Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Formerly Enviroleach Technologies Inc.)

(Expressed in Canadian dollars)

(Audited)

Management's Responsibility for Financial Reporting

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, which includes making significant accounting judgments and estimates in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and ensuring that all information in the annual report is consistent with the consolidated financial statements, selecting appropriate accounting principles and methods, and making decisions that affect the measurement of transactions.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP, an independent partnership of Chartered Professional Accountants, has been appointed by the shareholders to audit the consolidated financial statements as at December 31, 2021 and for the year then ended and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

On behalf of EnviroMetal Technologies Inc.

/s/ Duane Nelson	*/s/ Wayne Moorhouse*
Duane Nelson Chief Executive Officer	Wayne Moorhouse Chief Financial Officer

Vancouver, BC
April 29, 2022

Independent Auditor's Report

To the Shareholders of EnviroMetal Technologies Inc.:

Opinion

We have audited the consolidated financial statements of EnviroMetal Technologies Inc. (the "Company") and its subsidiaries which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020, and the consolidated statements of loss and comprehensive loss, changes in 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and December 31, 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 audits 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a loss for the year ended December 31, 2021 and, as of that date, had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 comprises 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 audits 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 audits 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 on this other information, 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 International Financial Reporting Standards, 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 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 audits 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 audit resulting in this independent auditor's report is Abhishek Kapoor.

Vancouver, British Columbia

MNP LLP

May 2, 2022

Chartered Professional Accountants

EnviroMetal Technologies Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

		December 31, 2021		December 31, 2020
Assets				
Current assets				
Cash	$	784,790	$	5,511,314
Trade and other receivables (Note 5)		434,921		232,694
Inventories (Note 6)		4,058,440		800,193
Assets held for sale (Note 7)		326,947		366,966
Prepaid expenses and deposits		155,546		252,704
		5,760,644		7,163,871
Non-current assets				
Investment in Group 11 (Note 8)		301,665		700,124
Intangible assets (Note 9)		-		4,372,499
Plant and equipment (Note 9)		2,169,295		4,330,433
		2,470,960		9,403,057
Total assets	**$**	**8,231,604**	**$**	**16,566,928**
Liabilities and equity				
Current liabilities				
Accounts payable and accrued liabilities (Note 10)	$	4,405,623	$	1,048,974
Due to (from) related parties (Note 11)		62,264		202,682
Deferred revenues		38,125		-
Loan payable (Note 12)		40,000		40,000
Lease liabilities (Note 13)		322,025		247,623
Non-controlling interest (Note 24)		1,109,026		-
Advance royalty payable (Note 14)		-		45,549
	$	5,977,063	$	1,584,828
Non-current liabilities				
Lease liabilities (Note 14)		129,470		60,955
Advance royalty payable (Note 14)		-		486,842
		129,470		547,797
Total liabilities		**6,106,533**		**2,132,625**
Equity				
Share capital (Note 15)		29,726,904		29,447,944
Reserves (Note 15)		7,765,126		7,745,476
Contributed surplus (Note 15)		750,000		750,000
Accumulated deficit		(36,116,959)		(24,630,185)
Equity attributable to shareholders		2,125,071		13,313,235
Non-controlling interest		-		1,121,068
Total equity		**2,125,071**		**14,434,303**
Total liabilities and shareholders' equity	**$**	**8,231,604**	**$**	**16,566,928**

Going concern (Note 1),Commitments (Note 24), and Subsequent Events (Note 25)
The accompanying notes form an integral part of these consolidated financial statements.
Approved by the Board of Directors of EnviroMetal Technologies Inc. on April 29, 2022:

/s/ Duane Nelson /s/ Court Anderson

EnviroMetal Technologies Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2021 and 2020
(Expressed in Canadian dollars)

	December 31, 2021	December 31, 2020
Revenues		
Consulting revenue	177,963	483,664
Sale of precious and other metals	673,393	333,121
	851,356	816,785
Expenses		
Operating costs	(956,299)	(1,335,483)
Management and Employee costs	(1,528,974)	(1,234,899)
General and administration (Note 17)	(1,783,057)	(1,378,754)
Share-based payments (Note 15)	(104,571)	(1,029,580)
	(4,372,901)	(4,978,716)
Loss before other items	**(3,521,545)**	**(4,161,931)**
Other items		
Interest income	3,581	2,778
Interest and financing costs	(48,150)	(75,454)
Amortization (Note 9)	(1,849,023)	(1,938,895)
Loss on disposal of assets	10,523	(85,189)
Write-down of assets (Note 18)	(1,134,216)	(111,523)
Impairment loss on plant and equipment (Note 9)	(1,097,439)	-
Impairment loss on intangible assets (Note 9)	(3,681,211)	-
Unrealised loss on investment in associate (Note 8)	(398,459)	(49,876)
Gain on settlement of advance royalty payable (Note 14)	238,271	-
Expected credit loss (Note 24)	(123,418)	(350,292)
Foreign exchange	(12,023)	(60,848)
	(8,091,564)	(2,669,299)
Loss and comprehensive loss	**(11,613,109)**	**(6,831,230)**
Loss and comprehensive loss attributable to:		
Shareholders	(11,486,774)	(6,120,035)
Non-controlling interest	(126,335)	(711,195)
	(11,613,109)	**$ (6,831,230)**
Net loss per common share, basic and diluted	(0.124)	(0.093)
Weighted-average number of common shares outstanding, basic and diluted	93,613,399	73,623,393

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

EnviroMetal Technologies Inc.
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020

(Expressed in Canadian dollars, except for number of shares amount)

	Share capital		Reserves					
	Shares #	**Amount**	**Share-based payments**	**Warrants**	**Contributed surplus**	**Accumulated deficit**	**Non-controlling interest**	**Total Equity**
Balance, January 1, 2021	93,046,002	$ 29,447,944	$ 5,323,802	$ 2,421,674	$ 750,000	$ (24,630,185)	$ 1,121,068	$ 14,434,303
Issuance of shares for options	400,000	184,920	(84,921)	-	-	-	-	99,999
Shares issued for debt settlement (Note 14)	250,000	105,000	-	-	-	-	-	105,000
Share issuance costs (Note 15)	-	(10,960)	-	-	-	-	-	(10,960)
Share-based payments	-	-	104,571	-	-	-	-	104,571
Cancellation of joint venture							(1,109,026)	(1,109,026)
Equity contribution from minority shareholder	-	-	-	-	-	-	114,293	114,293
Net loss for the year	-	-	-	-	-	(11,486,774)	(126,335)	(11,613,109)
Balance, December 31, 2021	**93,696,002**	**$ 29,726,904**	**$ 5,343,452**	**$ 2,421,674**	**$ 750,000**	**$ (36,116,959)**	**$ -**	**$ 2,125,071**

	Share capital		Reserves					
	Shares #	**Amount**	**Share-based payments**	**Warrants**	**Contributed surplus**	**Accumulated deficit**	**Non-controlling interest**	**Total Equity**
Balance, January 1, 2020	70,667,000	23,756,237	4,551,104	-	-	- 18,510,150	1,183,421	$ 10,980,612
Private placement of units (Note 15)	21,169,002	5,567,621	-	2,287,880	-	-	-	7,855,501
Share issuance costs (Note 15)	-	(435,296)	-	133,794	-	-	-	(301,502)
Issuance of shares for options (Note 15)	1,210,000	559,382	(256,882)	-	-	-	-	302,500
Share-based payments (Note 15)	-	-	1,029,580	-	-	-	-	1,029,580
Investment in associate (Note 8)	-	-	-	-	750,000	-	-	750,000
Equity contribution from minority shareholder	-	-	-	-	-	-	648,843	648,843
Net loss for the year	-	-	-	-	-	- 6,120,035	- 711,195	(6,831,230)
Balance, Dcember 31, 2020	**93,046,002**	**$ 29,447,944**	**$ 5,323,802**	**$ 2,421,674**	**$ 750,000**	**$ (24,630,185)**	**$ 1,121,068**	**$ 14,434,303**

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

(Expressed in Canadian dollars)

	December 31, 2021	December 31, 2020
Cash flows from (to) operating activities		
Net loss for the period	$ (11,613,109)	$ (6,831,230)
Adjustments to reconcile net loss to cash used in operating activities:		
Amortization	1,849,023	1,938,895
Loss on disposal and write-down of assets (Note 18)	1,134,216	196,712
Impairment loss on plant and equipment (Note 9)	1,097,439	-
Impairment of intangible assets (Note 9)	3,681,211	-
Amortized interest on liabilities	35,517	65,671
Gain on settlement of advance royalty payable (Note 14)	(238,271)	-
Interest on due to related parties	-	(55,790)
Share-based payments	104,571	1,029,580
Loss related to investment in associate (Note 8)	398,459	49,876
Expected credit loss (Note 24)	123,418	350,292
Changes in non-cash operating working capital (Note 18)	(217,548)	1,205,169
	(3,645,074)	**(2,050,825)**
Cash flows to investing activities		
Disposal of right of use assets	-	4,166
Net proceeds from sale of assets held for sale	62,600	126,540
Acquisition of plant and equipment	(485,287)	(430,398)
	(422,687)	**(299,692)**
Cash flows from (to) financing activities		
Issuance of common shares for private placement	-	7,855,501
Share issuance costs	(10,960)	(301,502)
Shares issued for options	100,000	302,500
Royalty payments	(296,658)	(80,221)
Loan proceeds	-	40,000
Loan repayment	-	(250,000)
Payments of lease obligations	(381,731)	(383,956)
	(589,349)	**7,182,322**
Increase (decrease) in cash	**(4,657,110)**	4,831,805
Effects of foreign exchange rates on cash	(69,414)	(9,339)
Cash, beginning of period	**5,511,314**	**688,848**
Cash, end of period	**$ 784,790**	**$ 5,511,314**

Supplemental cash flow information (Note 18)
The accompanying notes form an integral part of these consolidated financial statements.

1. Corporate information and going concern

EnviroMetal Technologies Inc. (the Company or EnviroMetal) was incorporated under the Province of Alberta Business Company Act on October 21, 2016. On December 4, 2020, the Company enacted a continuance from the Province of Alberta to the province of British Columbia under the *Business Corporation Act* (British Columbia) and adopted new articles of incorporation. On August 8, 2021, the Company applied for and received a name change from Eviroleach Technologies Inc. to EnviroMetal Technologies Inc.

The Company specializes in precious metal extraction processes with applications in the primary and secondary metals industries. The Company shares are listed for trading on the Canadian Securities Exchange (CSE) under the symbol "ETI". The Company additionally trades in the United States on the OTCQX venture marketplace under the symbol "EVLLF" and on the Frankfurt Stock Exchange (FSE) under the symbol "7N2".

The Company's registered office is located at 1500, 1055 West Georgia St., Vancouver BC V6E 0B6 and its corporate head office is located at #114 - 8331 Eastlake Drive, Burnaby, BC V5A 4W2.

These consolidated financial statements (Financial Statements) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company incurred a loss of $11,613,109 for the year ended December 31, 2021 (2020 – loss of $6,831,230) and has an accumulated deficit since inception of $36,116,959 (2020 - $24,630,185). There are several adverse conditions which create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company has incurred operating losses since inception, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead obligations. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing and ultimately develop profitable operations. The Company is of the view that these objectives can be met, and that the going concern assumption is appropriate. If the going concern assumption were not appropriate for these Financial Statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used, and such adjustments could be material.

Impact of COVID-19

The global transmission of COVID-19 and the related global efforts to contain its spread have resulted in international border closings, travel restrictions, significant disruptions to supply chains, as well as a significant impact on commodity prices and capital markets. The Company has adopted certain procedures to respond to COVID-19 and mitigate the impacts of the COVID-19 crisis. These impacts include reduced sales attributable to supply chain disruptions and travel restrictions, increased costs from efforts to mitigate the impact of COVID-19 and disruptions to processing plant operations. The Company does not believe that COVID-19 has impacted any of the significant estimates or judgments used in these Financial Statements.

2. Basis of presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting

Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain comparative amounts have been reclassified to conform to the current year's presentation. The accounting policies set out below were consistently applied to all periods presented unless otherwise noted. These consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2022.

(b) Basis of measurement

These consolidate financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value as disclosed elsewhere in the notes to the financial statements.

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that may have a significant impact to the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

These consolidate financial statements are presented in Canadian dollars, unless otherwise indicated.

3. Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements are prepared by consolidating entities that are controlled by the Company. An entity is controlled when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through power over the investee. Power over an entity is the ability to exercise rights that give affect the entity's returns (relevant activities). Power may be determined on the basis of voting rights or, in the case of structured entities, other contractual arrangements. The determination of control is based on the current facts and circumstances and is continuously assessed. In some circumstances, different factors and conditions may indicate that different parties control an entity depending on whether those factors and conditions are assessed in isolation or in totality. Significant judgment is applied in assessing the relevant factors and conditions in totality when determining whether an entity is controlled. Specifically, judgment is applied in assessing whether the Company has substantive decision-making rights over the relevant activities. Controlled entities are consolidated from the date control is obtained and consolidation is ceased when an entity is no longer controlled by the Company. Non-controlling interests in subsidiaries that are consolidated is shown on the consolidated statements of financial position as a separate component of equity which is distinct from equity attributable to shareholders. The net income attributable to non-controlling interests is separately disclosed in the consolidated statements of loss and comprehensive loss.

On December 31, 2020, the consolidated financial statements of EnviroMetal Technologies Inc. were consolidated with the accounts of the joint venture project with Mineworx Technologies Ltd. (Mineworx) in which the Company was the operator and had control over the decision-making process. The portion attributable to Mineworx was 20% and recorded as non-controlling interest. This determination was made after an analysis of IFRS 10 (Consolidated Financial Statements) and the terms of the agreement with Mineworx. The Company terminated the joint venture with Mineworx, as of April 5, 2021, and the Company now owns 100% of the assets per the agreement dated February 14, 2020.

(b) Functional and presentation currencies and foreign currency translation

The functional currency of the Company is determined using the currency of the primary economic environment in which the Company operates, the Canadian dollar. The presentation currency is also the Canadian dollar.

In preparing the consolidated financial statements of the Company, transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at rates prevailing at the reporting dates and are recognized in profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Cash

Cash includes cash on deposit in Canadian and Dubai National banks and are subject to negligible risk of changes in value. As at December 31, 2021, the Company had cash of $784,790 of which $665,358 was placed with a bank in Canada and $119,432 was placed with a bank in the United Arab Emirates (2020 - $5,511,314).

(d) Inventories

Inventories consist of raw materials, finished goods and supplies to be consumed in operating and research activities and include unprocessed electronic waste (E-waste), E-waste in circuit, processed E-waste, consumables, inventory of parts and spare parts for the E-waste processing plant, and gold bearing materials secured from external mining and milling operations. All inventories are measured at the lower of cost and net realizable value in accordance with IAS 2. The cost of inventories is based on weighted average cost formula, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. The cost of conversion is calculated based on the standard allocation of the direct labour and fixed and variable overheads incurred in converting the raw materials to finished goods. When inventories are sold the cost are expensed in the period the revenue is recognized. At each reporting period precious metal finished goods are held at net realizable value, and updated with assay results from downstream customers.

(e) Assets held for sale

The Company has accounted for assets held for sale in accordance with IFRS 5. Items classified as assets held for sale are non-current assets and liabilities that will be recovered principally through a sale transaction rather than continual use. This condition is satisfied when the asset is available for immediate sale in its present condition, management is committed to the sale, and it is highly probable to occur within one year. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less selling costs and, if significant, are presented separately from other assets as current assets on the Consolidated Statements of Financial Position. If assets are held for longer than 12 months, the Company records a provision for the expected decrease in sales value.

(f) Intangible assets, plant and equipment

Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation and impairment losses, if any. Costs directly attributable to the acquisition or construction of plant and equipment are also capitalized as part of the costs. Repairs and maintenance are charged to the consolidated statement of loss and comprehensive loss during the financial period in which they are incurred. Upon retirement, disposal or destruction of an asset, the cost and related depreciation are removed from the accounts and any gain or loss is included in the consolidated statement of loss and comprehensive loss. Plant and equipment assets are tested for impairment if events or circumstances indicate that the assets might be impaired.

Technology

Technology assets are the costs of acquiring rights to proprietary environmentally friendly technologies for the concentration and extraction of valuable metals for use in the mining and environmental waste/reclamation industries. The expected future economic benefits support the carrying value, which will be amortized over its estimated useful life, expected to be 10 years. These assets are tested for impairment if events or circumstances indicate that the assets might be impaired.

Depreciation

Depreciation is based on estimated useful lives of the assets on a straight-line basis, as follows:

Plant and equipment	7 to 10 years
Vehicles	5 years
Office furniture and fixtures	3 to 5 years
Computers	3 years
Technology	10 years
Patents	Life of patent (20 years)

The assets' residual values, method of depreciation and useful lives are reviewed and adjusted, if appropriate, at least annually.

(g) Leases

In accordance with IFRS 16, as of January 1, 2018, at the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the "right-of-use" asset) unless the underlying asset has a low value or the lease term is twelve months or less, in which case leases are expensed in the period incurred. At commencement date, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The right-of-use asset is then amortized using the straight-line method from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset may also be reduced for any impairment losses, if any.

At the lease commencement date, the lease liability is measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate, which is the rate the Company would pay for similar assets at similar locations over a similar term. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is re-measured when there is a change in future lease payments due to a change in an index or rate, a change in the Company's estimate of an amount payable under residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, termination or extension option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Revenue recognition

The Company derives revenue from the sale of precious metals in a concentrate or pure form, licensing fees and consulting fees. In accordance with IFRS 15, the Company recognizes revenue using the following 5 steps:

1. Identify that a contract exists
2. Identify performance obligations
3. Determine price
4. Allocate price to performance
5. Recognize performance is completed

Revenue streams are as follows:

Sales of precious and other metals

The Company sells precious and other metals to smelters and refiners for final transformation into investment grade precious metals or commercial grade base metals. These smelters and refiners have over-arching agreements that govern how materials flows will be accounted for at the point of sale. The sale is recorded in point in time when performance obligation is met, and when the risk and rewards of ownership is passed on to the smelting or refining companies, which is the date that they acknowledge receipt of the goods via waybill or bill of lading. The transaction price is determined over time, with provisional payments based on the market value of the marketable metals at the time of delivery (using the previous months average price) and adjusted at time of the final settlement. As the Company does not use forward contracts, there is provisional adjustments to the price received from the sale of materials for up to 6 months after initial delivery.

Sales of intellectual property

The Company sells intellectual property, processes, and patented knowledge in the form of licenses, territories and/or exclusivity agreements. The transaction price is determined with the customer prior to contract execution for an effective date in the future. Control is transferred when both the effective date of the contract has passed and there is no further ongoing involvement of management in the use of the intellectual property. The Company's performance obligation is the creation and delivery of Intellectual property rights. Those rights do not require ongoing maintenance and are based on time. The revenue associated is recorded on a straight-line basis based on the period of the agreement and where the term of the agreement is indefinite the revenue is recorded based on the estimated useful life of the rights sold.

Consulting services

The services are sold to companies operating in the E-waste and/or mining industries and primarily relate to the design and implementation of the Company's intellectual property, catered to the client's needs. Services rendered are measured either using time as the basis for measurement, or achievement of pre-determined milestones. The primary time basis of measurement is labour hours for technical analysis, and the primary milestones would be delivery of digital report, investigatory result, or completion of a project. For consulting services where the sales model is uncapped hours with a report to formalize completion, revenue is recorded as the input hours are measured. When a project has a fixed value, and the duration is longer than one period revenue is recorded based on actual hours as a percentage of budgeted. When a project has a fixed value and the duration is within a period, revenue is recorded on the delivery of the final milestone, usually a technical report.

(i) Impairments

Non-financial assets

At each reporting date, the Company reviews its intangible assets, plant and equipment at the cash generating unit ("CGU") level to determine whether there is any indication that these assets are impaired. If any such indication exists, the recoverable amount of the relevant CGU is estimated in order to determine the extent of impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company has two CGUs; (1) an E-waste and mineral processing plant; and (2) performing technical services related to implementing its proprietary technology for the extraction of precious metals for the mining and E-waste industries. These two revenue streams have independent labour pools, locations, and client profiles and as such are separated for the purposes of CGU analysis.

Impairment of a CGU is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset 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 for which the estimates of future cash flows have not been adjusted. For fair value less costs to sell, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Discounted cash flow techniques require management to make estimates and assumptions concerning future production revenues and expenses. The determination of discounted cash flows is dependent on many factors, including future metal prices, production schedules, production costs, sustaining capital expenditures and plant closure and site rehabilitation costs. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized in profit and loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there had been a change in the estimates used to determine the recoverable amount. If an impairment is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods.

(j) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of past events for which it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the present value of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(k) Income taxes

Income tax expense consists of current and deferred income taxes based on taxable profits. Current and deferred income taxes are included in profit and loss except to the extent that they relate to a business combination or items recognized directly in equity or other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income (loss) for the current period and any adjustment to income taxes payable or receivable in previous periods. Current income taxes are determined based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income taxes are determined using the liability method where there are differences between the carrying amounts and tax bases of assets and liabilities, and unused tax losses and credits. Deferred tax liabilities and assets are measured by applying tax rates that are expected to apply when the amounts are realized or settled respectively, based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. 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 realized and is later reduced if the Company determines it is no longer probable to be realized. The Company has not currently recognized any deferred tax assets or liabilities. No deferred tax asset has been recognized in respect of tax loss carry-forwards or deductible temporary differences as it is not probable at the end of the financial reporting year that future taxable profits will be available such that a tax asset can be realized.

(l) Government assistance

Amounts received or receivable resulting from government assistance programs are recognized where there is reasonable assurance that the amount of government assistance will be received, and all attached conditions will be complied with. When the amount relates to an expense item, it is recognized as a reduction against the costs it is intended to compensate. When the amount relates to an asset, it reduces the carrying amount of the asset and is then recognized as income over the useful life of the depreciable asset by way of a reduced depreciation charge.

(m) Share-based compensation

The Company has a share-based compensation plan described in Note 16. Compensation costs are measured at the grant date based on the fair value of the award and are recognized on a graded basis over the vesting period in profit and loss, with a corresponding increase to reserves. Upon exercise, common shares are issued from treasury and the amount reflected in reserves is credited to share capital, as adjusted for any consideration paid.

The Black-Scholes option pricing model is used to determine the fair value of new grants. This model incorporates subjective assumptions, including volatility and expected life. At the end of each reporting period, the Company reviews and adjusts the amount recognized as an expense based on the number of options expected to vest. The impact of the revision, if any, is recognized in profit and loss, with a corresponding adjustment to reserves.

Options issued to non-employees are measured based on the fair value of the services received at the date of receiving those services. If the fair value of the goods or services cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

(n) Share capital

The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction from the proceeds of issuance.

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to reserves. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in reserves is recorded as an increase to share capital. Upon expiration of warrants, the amount applicable to warrants expired is recorded as an increase to share capital.

(o) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted-average number of outstanding common shares for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted-average number of outstanding common shares for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares. The weighted average number of common shares used to calculate the dilutive effect assumes that the proceeds that could be obtained upon exercise of stock options would be used to purchase common shares at the average market price during the period.

In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options would be anti-dilutive.

(p) Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, comprehensive loss was the same as net loss.

(q) Non-controlling interest

Non-controlling interest represents equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income and other comprehensive income is recognized directly in equity even if the results of the non-controlling interest have a deficit balance.

The Company recognizes transactions with non-controlling interest as transactions with equity shareholders. Changes in the Company's ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. Following a change in control, any non-controlling interest that represents amounts owing to the counterparty are recognized as a current liability.

(r) Financial instruments

On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification of financial assets is made in accordance with their contractual cash flow characteristics and the business models under which they are held.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit and loss. Gains or losses on equity financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's financial assets are cash, trade and other receivables.

Financial assets at amortized cost

At each reporting date, the Company assesses whether there has been a significant increase in credit risk that would provide objective evidence that a financial asset at amortized cost is impaired. The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less any impairment using the effective interest method. They ae classified as current or non-current based on their maturity dates.

Financial assets at FVTPL

Financial assets at FVTPL are initially recognized at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also recognized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investment in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Financial Liabilities

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities are its accounts payable and accrued liabilities, due to related parties, lease liabilities and loan payable. Financial liabilities are classified as current or non-current based on their maturity dates. Financial liabilities held for trading or designated at fair value through profit or loss are subsequently carried at fair value with gains and losses recognized in profit or loss.

Non-controlling interest, derecognized as equity during the year is held at amortized cost and gains or losses on settlement will be recognized through profit and loss.

(s) Investments in associates

Our investments in associated corporations and limited partnerships over which the Company has significant influence are accounted for using the equity method. The equity method is also applied to interests in joint ventures over which joint control has been established. Under the equity method of accounting, investments are initially recorded at cost, and the carrying amount is increased or decreased to recognize our share of the investee's net profit or loss, including the proportionate share of the investee's other comprehensive income (OCI), subsequent to the date of acquisition.

At December 31, 2021 the Company's consolidated financial statements include an investment in Group 11, held at 34.46% interest where the Company contributed technology assets valued at $750,000. (Note 8).

4. Critical accounting estimates and judgments

The preparation of these Financial Statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

Significant estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Inventory

Parts, raw materials, chemicals, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Revenue for provisional invoices

Provisional invoices are issued for precious metal sales that reflect the estimated amount of metal in the shipment and the current dollar value of the metal at the date of the invoice. Both the amount of precious metal and the expected price on settlement are not known on delivery. The Company records a provisional invoice using best available estimates and updates when new information becomes available until final settlement.

Assets held for sale

The value of assets held for sale requires significant judgement. Illiquid markets, uncertain sales charges, environmental weathering all contribute to potential variance in final value received by the Company. The report carrying value is assessed each reporting period and assets held for sale that have been unsold for 12 months or longer are reviewed for indicators of obsolescence. Principally, these indicators are either technological or physical.

Currently management does not anticipate any of the assets currently held for sale to experience significant technological obsolescence, however, assets held for sale are stored outdoors and as such the Company estimates that after four years the main value of the remaining assets is through a salvage sale. The actual amount of physical deterioration over time and final sale value is subject to significant variation on outcomes.

Impairment of non-financial assets

Assets are reviewed for an indication of impairment at each consolidated statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. This determination requires significant judgment. Factors that could trigger an impairment review of PP&E include, but are not limited to, significant negative industry or economic trends including the price of precious and base metals, decrease in market capitalization and/or deferral of capital investments.

The Company's recoverable amount measurement with respect to the carrying amount of non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amount. The recoverable amount is based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amount of non-financial assets to its carrying values. The Company's recoverable amount estimates are based on numerous assumptions such as, but not limited to, estimated realized metal prices, operating costs, metal recoveries, capital and site restoration expenditures, and estimated future foreign exchange rates, and may differ from actual values. These differences may be significant and could have a material impact on the Company's financial position and results of operation.

Management's estimates of future cash flows are subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur with evolving economic conditions, which may affect recoverability of the Company's non-financial assets. As the future cashflows with respect to both the E-waste processing plant, and associated intellectual assets are subject to litigation and the ongoing effects of the pandemic, management has impaired the intangible assets to $nil and the physical plant to the estimated recoverable amount.

Current income taxes

The Company's interpretations of underlying tax regulations may differ from those of the tax department. Judgment is required in order to determine the appropriate accounting and disclosure treatment based on the facts. To the extent that a dispute arises, management must determine whether it is probable that a tax liability exists and whether the extent of the liability may be estimated and accrued in the consolidated financial statements in addition to determining the appropriate level of disclosure regarding the dispute.

Share-based compensation related to stock options

Management assesses the fair value of stock options using the Black-Scholes option pricing model. This model requires management to make estimates and assumptions with respect to inputs including the risk-free interest rate, share price volatility and expected life of the equity-settled instruments. As well, management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behavior.

The estimated useful life of equipment and technology

Management assesses the estimated useful life of equipment, technology and other long-lived assets based on best available information from markets, employees and other indicators.

(Expressed in Canadian dollars)

Application of the effective interest method

Interest is recognized in Interest income and Interest expense in the Consolidated Statements of Income generally for all interest-bearing financial instruments using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial asset or liability to the net carrying amount upon initial recognition. Significant judgment is applied in determining the effective interest rate due to uncertainty in the timing and amounts of future cash flows.

Expected credit loss

Under IFRS 9, the Company initially recognizes expected credit losses arising from potential default over the next 12 months. The Company uses the probability of default based on the exposure at default, probability of default and loss given default to factor the expected loss.

Incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation as the Company does not have financing transactions with third parties.

The Company estimates the IBR using observable inputs (such as market interest rates) and groups leases into their constituent categories with similar characteristics. The other significant estimates used as an input is the relative increase or decrease in interest rates according to prevailing market adjustments for individual categories. The two main metrics use to adjust market interest rates for categories are whether a lease is for a short or long duration, and if the asset is fixed or mobile.

5. Trade and other receivables

Receivables consist of the following:

	December 31, 2021	December 31, 2020
Trade	$ 523,528	$ 207,178
Government subsidies	23,945	81,014
Taxes	25,578	83,776
Due from Mineworx	324,080	206,976
Other	11,499	4,042
Expected credit loss (Note 25)	(473,709)	(350,292)
	$ 434,921	$ 232,694

(Expressed in Canadian dollars)

Aging of trade and other receivables:

	December 31, 2021		December 31, 2020	
		Provision	Gross	Provision
Current	$ 146,005	$ -	$ 177,721	$ -
Aged 30 -60 days	103,757	-	1,956	-
Aged 61-90 days	45,801	-	-	-
Aged > 90 days	613,067	(473,709)	403,309	(350,292)
	$ 908,630	$ (473,709)	$ 582,986	$ (350,292)

6. Inventory

Inventory consists of the following:

	December 31, 2021	December 31, 2020
Parts	$ 89,845	$ 459,461
Raw materials	3,496,737	-
Chemicals	301,244	302,805
Work in progress	-	-
Finished goods	170,614	37,927
	$ 4,058,440	$ 800,193

Raw materials consist of precious metals bearing material at the invoiced amount, based on the current estimated value. Finished goods consists of precious metals and concentrate delivered or in-transit to customers at year-end. During the year ended December 31, 2021, write-downs of inventories to net realizable value amounted to $717,385 (2020 – $259,428). Inventory write-downs were recognized as an expense and included in cost of sales in the statement of loss and comprehensive loss..

Costs of inventories recognized as an expense are as follows:

	December 31, 2021	December 31, 2020
Opening inventory	$ 800,193	$ 1,212,808
Purchase	4,754,547	106,158
Consumed	(604,910)	(462,076)
Other adjustments	(174,005)	202,731
Write- down	(717,385)	(259,428)
Closing balance	$ 4,058,440	$ 800,193

(Expressed in Canadian dollars)

7. Assets held for sale

Assets held for sale consist of the following:

		December 31, 2021		December 31, 2020
Opening balance	$	366,966	$	477,290
Transfer from plant (Note 9)		274,400		9,066
Sold		(169,100)		(117,390)
Written-down		(145,319)		(2,000)
Closing balance	$	326,947	$	366,966

8. Investment in Group 11

On August 28, 2020, the Company entered into a license agreement with Group 11 Technologies Inc. (“Group 11”) for the use of the Company’s gold recovery technology for use in-situ gold mining applications.

In exchange for an initial 40% ownership (December 31, 2021 – 34.46%) position in Group 11, EnviroMetal has granted Group 11 a license to use the Company’s metal extraction technology. On initial recognition, the licensing fee was recorded at cost, being $750,000. The Company is entitled to royalty payments on any metal produced in accordance with the license agreement.

The Company has determined that it exercises significant influence over Group 11 and accounts for this investment using the equity method. During the year ended December 31, 2021, the Company recorded $398,459 (2020 - $49,876) as its proportionate share of Group 11’s net loss on the consolidated statements of loss and comprehensive loss. The following table is a reconciliation of the carrying value of the investment in Group 11:

		December 31, 2021		December 31, 2020
Opening balance	$	700,124	$	-
Group 11 shares aquired		-		750,000
Adjustments to carrying value:		-		-
Proportionate sharee of net loss		(398,459)		(49,876)
Balance Closing	$	301,665	$	700,124
The Company's percentage ownership		34.46%		40.00%

(Expressed in Canadian dollars)

The following table provides a summary of Group 11's financial information at December 31, 2021:

Net Assets of Group 11 (100%)		
Cash	$	944,719
Current Assets		421,994
Equipment		206,436
Intangible Assets		671,188
Liabilities		(152,857)
Balance, December 31, 2021	$	2,091,480
Net Loss, December 31, 2021	$	1,057,118

Concurrent with the licensing agreement, the Company has entered into a support and services agreement with Group 11, expiring no earlier than August 28, 2023. Under the terms of the agreement, the Company will earn a minimum aggregate fee of $750,000 over the term of the agreement. During the year ended December 31, 2021, the Company billed Group 11 $165,071 for work performed under the services agreement.

In July 2021, Group 11 completed a $1.03 Million (USD) financing, resulting in a change in the Company's ownership in the Company to 34.46%.

9. Intangible assets, plant and equipment

(a) Intangible assets

	Technology	Patent	Total
Costs			
Opening Balance - January 1, 2020	7,045,265	100,552	7,145,817
Additions	-	52,611	52,611
Disposals	-	-	-
Closing Balance - December 31, 2020	7,045,265	153,163	7,198,428
Depreciation			
Opening Balance - January 1, 2020	2,113,578	-	2,113,578
Additions	704,526	7,825	712,351
Disposals	-	-	-
Closing Balance - December 31, 2020	2,818,104	7,825	2,825,929
Net book value	**4,227,161**	**145,338**	**4,372,499**

(Expressed in Canadian dollars)

	Technology	Patent	Total
Costs			
Opening Balance - January 1, 2021	7,045,265	153,163	7,198,428
Additions	-	23,257	23,257
Closing Balance - December 31, 2021	7,045,265	176,420	7,221,685
Depreciation and impairment			
Opening Balance - January 1, 2021	2,818,104	7,825	2,825,929
Additions	704,526	10,019	714,545
Impairment	3,522,635	158,576	3,681,211
Closing Balance - December 31, 2021	7,045,265	176,420	7,221,685
Net book value	-	-	-

As at December 31, 2021, the Company performed its impairment tests for intangible assets. The recoverable amount of the CGU was determined on the basis of the higher of fair value less costs to disposal and value in use. During the impairment test, management determined the full impairment charges of $3,681,211 related to the intangible technology assets purchased during the Company's listing was required. This was due to insufficient expected cashflows from continued use.

Technology rights

In December 2016, the rights to the technology for the extraction of valuable metals was acquired for a total purchase price of $7,045,265. During the year ended December 31, 2021 it was determined the technology rights were impaired and the carrying cost was reduced to $nil (2020 - $4,227,161)

Intellectual property

The patent costs represent the costs of applying for patents on the Company's technology. On January 7, 2020, the Company was issued the first patent for its technologies, and on February 18, 2020, the second patent. The patent costs are being amortized over the 20-year life of the patents. During the impairment test, management determined full impairment charges of $158,576 were necessary due to insufficient expected cashflows from continued use.

(b) Plant and equipment

	Equipment	Right of Use	Office Fixtures	Computers	Vehicle	Total
Costs						
Opening Balance - January 1, 2020	$ 5,128,821	$ 898,097	$ 146,542	$ 32,195	$ -	$ 6,205,655
Additions	185,835	287,546	15,867	-	-	489,248
Transfer	-	-	-	-	-	-
Other adjustment	-	(84,800)	-	-	-	(84,800)
Closing Balance - December 31, 2020	$ 5,314,656	$ 1,100,843	$ 162,409	$ 32,195	$ -	$ 6,610,103
Depreciation						
Opening Balance - January 1, 2020	$ 598,789	$ 480,189	$ 36,141	$ 18,641	$ -	$ 1,133,760
Additions	745,730	415,982	54,099	10,732	-	1,226,543
Transfer	-	(80,633)	-	-	-	(80,633)
Closing Balance - December 31, 2020	1,344,519	815,538	90,240	29,373	-	2,279,670
Net book value, December 31, 2020	**$ 3,970,137**	**$ 285,305**	**$ 72,169**	**$ 2,822**		**$ 4,330,433**

(Expressed in Canadian dollars)

	Equipment	Right of Use	Office Fixtures	Computers	Vehicle	Total
Costs						
Opening Balance - January 1, 2021	$ 5,314,656	$ 1,100,843	$ 162,409	$ 32,195	$ -	$ 6,610,103
Additions	432,676	491,683	-	9,196	20,158	953,713
Transfer	(1,153,267)	-	-	-	-	(1,153,267)
Closing Balance - December 31, 2021	$ 4,594,065	$ 1,592,526	$ 162,409	$ 41,391	$ 20,158	$ 6,410,549
Depreciation and impairment						
Opening Balance - January 1, 2021	$ 1,344,519	$ 815,538	$ 90,240	$ 29,373	$ -	$ 2,279,670
Additions	725,872	339,518	54,136	12,018	3,024	1,134,568
Transfers	(874,890)	-	-	-	-	(874,890)
Write down	604,467	-	-	-	-	604,467
Impairment	1,097,439	-	-	-	-	1,097,439
Closing Balance - December 31, 2021	$ 2,897,407	$ 1,155,056	$ 144,376	$ 41,391	$ 3,024	$ 4,241,254
Net book value, December 31, 2021	**$ 1,696,658**	**$ 437,470**	**$ 18,033**	**$ -**	**$ 17,134**	**$ 2,169,295**

As at December 31, 2021, the Company performed its impairment tests for Equipment's, Right-of-use assets, Office fixtures, Computers and Vehicle. The recoverable amount of the CGU was determined on the basis of the higher of fair value less costs to disposal and value in use. Due to insufficient expected cashflows from continued use, management determined that impairment charges of $1,097,439 were required since the carrying amount exceeded its recoverable amount.

The impairment and revaluation of equipment relate to the terminated joint venture with Mineworx. The carrying value of the impaired assets reflects the estimated fair value based on an independent third-party appraisal. The transferred $274,400 reflect amounts transferred to parts inventory and held for sale.

10. Accounts payable and accrued liabilities

A summary of accounts payable and accrued liabilities are as follows:

	December 31, 2021	December 31, 2020
Accounts payable	$ 4,025,600	$ 802,621
Payroll liabilities	225,252	155,138
Accrued liabilities	154,771	91,215
	4,405,623	1,048,974

11. Due to related parties

Amounts due to related parties are as follows:

(Expressed in Canadian dollars)

	December 31, 2021	December 31, 2020
Board fees and related expenses to key management	$ 62,264	$ 211,913
Mineworx for contributions to the JV	-	(9,231)
	$ 62,264	$ 202,682

These amounts are unsecured, non-interest bearing, without specific repayment terms, are due on demand and have been incurred in the normal course of business.

12. Loan payable

Loan payable at December 31, 2021 and 2020 consists of an interest-free loan of $40,000 from the government of Canada pursuant to the CEBA program. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $10,000 (refer to Note 16).

13. Leases

The Company's right of use assets are included in plant and equipment. The imputed financing costs on the liability were determined based on the Company's incremental borrowing rate and similar finance leases to mining companies, which has been estimated at 11.48% for equipment and 6.58% on buildings. Lease liabilities recognized at December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Lease liabilities, opening balance	$ 308,578	$ 456,506
Leases added	491,683	202,746
Payment of lease liabilities	(381,731)	(383,956)
Interest expense	32,965	33,282
Lease liabilities, closing balance	451,495	308,578
Lease liabilities, current	$ 322,025	$ 247,623
Lease liabilties, non-current	129,470	60,955
	$ 451,495	$ 308,578

14. Advance royalty payable

The advance royalty payable was incurred on the acquisition of the technology. The advanced royalty is presented as the amortized cost of a non-interest-bearing note of US $1,000,000, discounted at a rate of 22.0% per annum, compounded monthly over a term of 39 months and based on projected cash flows. It is unsecured and due on a minimum discounted basis as follows:

(Expressed in Canadian dollars)

		December 31, 2021		December 31, 2020
Opening balance	$	532,392	$	589,561
Payments		(296,658)		(80,220)
Interest portion		2,552		32,389
Gain on settlement of debt		(238,271)		-
Foreign exchange adjustment		(15)		(9,338)
Closing balance	$	-	$	532,392

During the year ended December 31, 2021, the Company settled the advance royalty in full by way of a cash payment in the amount of US $150,000 and by issuing 250,000 common shares in the capital of the Company.

15. Share capital

(a) Capital stock

Authorized capital stock consists of an unlimited number of common shares, without par value.

On March 2, 2020, the Company closed a non-brokered private placement of 3,344,001 units a $0.75 per unit (March Units) for gross proceeds of $2,508,001. Each March Unit consists of one common share of the Company and one common share purchase warrant. In connection with the private placement, the Company paid finder's fees of $37,125, issued 41,250 compensation warrants valued at $12,090 and incurred $45,794 in other share issuance costs.

On December 30, 2020, the closed a non-brokered private placement of 17,825,001 units a $0.30 per unit (December Units) for gross proceeds of $5,347,500. Each December Unit consists of one common share of the Company and one common share purchase warrant. In connection with the private placement, the Company paid finder's fees of $183,330, issued 618,100 compensation warrants valued at $121,704 and incurred $43,560 in other share issuance costs.

On January 29, 2021, the Company issued 250,000 shares, valued at $105,000, less share issuance costs of $2,073 as part of the settlement of the advance royalty payable (refer to Note 14).

(b) Share-based payments

The Company's equity compensation plan (2020 Plan) was approved by shareholders on November 24, 2020. The 2020 Plan replaces the 2020 Plan, the aggregate number of shares reserved for issuance shall not exceed 20% of the Company's issued and outstanding common shares on the date of grant. Options that are exercised, expired or otherwise terminated for any reason shall again be available for the purposes of granting options pursuant to this 2020 Plan. The 2020 Plan allows for options to be issued to directors, officers, employees and consultants of the Company or a subsidiary of the Company. Options granted must be exercised no more than five years from the date of grant or such lesser period as may be determined by the Company's board of directors and in accordance with the policies of the Canadian Securities Exchange. The board of directors also determines the time period during which options shall vest and the method of vesting which are also subject to the policies of the Canadian Securities Exchange.

(Expressed in Canadian dollars)

The grant date fair value is calculated using the Black-Scholes option pricing model. Where relevant, the expected life has been adjusted based on management's best estimate for the effects of historical forfeitures and behavioral considerations. Expected volatility is based on the historical share price volatility. Stock based compensation was $104,571 for 2021 (2020 - 1,029,580). Forfeiture has been calculated at 38% over 5 years in accordance with realized values. The Black-Scholes option valuation model input factors for stock options granted in 2021 and 2020 were as follows:

Grant date	Expiry date	Exercise price	Grant date market price	Risk-free interest rate	Expected life (years)	Expected volatility	Dividend yield	Fair value
2021-08-20	2026-08-20	$ 0.38	$ 0.38	0.74%	3.75	83.85%	-	0.2238
2021-02-15	2026-02-15	$ 0.70	$ 0.70	0.74%	4.19	87.86%	-	0.4458
2020-10-15	2025-10-15	$ 0.46	$ 0.46	0.30%	3.75	91.47%	-	0.2478
2020-06-16	2025-06-16	$ 0.79	$ 0.79	0.33%	3.75	91.47%	-	0.4949
2020-04-24	2025-04-24	$ 0.76	$ 0.76	0.39%	3.75	91.47%	-	0.4765
2020-04-09	2022-04-09	$ 1.00	$ 0.69	0.39%	1.50	75.91%	-	0.1704

The following tables summarize the number of stock options that the Company has outstanding at December 31, 2021 and 2020, including details of options granted, exercised, expired and forfeited during the year:

				Fiscal Year 2021 Activity				
Grant date	Expiry date	Exercise price	Opening balance	Granted	Exercised	Expired / Forfeited	Closing balance	Exercisable
2017-03-24	2022-03-24	$ 0.25	3,200,000		400,000	250,000	2,550,000	2,550,000
2017-06-30	2022-06-30	$ 0.50	100,000				100,000	100,000
2018-04-12	2023-04-12	$ 1.65	100,000				100,000	100,000
2018-07-18	2023-07-18	$ 1.20	75,000			50,000	25,000	25,000
2019-03-01	2024-03-01	$ 0.76	1,875,000			600,000	1,275,000	1,275,000
2019-06-14	2024-06-14	$ 0.96	250,000				250,000	250,000
2019-12-11	2024-12-11	$ 1.45	1,025,000			300,000	725,000	725,000
2020-04-09	2022-04-09	$ 1.00	400,000				400,000	400,000
2020-04-24	2025-04-24	$ 0.76	1,475,000			225,000	1,250,000	1,250,000
2020-06-16	2025-06-16	$ 0.79	250,000				250,000	250,000
2020-10-15	2025-10-15	$ 0.46	400,000				400,000	400,000
2021-02-15	2026-02-15	$ 0.70	-	200,000			200,000	200,000
2021-08-20	2026-08-20	$ 0.38	-	135,000			135,000	135,000
2021 totals			**9,150,000**	**335,000**	**400,000**	**1,425,000**	**7,660,000**	**7,660,000**

(Expressed in Canadian dollars)

Grant date	Expiry date	Exercise price	Opening balance	Fiscal Year 2020 Activity: Granted	Exercised	Expired / Forfeited	Closing balance	Excercisable
2017-03-24	2022-03-24	$ 0.25	4,470,000		1,210,000	60,000	3,200,000	3,200,000
2017-06-30	2022-06-30	$ 0.50	100,000				100,000	100,000
2018-04-12	2023-04-12	$ 1.65	200,000			100,000	100,000	100,000
2018-07-18	2023-07-18	$ 1.20	125,000			50,000	75,000	75,000
2019-03-01	2024-03-01	$ 0.76	2,200,000			325,000	1,875,000	1,875,000
2019-06-14	2024-06-14	$ 0.96	250,000				250,000	250,000
2019-12-11	2024-12-11	$ 1.45	1,400,000			375,000	1,025,000	1,025,000
2020-04-09	2022-04-09	$ 1.00		400,000			400,000	400,000
2020-04-24	2025-04-24	$ 0.76		1,550,000		75,000	1,475,000	1,475,000
2020-06-16	2025-06-16	$ 0.79		250,000			250,000	250,000
2020-10-15	2025-10-15	$ 0.46		400,000			400,000	400,000
2020 totals			**8,745,000**	**2,600,000**	**1,210,000**	**985,000**	**9,150,000**	**9,150,000**

The options exercised during 2021 had a weighted average exercise price of $0.25 on exercise date (2020 - $0.25). The outstanding options as at December 31, 2021 have a weighted average remaining contractual life of 1.88 years (December 31, 2020 – 2.76 years).

The reserves, $7,765,126 (2020: $7,745,476) record items recognized as share-based payments expense and compensation warrant issuing costs until such time that the underlying stock options and warrants are exercised, at which time the corresponding amounts will be transferred to share capital.

(c) Warrants

On March 23 and 25, 2020, pursuant to a private placement disclosed in Note 15 (a), the Company issued 3,344,001 units consisting of one common share and one common share purchase warrant (March Warrant), entitling the holder to purchase one common share in the capital of the Company for a period of 24 months at an exercise price of $1.00. The expiry date of the March Warrants is subject to acceleration as follows: If at any time after July 25, 2020, the closing price (or closing bid price on days when there are no trades) of the common shares on the Canadian Securities Exchange exceeds $2.00 for 15 consecutive trading days, the Company may elect to issue March Warrant holders a notice of acceleration of the expiry date, being 30 days after the date on which notice of the new date is sent to the Warrant holders.

In connection with the private placement, the Company issued 41,250 compensation warrants (March Compensation Warrants). Each March Compensation Warrant entitles the holder to purchase one unit (consisting of one common share and one common share purchase warrant) at the private placement offering price of $0.75 per unit until March 23, 2022. Each underlying common share purchase warrant will be subject the same terms as the March Warrants. The fair value of the March Compensation Warrants was estimated at $12,090 using the Black-Scholes pricing model.

On December 30, 2020, pursuant to a private placement disclosed in Note 15 (a), the Company issued 17,825,001 units consisting of one common share and one common share purchase warrant (December Warrant), entitling the holder to purchase one common share in the capital of the Company until December 30, 2022 at an exercise price of $0.50. The expiry date of the December Warrants is subject to acceleration as follows: If at any time after April 30, 2021, the closing price (or closing bid price on days when there are no trades) of the common shares on the Canadian Securities Exchange exceeds $1.50 for 15 consecutive trading days, the Company may elect to issue December Warrant holders a notice of acceleration of the expiry date, being 30 days after the date on which notice of the new date is sent to the Warrant holders.

(Expressed in Canadian dollars)

In connection with the private placement, the Company issued 618,100 compensation warrants (December Compensation Warrants). Each December Compensation Warrant entitles the holder to purchase one common share in the capital of the Company until December 30, 2021, at an exercise price of $0.50. The fair value of the December Compensation Warrants was estimated at $121,704 using the Black-Scholes pricing model.

The Company has allocated the gross proceeds from the unit issuance between the common shares and warrants using their relative fair values.

As at December 31, 2021, there were 21,210,252 warrants are outstanding, as follows:

Issue date	Expiry date	# Warrants		Exercise price	Volatility	Discount rate	Fair value
2020-03-23	2022-03-23	2,598,867	$	1.00	77.31%	0.56%	0.2340
2020-03-25	2022-03-25	745,134	$	1.00	77.31%	0.56%	0.2340
2020-03-23	2022-03-23	41,250	$	0.75	77.31%	0.56%	0.2931
2020-12-30	2022-12-30	17,825,001	$	0.50	80.78%	0.20%	0.2458
Total		**21,210,252**					
Weighted average exercise price			$	0.58			

The weighted average remaining contractual life of the warrants is 0.87 years.

Following December 31, 2021, a total of 3,344,001 share purchase warrants with an exercise price of $1.00 expired unexercised.

16. Government stimulus subsidies

The Company has participated in available stimulus subsidies offered by the Federal Governments of Canada to help offset the negative impact of the COVID-19 pandemic.

(a) Canada Emergency Wage Subsidy (CEWS)

The CEWS provides qualifying companies with a monthly financial support grant based on payroll, subject to certain caps. Eligibility is triggered by and scaled according to the reduction in year-over-year Canadian revenue on a month-by-month basis. During the year ended December 31, 2021, the Company recognized $332,777 (2020 - $484,944) in government wage subsidy income as reductions of management and employee costs.

(b) Canada Emergency Rent Subsidy (CERS)

The CERS provides qualifying companies with a monthly financial support grant based on eligible expenses, subject to certain caps. Eligibility is triggered by and scaled according to the reduction in year-over-year Canadian revenue on a month-by-month basis. During the year ended December 31, 2021, the Company recognized $128,648 in government rent subsidy income as reductions of operating costs, and $36,524 as reduction of office and general expenses (2020 - $36,709).

(c) Canada Emergency Business Account (CEBA)

On May 8, 2020, the Company received an interest-free loan of $40,000 from the government of Canada pursuant to the CEBA program. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $10,000.

(Expressed in Canadian dollars)

(d) National Research Council of Canada Industrial Research Assistance Program (IRAP)

IRAP provides companies with qualifying research projects with a monthly financial grant based on eligible wages expenses. During the year ended December 31, 2021, the Company recognized $98,235 (2020 - $82,715) in government wage subsidy income as reductions of management and employee costs.

17. Nature of expenses

The components of general and administration for the years ended December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Consulting fees	$ 164,489	$ 244,631
Office and general	155,868	120,197
Professional fees	797,245	314,822
Public Company Costs	639,145	585,606
Travel	26,310	113,498
	$ 1,783,057	$ 1,378,754

18. Supplemental cash flow disclosures

Supplemental details of the changes in non-cash working capital for the years ended December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Changes in non-cash working capital impacting cashflows from operating activities were		
Trade and other receivable	$ (325,645)	$ 197,187
Inventories and assets held for sale	(4,352,444)	88,227
Prepaid expenses and deposits	97,159	(143,918)
Deferred revenues	38,125	-
Non-controlling interest	1,109,026	648,843
Related parties	(140,418)	-
Accounts payable and accrued liabilities	3,356,649	414,830
	$ (217,548)	$ 1,205,169

The write down of assets of $ 1,134,216 consisted of $384,432 (Inventories) and $749,784 (Assets Held for Sale).

(Expressed in Canadian dollars)

19. Key management compensation

Key management and director compensation for the years ended December 31 was as follows:

	December 31, 2021	December 31, 2020
Salaries and consulting fees	$ 892,022	$ 851,625
Share-based payments	-	842,295
Directors fees	254,765	325,916
Other	18,200	15,400
	$ 1,164,987	$ 2,035,236

20. Income taxes

The provision for income taxes differs from the expected amount calculated using the combined Canadian federal and provincial statutory income tax rates of 27% as follows:

	December 31, 2021	December 31, 2020
Net loss for the year	$ (11,613,109)	$ (6,831,229)
Expected income tax recovery at statutory rates	(3,136,000)	(1,844,000)
Non-deductible expenditures	137,000	339,000
Change in estimates and truing up prior years	-	(1,000)
Change in unrecognized deductible temporary differences	2,999,000	1,506,000
Income tax recovery recognized	-	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) as at December 31, 2021 and 2020 are as follows:

Non-capital loss carryforwards	88,000	99,000
Assets held for sale	(88,000)	(99,000)
Net deferred tax assets (liabilites)	-	-

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

	December 31, 2021	December 31, 2020
Non-capital losses - expire 2037 to 2040	$ 21,691,000	$ 16,212,000
Intangible Assets	5,953,000	1,870,000
Property Plant and Equipment	1,574,000	10,000
Lease Liabilities	451,000	309,000
Share issuance costs - expire 2022 to 2025	328,000	595,000
Trade and other receivables	474,000	350,000
Total	30,471,000	19,346,000

21. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. 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 new shares, acquire or dispose of assets, or acquire new debt. The Company does not currently pay dividends.

The realization of the Company's long-range strategic objectives is dependent on its ability to generate revenues and raise financing from shareholders or lenders. Management continues to regularly review and consider financing alternatives to fund the Company's future operations and development efforts.

The Company considers the components of shareholders' equity to be its capital. The Company is not subject to any externally imposed capital requirements.

22. Financial instruments and risks

The Company's existing business involve the operation on its plant and use of its proprietary technology for the extraction of precious metals for the mining and E-waste sectors, which exposes the Company to a variety of financial instrument related risks. These risks include foreign currency risk, credit risk, liquidity risk, market risk and other risks. The Company's board of directors provides oversight for the Company's risk management processes.

(a) Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in Canadian dollars and United States dollars. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At December 31, 2021, the Company was not exposed to significant interest rate risk.

(Expressed in Canadian dollars)

At December 31, 2021, the Company has net liabilities of $641,157 (US $507,485) due in USD (December 31, 2020 - $956,573 (US $751,313)). A 10% weakening against the US dollar of the currencies to which the Company had exposure would have had a $64,115 impact on net liabilities (2020 - $95,660). A 10% strengthening against the US dollar would have had the opposite effect.

(b) Credit risk

The Company's credit risk is primarily attributable to cash and trade and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to $100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. At December 31, 2021, management considers the Company's exposure to credit risk is minimal. Aging of trade and other receivables is as follows:

	December 31, 2021		December 31, 2020	
		Provision	Gross	Provision
Current	$ 146,005	$ -	$ 177,721	$ -
Aged 30 -60 days	103,757	-	1,956	-
Aged 61-90 days	45,801	-	-	-
Aged > 90 days	613,067	(473,709)	403,309	(350,292)
	$ 908,630	$ (473,709)	$ 582,986	$ (350,292)

For details on the provision, refer to Note 24.

(c) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at December 31, 2021, the Company had a cash balance of $784,790 (2020 - $5,511,314) to settle current liabilities of $5,977,066 (2020 - $1,584,828).

December 31, 2021	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Trades payable and accrued liabilities	$ 4,405,623	$ -	$ -	$ -	$ 4,405,623
Due to related parties	62,264	-	-	-	62,264
CEBA loan	40,000	-	-	-	40,000
Lease liabilities	322,025	129,470	-	-	451,495
Non controlling interest	1,109,026	-	-	-	1,109,026

December 31, 2020	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Trades payable and accrued liabilities	$ 1,048,974	$ -	$ -	$ -	$ 1,048,974
Due to related parties	202,682	-	-	-	202,682
CEBA loan	40,000	-	-	-	40,000
Lease liabilities	247,623	60,955	-	-	308,578

(Expressed in Canadian dollars)

The Company is not yet profitable and has relied on the issuance of equity securities, primarily through private placements and loans from related and other parties to fund its operations. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or other funding.

(d) Fair value

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value in the fair value hierarchy.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques using input other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data.

The carrying value of the Company's financial assets and liabilities approximate their fair values due to their nature and their short-term to maturity, except for the long-term debt described below:

	December 31, 2021		December 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Advanced royalty payable - level 2	$ -	$ -	$ 981,154	$ 532,391

23. Segmented information

The executive committee headed by the CEO, has been identified by the group as the chief operational decision maker responsible for assessing the performance and allocation of resources of the group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The identification of reportable segments is determined based on a consideration of products and services, organizational structures, geographical areas, economic and regulatory environments and the separable nature of activities or conversely inherent interconnectedness and whether these meet the criteria for aggregation.

Management assesses information relating to the performance of the single segment on multiple levels and from multiple perspectives. All elements are regarded as inter-connected and as such, no part of the business is regarded as separable from the rest.

The total revenue recorded during the years ended December 31, 2021 and 2020 is allocated to the following income streams:

	December 31, 2021	December 31, 2020
Consulting services	$ 177,963	$ 483,664
Sales of precious and other metals	673,393	333,121
	$ 851,356	$ 816,785

24. Commitments and contingencies

As at December 31, 2021 and December 31, 2020, the Company does not have contractual obligations other than disclosed in the consolidated financial statements.

EnviroMetal commenced a civil action against Mineworx Technologies Ltd. and related parties (jointly, the Mineworx Defendants) in the Supreme Court of British Columbia in June 2021.

The claims against the Mineworx Defendants include, among other things, the following:

- The Mineworx Defendants, through various agreements with EnviroMetal, gained access to certain of EnviroMetal's intellectual property relating to the development and commercialization of environmentally friendly chemical formulas and technologies for use in the treatment of materials in the primary and secondary metals industries. EnviroMetal has since terminated those access agreements.
- Because access to EnviroMetal's IP has been terminated and without a license from EnviroMetal, the Mineworx Defendants are not entitled to use or otherwise exploit any of EnviroMetal's IP.
- The Mineworx Defendants have failed to comply with EnviroMetal's notices to cease and desist using EnviroMetal's IP and they continue to make public statements in relation to their purported ability to develop and commercialize "proprietary, environmentally friendly processing technologies for the recovery of precious metals."
- Absent the prior access to EnviroMetal's IP, the Mineworx Defendants lacked the scientific or technical resources and capabilities to develop and commercialize "proprietary, environmentally friendly processing technologies for the recovery of precious metals."

The Mineworx Defendants are purporting to be competing with EnviroMetal in the recovery of platinum group metals from spent catalysts using a chemical formula and process based on EnviroMetal's IP without a license to do so from EnviroMetal. These actions by the Mineworx Defendants are in breach of the access agreements, confidentiality agreements, as well as the asset purchase agreement between Mineworx and EnviroMetal dated December 19, 2016. These actions also constitute breach of confidence.

EnviroMetal is seeking, among other relief from the court, general, aggravated, and punitive damages against the Mineworx Defendants, an injunction prohibiting the Mineworx Defendants from using any confidential information or intellectual property belonging to EnviroMetal, and disgorgement of profit arising from such unauthorized use.

In January 2022, the court granted Enviroleach's application for an injunction that, amongst other things, prohibits the Mineworx Defendants from disclosing any confidential information or intellectual property belonging to EnviroMetal until further court order.

Mineworx disputes EnviroMetal's claims and has commenced a counterclaim against EnviroMetal for, amongst other things, alleged breaches of various agreements between the parties. Some of Mineworx's claims are subject to arbitration clauses. As a result, Mineworx has served EnviroMetal with a notice to arbitrate those claims. EnviroMetal believes there are no merits to the claims.

Prior to commencing the legal action against Mineworx, the Company provided the Mineworx Defendants with notices of breach and provided the required amount of time to remedy. The Joint Venture was terminated on April 5, 2021, and no further non-controlling interest was recorded as of June 30, 2021. In accordance with IFRS 9, the

Company recorded an expected credit loss of $350,292 related to amounts due to the Company from Mineworx during the year ended December 31, 2020, and $117,104 during year ended December 31, 2021.

Due to ongoing dispute with Mineworx, the final settlement value of the non-controlling interest is subject to significant uncertainty, and as such until settlement occurs or it agreed to the balance of the non-controlling interest will be recognized at $1,109,026, the amount recognized in the Company's consolidated financial statements at the time the joint venture terminated.

25. Subsequent events

On April 01, 2022, the Company closed a non-brokered private placement for gross proceeds of $3,558,114 by issuing 14,232,456 units. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one common share in the capital of the Company at a price of $0.50 at any time within prior to the 24-month anniversary date of closing.

Subsequent to December 31, 2021, the Company entered into a lease agreement for office and warehouse space. The lease is for three years commencing on May 1, 2022 and ending on April 29, 2025.