,000 on a portion of the mineral claims (126/149) and US$1,000,000 on a portion of the mineral claims (23/149). The royalty to the project vendors is in addition to a further 0.5% royalty over a portion of the mineral claims (23/149).

The Company entered into a Property Option and Joint Venture Agreement (the "Agreement") dated September 24, 2020 with Reyna Silver Corp. ("Reyna Silver").

Under the terms of the Agreement, Reyna Silver can earn a 75% interest in the Medicine Springs property by assuming and satisfying certain of the Company's commitments in the underlying option agreement dated August 20, 2017. Specifically, by paying US$ 875,000 and incurring exploration expenditures of approximately US $2,400,000 by December 31, 2023. Reyna Silver can earn an additional 5% can be earned by making a cash payment of US $1,000,000 to the Company by no later than December 31, 2023.

Upon completion, the Company and Reyna Silver will jointly own 100% of the Medicine Springs and will establish a joint venture.

Secret Pass Gold Project

During the year ended April 30, 2020, the Company entered into an option agreement, subsequently amended, to acquire a 100% interest in the Secret Pass Gold Project located in northwestern Arizona.

Pursuant to the option agreement, the Company agreed to make the following consideration payments:

a) within 5 working days following the exercise of the option, the Company will pay cash consideration of US$75,000 (paid);
b) within 30 days following the exercise of the option, the Company will issue 2,000,000 common shares (issued and valued at $80,000) (Note 6); and
c) under the terms of the agreement, the Company will make the following additional payments:
    i) US$175,000 on or before September 20, 2019 (paid); and
    ii) US$125,000 on or before November 8, 2019 (paid).

There are no third-party royalty's payable on future production from the project.

(Expressed in Canadian Dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2021	April 30, 2020
Trade payables	$ 65,183	$ 271,066
Accrued liabilities	65,950	65,950
	$ 131,133	$ 337,016

5. LOANS PAYABLE

During the year ended April 30, 2020, the Company:

i) received a non-bearing interest loan of $22,500 from a director of the Company. The loan was settled as a subscription for the January 2020 private placement (Note 6).

ii) received a non-bearing interest loan of $22,000 from a director of the Company. The loan was settled as a subscription for the January 2020 private placement (Note 6).

iii) received a non-bearing interest loan of $32,808 (USD$25,000) from a director of the Company. The loan was repaid during the year ended April 30, 2020.

iv) received a non-bearing interest loan in September 2019 of $30,000 from a director of the Company. The loan was repaid during the year ended April 30, 2021.

6. SHARE CAPITAL

Authorized: Unlimited common shares, without par value

During the year ended April 30, 2021, the Company completed a non-brokered private placement of 43,730,014 units at a price of $0.05 per unit for gross proceeds of $2,186,501, of which $34,930 is recorded in subscriptions receivable. Each unit consists of one common share and one full share purchase warrant. Each warrant is exercisable into one common share at a price of $0.075 per share until August 19, 2022. The Company paid cash finder's fees of $121,200 and issued 2,144,000 broker warrants valued at $177,000, as estimated using the Black Scholes option pricing model assuming an expected life of 2.00 years, volatility of 305.06%, risk free rate of 0.29%, and no expected dividends or forfeitures. Each broker warrant is exercisable into one common share at a price of $0.075 per share until August 19, 2022.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

During the year ended April 30, 2020, the Company:

i) closed a non-brokered private placement of 3,420,000 units at a price of $0.05 per unit for gross proceeds of $171,000, of which $60,000 was received during year ended April 30, 2019. Each unit consists of one common share and one share purchase warrant, of which $68,400 was allocated to the warrant component of the unit offering completed. Each warrant is exercisable into one common share at a price of $0.075 until July 4, 2021.

ii) issued 2,000,000 common shares (valued at $80,000) pursuant to the option payment of the Secret Pass Gold Project (Note 3).

iii) closed a non-brokered private placement of 12,627,772 units at a price of $0.05 per unit for gross proceeds of $631,388. Each unit consists of one common share and one share purchase warrant, of which $nil was allocated to the warrant component of the unit offering completed. Each warrant is exercisable into one common share at a price of $0.075 until January 20, 2022.

iv) issued 1,330,650 common shares (valued at $33,266) pursuant to the option payment of the Medicine Spring Project (Note 3).

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option will not be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at April 30, 2019	3,400,000	$ 0.10
Cancelled	(850,000)	0.10
Outstanding as at April 30, 2020	2,550,000	0.10
Granted	6,404,065	0.06
Outstanding as at April 30, 2021	8,954,065	$ 0.07

As at April 30, 2021, the following options were outstanding and exercisable:

Number of Options	Exercise Price	Expiry Date	Exercisable
2,550,000	$ 0.10	November 7, 2023	2,550,000
3,904,065	$ 0.05	July 23, 2025	3,328,049
2,000,000	$ 0.07	December 10, 2025	500,000
500,000	$ 0.07	January 13, 2026	500,000
8,954,065			6,878,049

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Stock options (cont'd…)

During the year ended April 30, 2021, the Company:

i) granted 3,904,065 stock options to directors, officers and consultants of the Company, exercisable at a price of $0.05 per share, expiring on July 23, 2025. 2,304,065 options vested at grant date. A quarter of the e remaining 1,600,000 options vest starting 3 months after grant date and every 3 months thereafter. The estimated fair value of these options was $150,500, of which the Company recorded $145,390 (2020 - $Nil) in share-based compensation during the year ended April 30, 2021.

ii) granted 2,000,000 stock options to directors, officers and consultants of the Company exercisable at a price of $0.07 per share, expiring December 10, 2025. A quarter of the options vest 3 months after grant date and a quarter every 3 months thereafter. The estimated fair value of these options was $135,900, of which the Company recorded $90,903 (2020 - $Nil) in share-based compensation during the year ended April 30, 2021.

iii) granted 500,000 stock options exercisable at a price of $0.07 per share, expiring January 13, 2026. The options vested immediately. The estimated fair value of these options was $31,500, and was recorded in share-based compensation during the year ended April 30, 2021.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended April 30:

	2021	**2020**
Risk-free interest rate	0.32%	-
Expected life of options	5.00 years	-
Expected annualized volatility	192.38%	-
Expected dividend rate	0.00%	-

Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at April 30, 2019	11,005,000	$ 0.20
Granted	16,047,772	0.075
Outstanding as at April 30, 2020	27,052,772	0.13
Granted	45,874,014	0.075
Expired	(11,005,000)	0.20
Outstanding as at April 30, 2021	61,921,786	$ 0.08

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Warrants (cont'd…)

As at April 30, 2021, the following warrants were outstanding and exercisable:

Number of Warrants	Exercise Price		Expiry Date
3,420,000	$	0.075	July 4, 2021*
12,627,772	$	0.075	January 20, 2022
43,730,014	$	0.075	August 19, 2022
2,144,000	$	0.075	August 19, 2022
61,921,786			

*Subsequently extended to July 4, 2024

7. TRANSACTIONS WITH RELATED PARTIES

The Company defines key management as officers and directors. During the year ended April 30, 2021, the Company:

i) paid or accrued management fees of $89,976 (2020 - $90,000) to a director of the Company.

ii) paid or accrued management fees of $89,976 (2020 - $90,000) to the Chief Executive Officer ("CEO") of the Company.

iii) paid or accrued professional fees of $12,000 (2020 - $12,000) to the Chief Financial Officer ("CFO") of the Company.

iv) recorded share-based compensation of $111,119 (2020 - $Nil) related to options granted to officers and directors of the Company.

Included in accounts payable and accrued liabilities as at April 30, 2021 is $3,057 (April 30, 2020 - $133,581) owed to officers of the Company.

Included in loans payable at April 30, 2020 was $30,000 owed to a director of the Company (Note 5).

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of fair value hierarchy are:

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

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and loans payables. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) Currency risk

The Company is exposed to nominal foreign currency risk.

b) Credit risk

Credit risk is risk of financial loss to the Company if the counterparty to a financial statement fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds non-interest bearing debt.

d) Liquidity risk

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

e) Price risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of commodities. The Company monitors these prices to determine the appropriate course of action to be taken.

(Expressed in Canadian Dollars)

9. CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company did not change its approach to capital management during the year ended April 30, 2021.

10. SEGMENTED INFORMATION

The Company's primary business activity is the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

	April 30, 2021	April 30, 2020
Exploration and evaluation assets		
United States	$ 1,611,790	$ 950,466

11. INCOME TAXES

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

	2021	2020
Loss for the year before income tax	$ (916,911)	$ (430,365)
Income tax expense (recovery) at statutory income tax rate	$ (248,000)	$ (116,000)
Change in statutory, foreign tax foreign exchange rates and other	54,000	(5,000)
Permanent difference	73,000	1,000
Share issue cost	(33,000)	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	177,000	(54,000)
Change in unrecognized deductible temporary differences	(23,000)	174,000
	$ -	$ -

(Expressed in Canadian Dollars)

11. INCOME TAXES (cont'd…)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2021	Expiry Date Range		2020	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	657,000	No expiry date	$	1,517,000	No expiry date
Property and equipment		14,000	No expiry date		14,000	No expiry date
Share issue costs		121,000	2041		36,000	2039
Non-capital losses available for future years		3,845,000	2028 to onward		3,151,000	2028 to onward

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

12. SUBSQUENT EVENTS

Subsequent to April 30, 2021, the Company:

i) closed the first tranche of US$890,000 (C$1,079,463) of the total US$2,000,000 (approximately C$2,425,760) of funding available under a financing agreement entered into with Precious Metals Capital Group, LLC (the "Investor").

Under the terms of the agreement, the Investor has purchased a unsecured zero-coupon non-redeemable convertible security from the Company with a principal amount of US$890,000 for a purchase price of US$800,000.

The Company has received US$800,000 (approximately C$970,304) from the Investor. In exchange, the Company issued to the Investor (i) a convertible security certificate for a principal amount of US$890,000; (ii) 3,122,743 common shares in satisfaction of a one-time fee; (iii) an initial issuance of 1,800,000 conversion shares to be counted towards the conversion of the convertible security; and (iv) 2,800,000 warrants, as a one-time issuance, each warrant entitling the holder purchase one common share at the exercise price of $0.068509 for 48 months.