SPEY RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MAY 31, 2022

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited condensed consolidated interim 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 condensed consolidated 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 CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	May 31, 2022 (Unaudited)	November 30, 2021 (Audited)
		$	$
ASSETS			
Current assets			
Cash		70,023	1,133,297
Amount receivable		85,154	64,424
Marketable securities		251,420	-
Prepaid expenses		99,675	25,612
Total current assets		506,272	1,223,333
Exploration and evaluation assets	5	3,569,769	2,767,616
		4,076,042	**3,990,949**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		801,546	223,583
Loans payable	11	330,420	-
		1,131,966	223,583
EQUITY			
Share capital	6	12,906,074	12,906,074
Subscriptions receivable		-	(25,000)
Contributed surplus	6	1,554,106	1,554,106
Deficit		(11,164,116)	(10,667,814)
Accumulated other comprehensive loss		(351,988)	-
		2,944,076	3,767,366
		4,076,042	**3,990,949**

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

Approved and authorized for issue on behalf of the Board on July 27, 2022

"Ian Graham" Director *"Nader Vatan Spey"* Director

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Note	Three Months Period Ended May 31, 2022	Six Months Period Ended May 31, 2022
		$	
Expenses			
Interest expense	11	8,000	8,000
Management and consulting fees	7	75,000	175,337
Office and other		23,728	51,007
Professional fee		154,243	236,965
Transfer agent and filing		14,542	24,994
		275,511	496,301
Net loss		**(275,511)**	**(496,301)**
Other comprehensive loss			
Item that will be reclassified to profit or loss:			
Unrealized loss on marketable		(351,988)	(351,988)
Comprehensive loss		**(627,499)**	**(848,289)**
Loss per share – basic and diluted		**(0.01)**	**(0.01)**
Weighted average number of common shares outstanding		**69,631,500**	**69,631,500**

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

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

	Common Shares						
	Number of Shares	**Share Capital**	**Subscriptions Receivable**	**Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Loss**	**Total**
	#	$	$	$	$	$	$
Balance, November 30, 2021	**69,631,500**	**12,906,074**	**(25,000)**	**1,554,106**	**(10,667,814)**	**-**	**3,767,366**
Subscription received	**-**	**-**	**25,000**	**-**	**-**	-	25,000
Comprehensive loss	**-**	**-**	**-**	**-**	(496,301)	(351,988)	(848,289)
Balance, May 31, 2022	**69,631,500**	**12,906,074**	**-**	**1,554,106**	**(11,164,116)**	**(351,988)**	**2,944,076**

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

SPEY RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Six Months Period Ended May 31, 2022
	$
Cash provided by (used in) operating activities	
Net loss	(496,301)
Net change in non-cash working capital balances related to operations:	
Amounts receivable	(20,730)
Prepaid expenses	(74,063)
Amounts payable and accrued liabilities	585,961
Cash provided by operating activities	(5,133)
Cash used in investing activity	
Cash proceeds from disposal of Pocitos I	442,400
Exploration and evaluation assets	(1,847,961)
	(1,405,561)
Cash flows from financing activity	
Loan received	322,420
Subscription received	25,000
	347,420
Change in cash	(1,063,274)
Cash, beginning of period	1,133,297
Cash, end of period	**70,023**

Supplement cash flow information:
Shares issued on reverse acquisition (see Note 4)

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

1. NATURE OF OPERATIONS

Spey Resources Corp. ("Spey" or 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 Suite 3500-1055 Dunsmuir Street Vancouver, BC V7X 1L2 Canada.

The Company is listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "SPEY". The Company is currently halted from trading pursuant to a cease trade order issued by the British Columbia Securities Commission ("BCSC"), pending the completion of the BCSC's continuous disclosure review, as previously announced in news releases dated August 31, 2021, October 22, 2021 and December 6, 2021.

On April 26, 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 common shares by issuing 23,500,000 common shares (the "Transaction"). Subsequent to the Transaction, the original shareholders of Tech One obtained control of the Company, which resulted in a reverse acquisition. As a result, Tech One was deemed to be the continuing entity for accounting purposes. The historical operations, assets and liabilities of Tech One are included in the May 31, 2022 consolidated financial statements, as well as the net assets and operations of Spey from the date of the Transaction.

Tech One was incorporated under the Business Corporations Act of British Columbia on March 11, 2021 and changed its name to Tech One Lithium Resources Corp. on March 15, 2021. The address of Tech One's head office and registered office is 106-461 16th Street, North Vancouver, BC V7M 1V1, Canada.

Concurrent with the Transaction, the Company completed a private placement of 10,447,000 units at $0.25 per unit for gross proceeds of $2,611,750. Each unit consisted of one common share and one non-transferable share purchase warrant, exercisable for one common share at a price of $0.40 for a period of 24 months, subject to acceleration.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2022, 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 Company had a deficit of $11,164,116 as at May 31, 2022, 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. 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.

These condensed consolidated interim 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 condensed consolidated interim financial statements.

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.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of consolidation

These condensed consolidated interim financial statements have been prepared on a consolidated basis and include the accounts of Spey, Tech One, and Tay Resources Corp., an entity acquired by Spey prior to the Transaction.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions have been eliminated.

b. 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, 2021, 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 27, 2022.

c. Basis of presentation

These condensed consolidated interim 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 consolidated 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.

d. Cash equivalents

Cash equivalents include short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of May 31, 2022, the Company held no cash equivalents.

e. Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Exploration and evaluation assets (continued)

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

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

f. Share-based payments

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

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

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

g. Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

h. Share Capital

The Company's common shares, share warrants and options and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. For equity offerings of units consisting of a common share and warrants, when both instruments are classified as equity, the Company bifurcates the proceeds between the common share and warrants based on residual value. When warrants are exercised, the corresponding value is transferred from equity reserve to common stock.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

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

j. Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss. The functional currency of the Company and its subsidiaries is the Canadian Dollar.

k. Decommissioning, restoration and similar liabilities

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

m. Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

n. Financial Instruments

<u>Classification and measurement</u>

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories: at amortized cost, at fair value through other comprehensive income (loss) (“FVTOCI”), or at fair value through profit (“FVTPL”).

<u>Financial assets</u>

The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost - Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual e amortized cost using the effective interest rate method. The Company does not have any financial assets measured at amortized cost as at May 31, 2022.

Financial assets at FVTOCI - Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and sell financial assets, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income.

n. Financial Instruments (continued)

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. Investments in equity instruments at FVTOCI are initially measured 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 (loss).

The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings. The Company classified marketable securities as FVTOCI as at May 31, 2022.

Financial assets at FVTPL - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value which changes in fair value recognized in the statement of operations. The Company has classified its cash as FVTPL.

Financial liabilities

All financial liabilities are initially recorded at fair value and classified as measured at amortized cost or FVTPL.

Financial liabilities at amortized cost - Financial liabilities are subsequently measured at amortized cost using the effective interest rate method except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments as below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. The Company's accounts payable and loan payable are measured at amortized cost.

Financial liabilities at FVTPL- This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss. The Company did not hold any financial liabilities at FVTPL as at May 31, 2022.

o. Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i. e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

p. De-recognition

A financial asset is derecognized when the contractual right to the asset's cash flows expires, or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or they expire.

q. 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 consolidated 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 consolidated financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed consolidated interim 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 condensed consolidated interim 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. determination of listing expenses which includes the fair value of common shares, stock options and warrants deemed issued to Spey’s shareholders. The fair values of stock options and warrants deemed issued was based on Black Scholes calculations which involves various assumptions and estimates;

ii. 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; and

iii. the measurement of deferred income tax assets and liabilities.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Significant accounting judgements

i. the assessment of the Company's ability to continue as a going concern;

ii. the determination of the acquirer in business acquisitions is subject to judgment and requires the Company to determine which party obtains control of the combining entities; and

iii. the assessment of whether the acquisition of control of another entity or a group of assets constitutes a business combination or an asset acquisition.

4. REVERSE ACQUISITION TRANSACTION

Subsequent to the Transaction described in Note 1, the original shareholders of Tech One obtained control of the Company. For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 *Business Combinations* ("IFRS 3") since Spey was relatively inactive prior to the Transaction and did not constitute a business. As a result, the Transaction is accounted for in accordance with IFRS 2 *Share-based Payment* whereby Tech One is deemed to have issued shares, options and warrants in exchange for the net assets of Spey together with its listing status at the fair value of the consideration deemed received by Tech One. The accounting for this transaction resulted in the following:

(i) The consolidated financial statements of the combined entities are issued under the legal parent, Spey, but are considered a continuation of the financial statements, assets and operations of the legal subsidiary, Tech One.

(ii) Since Tech One is deemed to be the continuing entity for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

(iii) As part of the completion of the Transaction, the original shareholders of the Company retained 28,984,500 common shares of the Company, 2,214,000 stock options and 9,994,500 warrants.

(iv) Concurrent with the Transaction, the Company completed a non-brokered private placement of 10,447,000 units at $0.25 per unit for gross proceeds of $2,611,750. Each unit consisted of one common share and one non-transferable share purchase warrant, each warrant is exercisable to purchase one additional common share at $0.40 for a period of 24 months, subject to acceleration. In connection to this private placement, the Company incurred share issue costs of $175,198 in cash and issued 618,250 finders' warrants which are exercisable at prices ranging from $0.25 to $0.40 per share for a period of two years. The fair value of the share purchase warrants was determined to be $131,231, calculated using the Black-Scholes option pricing model under the following assumptions: weighted average exercise price - $0.32; price on grant date $0.25; risk-free interest rate – 0.32%; dividend yield – 0%; expected volatility – 150%; and expected life – two years.

Since the share and share-based consideration deemed issued to the shareholders of Spey on closing of the Transaction is considered within the scope of IFRS 2, and Tech One identified the net assets received and the CSE listing as the goods received in return for the allocation of the common shares, stock options and warrants, the value in excess of the net identifiable assets or obligations of Spey acquired on closing was expensed in the consolidated statement of comprehensive loss as listing expense.

(Expressed in Canadian dollars)

4. REVERSE ACQUISITION TRANSACTION (continued)

The total share-based compensation for the 28,984,500 common shares, 2,214,000 stock options and 9,994,500 warrants was $9,062,988, representing the fair value of the common shares, stock options and warrants deemed issued to the shareholders of Spey. The weighted average fair value of the options and warrants was based on the followings;

	Common shares	Stock options	Warrants
Number	28,984,500	2,214,000	9,994,500
Fair value	$7,246,125	$482,034	$1,534,829
Fair value per unit	$0.25	$0.22	$0.15
Share price	$0.25	$0.25	$0.25
Exercise price	N/A	$0.10	$0.21
Volatility	N/A	150%	150%
Risk-free interest rate	N/A	0.09%	0.09%
Dividends	N/A	Nil	Nil
Expected remaining lives	N/A	2.98 years	1.09 years

The total listing expense of $8,092,187 was determined as follows:

	$
Fair value of share-based compensation	
Deemed share issuance	7,246,125
Stock options deemed granted	482,034
Warrants deemed granted	1,534,829
Total consideration	9,262,988
Identifiable net assets obtained:	
Cash	835,483
Amounts receivable	14,826
Exploration and evaluation assets	343,711
Liabilities assumed	(23,219)
	1,170,801
Listing expense	8,092,187

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSET

	SB Property	Kaslo Silver Property	Candela II	Pocitos I & II	Total
	$	$	$	$	$
Acquisition cost					
Balance, beginning of period	-	-	-	-	-
Acquired through reverse acquisition transaction (Note 4)	49,571	294,140	-	-	343,711
Acquisition cost	186,000	60,712	252,000	1,252,000	1,750,712
Balance, November 30, 2021	**235,571**	**354,852**	**252,000**	**1,252,000**	**2,094,423**
Additions	-	-	1,278,500	-	1,278,500
Balance, May 31, 2022	**235,571**	**354,852**	**1,530,500**	**1,252,000**	**3,372,923**
Exploration cost					
Balance, beginning of period	-	-	-	-	-
Exploration expenditures	-	48,062	605,525	19,606	673,193
Balance, November 30, 2021	**-**	**48,062**	**605,525**	**19,606**	**673,193**
Additions	-	16,313	480,370	72,778	569,461
Balance, May 31, 2022	**-**	**64,375**	**1,085,895**	**92,384**	**1,242,654**
Disposals	**-**	**-**	**-**	**(1,045,808)**	**(1,045,808)**
Total exploration and evaluation assets, May 31, 2022	**235,571**	**419,227**	**2,616,395**	**298,576**	**3,569,769**

SB Property

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

The Option is exercisable by the Company pursuant to the following:

a) Paying an aggregate $386,000 as follows:

   i) $6,000 upon signing (paid);
   ii) an additional $20,000 on or before July 1, 2021 (paid);
   iii) an additional $80,000 on or before July 1, 2022;
   iv) an additional $80,000 on or before July 1, 2023; and
   v) an additional $200,000 on or before July 1, 2024; and

b) Incurring $10,000 work expenditure on the Property before October 30, 2020 (completed).

5. EXPLORATION AND EVALUATION ASSET (continued)

SB Property (continued)

c) Issuing an aggregate 2,000,000 common shares as follows:

   i) 100,000 common shares on approval of the Option by the CSE (issued);
   ii) an additional 200,000 common shares on or before July 1, 2021 (issued);
   iii) an additional 200,000 common shares on or before July 1, 2022 (issued);
   iv) an additional 500,000 common shares on or before July 1, 2023; and
   v) an additional 1,000,000 common shares on or before July 1, 2024.

Upon commencement of commercial production, and subject to Exchange policies in effect at the time, the Company shall issue an additional 1,000,000 common shares. At such time, the SB Property will also be subject to the underlying NSR. The Company is entitled, at any time, to purchase 80% of the NSR by making a single payment of $2,000,000 to the Property Vendor.

Kaslo Silver Property

The Company has an option to acquire an undivided 100% interest in and to the Kaslo Silver Property (the "Kaslo Silver Property"), a silver and base metal property, located 12 kilometres west of Kaslo in southern British Columbia.

The option is exercisable by the Company pursuant to the following:

a) Paying an aggregate of $310,000 as follows:
   i) $30,000 on or before August 31, 2021 (paid);
   ii) an additional $70,000 on or before August 31, 2022;
   iii) an additional $100,000 on or before August 31, 2023; and
   iv) an additional $110,000 on or before August 31, 2024.

b) Issuing an aggregate of 236,547 common shares as follows:
   i) 78,849 common shares on or before August 31, 2021(unissued and included in accounts payable as at May 31, 2022);
   ii) an additional 78,849 common shares on or before August 31, 2022; and
   iii) an additional 78,849 common shares on or before August 31, 2023.

The Company is also required to 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.

Candella II Project

On March 18, 2021, Tech One entered into a mineral property option agreement (the "Candela II Agreement") with A.I.S Resources Ltd. (the "Optionor"). The Company has an option to acquire up to a 100% interest in the mining tenement known as Candella II located in Salar de Incahuasi, Province of Salta, Argentina (the “Concession”).

On April 28, 2021, the Company entered into an amended and restated exploration and mineral property purchase agreement (the "Amended Agreement") with the Optionor, which supersedes the Candela II Agreement, to include a clause to appoint the Optionor as the exclusive project manager for any exploration conducted on the Concession.

5. EXPLORATION AND EVALUATION ASSET (continued)

Candella II Project (continued)

Pursuant to the terms of the Agreement and the Amended Agreement, the Company can acquire an 80% interest in the Concession as follows:

- Making a cash payment of US$100,000 upon signing of the Agreement (paid);
- Making a cash payment of US$100,000 on or before September 18, 2021 (paid);
- Making a cash payment of US$1,000,000 on or before March 18, 2022 (paid); and
- Incurring minimum exploration expenditures totaling US$500,000 on or before March 17, 2022 (incurred as of May 31, 2022).

Upon completion of the above and acquiring its 80% interest in the Concession, the Company can obtain an additional 20% interest, thereby bringing its ownership to 100%, in the concession by making a cash payment of US$6,000,000 on or before March 17, 2023, which may be increased subject to confirmation of indicated and inferred resource estimates on the Concession at the time of payment.

Pocitos I and II

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

Pursuant to an underlying option agreement, AIS has an option (the “Underlying Option”) to acquire the Pocitos Property from the current owners. Upon the exercise of the Underlying Option by AIS, the Company will be able to exercise its option pursuant to the Pocitos Agreement and acquire a 100% interest in the Pocitos Property from AIS by paying a total of US$1,732,000. The agreement is amended to extend the payment from June 23, 2022 to June 23, 2023.

In order to maintain the option in good standing under the Pocitos Agreement, the Company was required to pay AIS a total of US$100,000 (paid) and issue 2,500,000 common shares (issued). In addition, the Company is required to complete a US$500,000 exploration program on the Pocitos Property within the next 12 months. Upon exercise of the option and the Company’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.

On March 23, 2022, the Company entered into an assignment agreement with Recharge Resource Ltd. (formerly Le Mare Gold Group) to assign its rights to acquire the 80% undivided interest in, and commitments and obligations related to, the Pacitos I Property, for a consideration of US$850,000 cash and 900,000 shares of Recharge Resources Ltd. On March 24, 2022, the Company received $442,400 (US$350,000) cash and 1,005,680 common shares at a fair market value of $603,408. The total proceeds of $1,045,808 have been recorded against the acquisition cost of the property.

On May 31, 2022, the fair market value of the 1,005,680 common shares of Recharge Resources Ltd. was $251,420. The unrealized loss on marketable securities in the amount of $351,988 has been recorded in the other comprehensive loss accordingly.

6. SHARE CAPITAL

a) Authorized:

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

b) Issued and Outstanding as at May 31, 2022: 69,631,500 common shares.

For the period ended May 31, 2022, there is no change to the share capital.

For the period ended November 30, 2021, the Company had the following share capital transactions:

i) On March 20, 2021, the Company completed a private placement of 15,640,000 common shares at a price of $0.001 per share for gross proceeds of $15,640.

ii) On March 27, 2021, the Company completed a private placement of 1,000,000 common shares at a price of $0.01 per share for gross proceeds of $10,000.

iii) On April 16, 2021, the Company completed a private placement of 5,720,000 common shares at a price of $0.10 per share for gross proceeds of $572,000.

iv) On April 23, 2021, the Company completed a private placement of 1,140,000 common shares at a price of $0.25 per share for gross proceeds of $285,000.

v) On April 26, 2021, the Company issued 28,984,500 common shares for acquiring the common shares of Tech One as described in Note 4.

vi) On April 26, 2021, concurrent with the Transaction, the Company completed a non-brokered private placement of 10,447,000 units at $0.25 per unit for gross proceeds of $2,611,750. Each unit consisted of one common share and one non-transferable share purchase warrant, each warrant is exercisable to purchase one additional common share at $0.40 for a period of 24 months, subject to acceleration. In connection to this private placement, the Company incurred share issue costs of $175,198 in cash and issued 618,250 finders' warrants which are exercisable at prices ranging from $0.25 to $0.40 per share for a period of two years. The fair value of the share purchase warrants was determined to be $131,231, calculated using the Black-Scholes option pricing model under the following assumptions: weighted average exercise price - $0.32; price on grant date $0.25; risk-free interest rate – 0.32%; dividend yield – 0%; expected volatility – 150%; and expected life – two years.

vii) The Company issued a total of 400,000 common shares with a fair value of $166,000 for the SB Property (Note 5).

viii) The Company issued 2,500,000 common shares with a fair value of $1,000,000 for the acquisition of the Pocitos I & II Properties (Note 5).

ix) The Company issued 3,025,000 common shares pursuant to the exercise of share purchase warrants for total proceeds of $632,500.

x) The Company issued 775,000 common shares pursuant to the exercise of stock options for total proceeds of $79,500.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

c) Stock Options

The Company has 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 option activity for the period ended May 31, 2022:

	Number of stock options	**Weighted average exercise price**
		$
Balance, beginning of period	-	-
Deemed granted upon reverse acquisition transaction (Note 4)	2,214,000	0.10
Granted	2,000,000	0.365
Exercised	(775,000)	0.10
Exercisable and outstanding, May 31, 2022 and November 30, 2021	3,439,000	0.26

The following table summarizes the outstanding and exercisable stock options as at May 31, 2022:

Exercise price	**Number of options**	**Expiry date**
$ 0.10	275,000	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	650,000	March 26, 2026
$ 0.365	2,000,000	June 4, 2026
$0.26	3,439,000	

The weighted average remaining useful life of outstanding stock options is 3.35 years as at May 31, 2022.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

d) Warrants

A summary of the Company's outstanding warrants at May 31, 2022, and the changes for the period then ended is presented below:

	Number of warrants	**Weighted average exercise price**
		$
Balance, beginning of period	-	-
Deemed granted upon reverse acquisition transaction (Note 4)	9,994,500	0.21
Granted	11,065,250	0.40
Exercised	(3,025,000)	0.22
Exercisable and outstanding, November 30, 2021	18,034,750	0.32
Expired	(800,000)	0.05
Exercisable and outstanding, May 31, 2022	17,234,750	0.33

The following table summarizes the outstanding and exercisable warrants as at May 31, 2022:

Exercise price	**Number of warrants**	**Expiry date**
$0.22	3,194,500	September 28, 2022
$0.22	2,975,000	October 8, 2022
$0.40	11,065,250	May 31, 2023
	17,234,750	

On April 8, 2022, the Company extended the expiry date of the 2,975,000 warrants from April 8, 2022 to the date that is the earlier of: (i) 30 days after the date the Company's common shares re-commence trading on the Canadian Securities Exchange; and (ii) October 8, 2022. All other terms and conditions remain the same.

The weighted average remaining useful life of outstanding warrants is 0.76 years as at May 31, 2022.

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 ("CEO"), Chief Financial Officer ("CFO") and the former CFO.

As at May 31, 2022, included in accounts payable and accrued liabilities was $29,925 due to an officer 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:

	May 31, 2022
	$
Consulting fee to CEO	48,000
Consulting fee to CFO	43,500
Total	**91,500**

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 marketable securities 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.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

The Company's financial instruments consist of cash, marketable securities, accounts payable and loans 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, 2022**
		$
Cash	FVTPL	70,023
Marketable securities	FVTOCI	251,420
Accounts payable	Amortized cost	801,546
Loans payable	Amortized cost	330,420

Fair value
The fair value of the Company's financial instruments approximates their carrying value as at May 31, 2022 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies
The Company's financial instruments include cash, marketable securities, accounts payable and loans 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.

11, LOANS PAYABLE

During the period ended May 31, 2021, the Company obtained loans payable in the amount $322,420 from various arm's length third parties. Interest expense of $8,000 has been recorded and included in the loans payable balance at May 31, 2022. The loans are interest bearing at 8% per annum, unsecured and due on demand.