

SPEY RESOURCES CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2021
(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating the financial statements have not been reviewed by an auditor.

SPEY RESOURCES CORP.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	May 31, 2021 (Unaudited)	November 30, 2020 (Audited)
ASSETS		
CURRENT		
Cash	\$ 2,446,792	\$ 262,432
Amounts receivable	17,949	7,704
Prepaid expenses	12,798	-
Subscription receivables	1,254,300	-
	3,731,839	270,136
EXPLORATION AND EVALUATION ASSET (Note 5)	6,542,328	48,226
	\$ 10,274,167	\$ 318,362
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 432,343	\$ 22,011
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	11,293,173	1,033,486
CONTRIBUTED SURPLUS	264,051	164,851
DEFICIT	(1,715,401)	(901,986)
	9,841,824	296,351
	\$ 10,274,167	\$ 318,362

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS (Note 10)
SUBSEQUENT EVENTS (Note 11)

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

"Abbey Abdiye" Director "Nader Vatanchi" Director

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

SPEY RESOURCES CORP.
CONDENSED INTERIM STATEMENT OF LOSS & COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
UNAUDITED

	Three months ended May		Six months ended May 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Operating expenses				
Advertising and promotion	459,361	3,779	459,361	4,719
Management and consulting fees	160,997	16,800	170,792	33,600
Office and miscellaneous	60,311	43	61,285	1,427
Professional fees	14,489	21,785	14,489	22,102
Rent	-	1,500	-	3,000
Transfer agent and filing fees	4,528	4,305	8,288	9,513
Stock based compensation	99,200	-	99,200	-
NET LOSS AND COMPREHENSIVE LOSS	798,885	48,212	813,415	74,361
LOSS PER SHARE (basic and diluted)	(0.02)	(0.00)	(0.03)	(0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	34,920,370	15,590,000	27,633,401	15,590,000

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SPEY RESOURCES CORP.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)
UNAUDITED

	Common Shares		Contributed Surplus	Deficit	Total
	Number of Shares	Amount			
		\$	\$	\$	\$
Balance, November 30, 2019	13,490,000	574,536	164,851	(624,594)	114,793
Shares issued for cash	2,100,000	63,000	-	-	63,000
Net loss for the six month period	-	-	-	(74,361)	(74,361)
Balance, May 31, 2020	15,590,000	637,536	164,851	(698,955)	103,432
Balance, November 30, 2020	20,184,500	1,033,486	164,851	(901,986)	296,351
Shares issued for cash, net	17,247,000	3,144,687	99,200	-	3,243,887
Shares issued for exploration and evaluation asset	25,500,000	7,115,000	-	-	7,115,000
Net loss for the six month period	-	-	-	(813,415)	(813,415)
Balance, May 31, 2021	62,931,500	11,293,173	264,051	(1,715,402)	9,841,823

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SPEY RESOURCES CORP.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)
UNAUDITED

	For the six months ended May 31,	
	2021	2020
	\$	\$
Operating activities		
Net Loss	(813,415)	(48,212)
Item not affecting cash		
Share-based compensation	99,200	-
Changes in non-cash working capital balances:		
Amounts receivable	(10,245)	6,579
Prepaid expenses	(12,798)	-
Accounts payable and accrued liabilities	410,335	51,547
Cash used in operating activities	(326,922)	(9,914)
Investing activities		
Tech One acquisition (Note 5)	627,265	-
Exploration and evaluation asset expenditures	(6,368)	(4,182)
Cash provided by / (used in) investing activities	620,898	(4,182)
Financing activities		
Issuance of common shares, net	1,890,387	-
INCREASE (DECREASE) IN CASH	2,184,362	(13,342)
CASH, BEGINNING OF PERIOD	262,432	32,226
CASH, END OF PERIOD	2,446,792	\$18,884
SUPPLEMENTAL CASH DISCLOSURES		
Interest paid	-	-
Income taxes paid	-	-
Shares issued for exploration and evaluation asset	7,115,000	-

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SPEY RESOURCES CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2021
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1. NATURE OF OPERATIONS

Spey Resources Corp. (“the Company”) was incorporated on July 31, 2017 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 900 - 580 Hornby Street, Vancouver, British Columbia, Canada.

The Company’s and the common shares are listed for trading on the Canadian Securities Exchange under the symbol “SPEY”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2021, the Company had not yet determined whether the Company’s mineral property assets contain ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$1,715,401 as at May 31, 2021 (November 30, 2020: \$901,986), which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended November 30, 2020, which have been prepared with International Financial Reporting Standards (“IFRS”). These condensed consolidated interim financial statements were approved by the Company’s Board of Directors on July 28, 2021.

In March 2020, there was a global outbreak of COVID-19, which continues to rapidly evolve. The extent to which the COVID-19 coronavirus may impact the Company will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, social distancing, business closures or business disruptions, and the effectiveness of actions taken by countries to contain and treat the disease.

SPEY RESOURCES CORP.
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of presentation

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the

carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;
- ii. the measurement of deferred income tax assets and liabilities; and
- iii. the inputs used in accounting for share-based payments.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

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5. EXPLORATION AND EVALUATION ASSET

	Silver Basin Property	Kaslo Silver Property	Tech One Lithium	Total
Acquisition cost				
Balance, November 30, 2020	17,500	-	-	17,500
Additions	-	305,022	6,187,735	6,492,757
Balance, May 31, 2021	17,500	305,022	6,187,735	6,510,257
Exploration and evaluation cost				
Balance, November 30, 2020	30,726	-	-	30,726
Additions	-	1,346	-	1,346
Balance, May 31, 2021	30,726	1,346	-	32,071
Balance, November 20, 2020	48,226	-	-	48,226
Balance, May 31, 2021	48,226	306,368	6,187,735	6,542,328

Silver Basin Property

Pursuant to an option agreement (the "SB Agreement") dated July 30, 2020, the Company was granted an option to acquire a 100% interest from in the Silver Basin Property (the "SB Property") located in the Revelstoke Mining Division, of southern British Columbia.

Under the terms of the Agreement, the Company has the option to acquire an undivided 100% interest in and to the SB Property, free and clear of all liens, charges, encumbrances, claims, rights or interest of any person, with the exception of a 2.0% Net Smelter Return ("NSR").

Acquisition of the Kaslo Silver Property

Effective February 26, 2021, the Company purchased 100% of the issued and outstanding shares of Tay Resources Corp. ("Tay"). Total consideration was paid through the of issuance of 2,000,000 common shares with a value of \$300,000.

The acquisition has been accounted for by the Company as a purchase of assets and assumption of liabilities. The acquisition did not qualify as a business combination under IFRS 3 - Business Combinations, as the significant inputs, processes and outputs, that together constitute a business, did not exist in Tay at the time of acquisition.

The following table summarizes the preliminary purchase price allocation:

Purchase price:	\$
Shares paid by the Company (2,000,000 shares at \$0.15 per share)	300,000
Total consideration	300,000
Net assets acquired:	
Exploration and evaluation assets – Kaslo Silver Property	294,140
Cash	1,030
Receivables	4,830
Total net assets acquired	300,000

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5. EXPLORATION AND EVALUATION ASSET (continued)

Tay owns an option (the "Option") to acquire an undivided 100% interest in and to the Kaslo Silver Property (the "Kaslo Silver Property"), located 12 kilometres west of Kaslo in southern British Columbia. Adding the Kaslo Silver Property to Spey's portfolio provides the Company with a second highly prospective silver and base metal property.

Pursuant to the agreement between the parties, as a condition precedent to the Transaction, Spey, Tay and the Denny's have entered into an assignment, assumption and amending agreement (the "Assignment Agreement") pursuant to which Tay will assign its rights and obligations under the Option to Spey.

In order to exercise the Option, the Company must:

- Make cash payments to the totaling \$310,000 as follows: (a) \$30,000 payable on or before August 31, 2021; (b) \$70,000 payable on or before August 31, 2022; (c) \$100,000 payable on or before August 31, 2023; and (d) \$110,000 payable on or before August 31, 2024;
- Issue to an aggregate of 236,547 common shares of the Company as follows: (a) 78,849 common shares on or before August 31, 2021; (b) 78,849 common shares on or before August 31, 2022; and (c) 78,849 common shares on or before August 31, 2023; and
- Issue an additional 131,415 common shares upon the commencement of commercial production at the Kaslo Silver Property.

Upon commencement of commercial production at the Kaslo Silver Property, the Kaslo Silver Property will be subject to 2.5% net smelter return royalty. All securities issuable in connection with the Option are subject to a statutory hold period expiring four months and a day from the date of issue.

Acquisition of Tech One Lithium Resources Corp.

On April 23, 2021, the Company entered into a Share Purchase Agreement with the shareholders of Tech One Lithium Resources Corp. ("Tech One"), under which the Company purchased all of Tech One's issued and outstanding shares. As consideration, the Company issued an aggregate of 23,500,000 common shares at a fair value of \$0.29 per common share.

Purchase price:	\$
Shares paid by the Company (23,500,000 shares at \$0.29 per share)	6,815,000
Total consideration	6,815,000
Net assets acquired:	
Exploration and evaluation assets – Tech One Lithium Property	6,187,735
Cash	627,265
Total net assets acquired	6,815,000

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5. EXPLORATION AND EVALUATION ASSET (continued)

TechOne has the option to acquire 100% of the mineral concessions of the Candella II project located within the prolific Lithium Triangle, in the Salta Province of Argentina. Candella II covers 300 hectares, is represented by the mineral claim number 23262 located in the Incahuasi Salar and is road accessible.

TechOne has optioned the project from AIS Resources Corp. under an amended and restated exploration joint venture agreement (the "Option Agreement") dated April 21, 2021, between TechOne and AIS. AIS's management team, headed by Phillip Thomas, will be managing the project pursuant to the Option Agreement. AIS has a combined experience of over 35 years in lithium brine projects.

TechOne can option 80% of Candela II by making the following schedule of payments and expenditures under the Option Agreement:

- US \$100,000 payment within 5 business days of signing the Option Agreement (PAID).
- US \$100,000 payment within 5 business days before September 18, 2021;
- US \$1,000,000 payment in within 5 business days before March 18, 2022; and
- US \$500,000 in exploration or production expenditures by no later than April 21, 2022.

Upon TechOne successfully exercising the 80% TechOne shall have the right but not the obligation to exercise the remaining 20% from AIS by making the following payment(s) to AIS: US \$6,000,000 on or before March 18, 2023, provided however that the amount of the 20% Payment shall be increased by an additional US \$250,000 for each five tonnes of lithium metal equivalent by which the indicated or inferred resource estimate on the Concession at the time Tech One makes the 20% Payment exceeds 45 tonnes of lithium metal equivalent (239,000 tonnes of lithium carbonate).

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six months from the date of listing. As at November 30, 2020, the Company has 1,290,000 (2019: 2,580,000) common shares held in escrow.

c) Issued and Outstanding as at May 31, 2021: 62,931,500 common shares.

For the six-month period ended May 31, 2021, the Company had the following share capital transactions:

- i) On February 26, 2021, the Company issued 2,000,000 shares at a price of \$0.15 per common share for the acquisition of the Kaslo Silver Property (Note 5).
- ii) On April 8, 2021, the Company closed a \$0.10-unit private placement for net proceeds of \$600,000. The Company issued 6,000,000 units, each unit consisting of one common share and one non-transferable common share purchase warrant, each warrant exercisable for the purchase of one common share at \$0.22 for a period of twelve months.

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6. SHARE CAPITAL (continued)

- iii) On May 31, 2021, the Company has closed its oversubscribed \$0.25-unit private placement for gross proceeds of \$2,611,750. The Company issued 10,447,000 units, each unit consisting of one common share in the capital of the Company and one non-transferable share purchase warrant, each warrant exercisable for the purchase one common share at \$0.40 for a period of 24 months, subject to acceleration.

(d) Stock Options

The Company adopted a Stock Option Plan ('Plan') for directors, officers and employees, consultants of the Company. The Company may grant options to individuals, options are exercisable over periods of up to ten years, as determined by the Board of Directors of the company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

The following is a summary of the Company's stock options at May 31, 2021 and November 30, 2020:

	Number of stock options	Weighted average exercise price \$
Exercisable and outstanding, November 30, 2020	1,164,000	0.10
Granted	1,050,000	0.105
Exercisable and outstanding, May 31, 2021	2,214,000	0.10

The following table summarizes the outstanding and exercisable stock options as at May 31, 2021:

Exercise price	Number of options	Expiry date
\$ 0.10	650,000	December 21, 2022
\$ 0.10	140,000	November 5, 2023
\$0.10	224,000	January 10, 2024
\$ 0.10	150,000	April 15, 2024
\$ 0.105	1,050,000	March 25, 2026
	2,214,000	

The weighted average remaining useful life of outstanding options is 3.85 years as at May 31, 2021.

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6. SHARE CAPITAL (continued)

e) Warrants

A summary of the Company's outstanding warrants at May 31, 2021 and November 30, 2020, and the changes for the periods then ended is presented below:

	Number of warrants	Weighted average exercise price
Exercisable and outstanding, November 30, 2020	3,994,500	0.19
Granted	6,000,000	0.22
Exercised	(800,000)	0.05
Exercisable and outstanding, February 28, 2021	9,194,500	0.22

The following table summarizes the outstanding and exercisable warrants as at May 31, 2021:

Exercise price	Number of warrants	Expiry date
\$ 0.22	3,194,500	September 28, 2022
\$ 0.22	6,000,000	April 8, 2022

The weighted average remaining useful life of outstanding warrants is 1.02 years as at May 31, 2021.

7. RELATED PARTY BALANCES AND TRANSACTIONS

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

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer, Chief Financial Officer and former Chief Financial Officer.

As at May 31, 2021, included in accounts payable and accrued liabilities was \$3,000 (May 31, 2020 - \$10,850) due to management of the Company. The amount is unsecured, non-interest bearing and due on demand. The Company had incurred the following key management personnel cost from related parties:

	For the six months ended May 31,	
	2021	2020
	\$	\$
Management Fees	48,250	33,600
Share-based payments	-	-
Total	48,250	33,600

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8. MANAGEMENT OF CAPITAL

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

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustment 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 or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company measures certain financial instruments and other items at fair value. To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs 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); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

The Company's financial instruments consist of cash and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	May 31, 2021	November 30, 2020
Cash	FVTPL	\$ 2,446,792	\$ 262,432
Accounts payable and accrued liabilities	Amortized cost	432,343	22,011
Fair value			

The fair value of the Company's financial instruments approximates their carrying value as at May 31, 2021 because of the demand nature or short-term maturity of these instruments.

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9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high-quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. COMMITMENTS

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

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11. SUBSEQUENT EVENTS

Acquisition of Pocitos I and II

The Company entered into an Option Agreement (the "Agreement") dated June 23, 2021 with A.I.S. Resources Ltd. ("AIS") for an Option (the "Option") to acquire a 100% interest in the Pocitos I and Pocitos II claims (the "Property") located in Salta, Argentina.

Pursuant to an option agreement, AIS has an option (the "Underlying Option") to acquire the Property from the current owners. Upon the exercise of the Underlying Option by AIS, the Company will be able to exercise the Option and acquire a 100% interest in the Property from AIS by paying a total of US\$1,732,000 prior to June 23, 2022.

In order to maintain the Option in good standing under the Agreement, the Company must immediately pay AIS a total of US\$100,000 and issue 2,500,000 Spey common shares. In addition, the Company must complete a US\$500,000 exploration program on the Property within the next 12 months. Upon exercise of the Option and Spey's acquisition of a 100% interest in the Property, AIS will retain a 7.5% royalty on the sales revenue of lithium carbonate or other lithium compounds from the Property, net of export taxes.