EMP METALS CORP.
(formerly, Sentinel Resources Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2022 AND 2021

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EMP Metals Corp. (formerly, Sentinel Resources Corp.):

Opinion

We have audited the consolidated financial statements of EMP Metals Corp. (formerly, Sentinel Resources Corp.) (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of 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 April 30, 2022 and 2021, and its consolidated financial performance and its consolidated 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes events and conditions indicating 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 the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

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 and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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.

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.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
August 29, 2022

EMP METALS CORP.
(formerly, Sentinel Resources Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	April 30, 2022 $	April 30, 2021 $
ASSETS			
Current assets			
Cash		1,467,544	265,865
GST recoverable		54,390	122,309
Prepaid expenses		35,750	34,167
		1,557,684	422,341
Performance bonds		72,712	75,920
Exploration and evaluation assets	**5**	16,192,835	91,682
Total assets		17,823,231	589,943
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**10**	251,354	45,142
SHAREHOLDERS' EQUITY			
Share capital	**7**	16,743,652	4,155,983
Reserves	**7**	1,956,361	207,850
Accumulated other comprehensive income		4,329	1,293
Deficit		(6,193,073)	(3,820,325)
Total equity attributable to shareholders of the Company		12,511,269	544,801
Attributable to non-controlling interest		5,060,608	-
		17,571,877	544,801
Total liabilities and shareholders' equity		17,823,231	589,943

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on August 25, 2022

"Robin Gamley" Director "Greg Bronson" Director

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

EMP METALS CORP.
(formerly, Sentinel Resources Corp.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Notes	2022 $	2021 $
Expenses			
Consulting fees	**10**	487,112	237,363
Corporate development		-	155,000
Filing fees		27,830	34,681
Interest, financing fees and bank charges	**7**	400,000	78,810
Investor relations		380,861	744,827
Office		16,815	9,088
Professional fees	**10**	176,060	93,079
Share-based compensation	**7, 10**	800,237	185,751
Loss before other items		(2,288,915)	(1,538,599)
Other items			
Write-off of exploration and evaluation assets	**5**	(87,808)	(2,128,628)
Interest income		206	357
Foreign exchange loss		(11,381)	(6,228)
		(98,983)	(2,134,499)
Net loss for the year		(2,387,898)	(3,673,098)
Items that may be reclassified subsequently to loss			
Exchange difference on translating foreign operations		3,036	1,293
Comprehensive loss for the year		(2,384,862)	(3,671,805)
Net loss attributable to:			
Shareholders of the Company		(2,372,748)	(3,673,098)
Non-controlling interest		(15,150)	-
		(2,387,898)	(3,673,098)
Comprehensive loss attributable to:			
Shareholders of the Company		(2,369,712)	(3,673,098)
Non-controlling interest		(15,150)	1,293
		(2,384,862)	(3,671,805)
Basic and diluted loss per share		(0.08)	(0.46)
Weighted average number of shares outstanding		30,470,313	7,988,852

EMP METALS CORP.
(formerly, Sentinel Resources Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars, except for share figures)

	Note	Number of Shares #	Share Capital $	Share Issue Costs $	Reserves $	Accumulated Other Comprehensive Income $	Deficit $	Non-controlling Interest $	Total $
Balance, April 30, 2020		**6,183,333**	**865,000**	**(129,409)**	**26,833**	**-**	**(147,227)**	**-**	**615,197**
Shares issued for acquisition of exploration and evaluation assets		831,667	1,632,750	-	-	-	-	-	1,632,750
Shares issued for financing fees		70,176	73,684	-	-	-	-	-	73,684
Shares issued pursuant to private placement		1,333,333	1,500,000	(72,750)	-	-	-	-	1,427,250
Shares issued for option and warrant exercises		939,912	286,708	-	(4,734)	-	-	-	281,974
Share-based compensation		-	-	-	185,751	-	-	-	185,751
Net loss and comprehensive loss for the year		-	-	-	-	1,293	(3,673,098)	-	(3,671,805)
Balance, April 30, 2021		**9,358,421**	**4,358,142**	**(202,159)**	**207,850**	**1,293**	**(3,820,325)**	**-**	**544,801**
Shares issued pursuant to private placement	7	11,764,705	2,000,000	(190,050)	100,812	-	-	-	1,910,762
Shares issued pursuant to acquisition of HCM	4	14,070,000	5,416,950	-	4,738,376	-	-	5,075,758	15,231,084
Shares issued for financing fees	4,6	1,000,000	400,000	-	-	-	-	-	400,000
Agent's option exercise	7	120,086	55,084	-	(19,058)	-	-	-	36,026
Warrant exercise	7	12,659,261	4,905,685	-	(3,871,856)	-	-	-	1,033,829
Share-based compensation	7	-	-	-	800,237	-	-	-	800,237
Net and comprehensive loss for the year		-	-	-	-	3,036	(2,372,748)	(15,150)	(2,384,862)
Balance, April 30, 2022		**48,972,473**	**17,135,861**	**(392,209)**	**1,956,361**	**4,329**	**(6,193,073)**	**5,060,608**	**17,571,877**

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

EMP METALS CORP.
(formerly, Sentinel Resources Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

	2022 $	2021 $
Operating activities:		
Net loss for the year	(2,387,898)	(3,673,098)
Items not involving cash:		
Interest and financing fees	400,000	73,684
Write-off of exploration and evaluation assets	87,808	2,128,628
Share-based compensation	800,237	185,751
Changes in non-cash working capital related to operations:		
GST recoverable	70,608	(122,309)
Prepaid expenses	(1,583)	(34,167)
Accounts payable and accrued liabilities	8,345	25,479
Net cash used in operating activities	(1,022,483)	(1,416,032)
Investing activities:		
Acquisition and exploration costs on exploration and evaluation assets	(535,546)	(277,560)
Advances receivable from HCM prior to acquisition (note 4)	(150,000)	-
Cash acquired on acquisition of HCM	518,973	-
Performance bonds	-	(75,290)
Net cash used in investing activities	(166,573)	(353,480)
Financing activities:		
Issuance of common shares	2,980,617	1,709,224
Proceeds from loans payable	-	200,000
Repayment of loans payable	(600,000)	(200,000)
Net cash provided by financing activities	2,380,617	1,709,224
Increase (decrease) in cash during the year	1,191,561	(60,288)
Effect of exchange rate changes on cash	10,118	1,293
Cash – beginning of the year	265,865	324,860
Cash – end of the year	1,467,544	265,865
Supplemental cash flow information:		
Income taxes paid	-	-
Interest paid	-	3,507
Shares and warrants issued for acquisition of exploration and evaluation assets	10,155,326	1,632,750
Shares issued for loans payable	-	73,684

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

1. NATURE OF OPERATIONS AND GOING CONCERN

EMP Metals Corp. (formerly, Sentinel Resources Corp.) ("the Company" or "EMP") was incorporated under the Business Corporations Act of British Columbia on August 3, 2018. The Company is engaged in the exploration and evaluation of mineral properties. The Company's head office is located at 204 - 998 Harbourside Drive, North Vancouver, BC V7P 3T2. Effective November 16, 2021, the Company changed its name from Sentinel Resources Corp. to EMP Metals Corp. The Company's common shares are listed for trading on the Canadian Securities Exchange (the "Exchange") under the trading symbol "EMPS". The Company's shares are also quoted by OTC Markets Group under the symbol "EMPPF".

On May 13, 2021, the Company consolidated its issued and outstanding common shares at a ratio of 3 pre-consolidated shares to one post-consolidation share (the "Consolidation"). All references to share and per share amounts in these consolidated financial statements have been retrospectively restated to reflect the Consolidation.

These consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At April 30, 2022, the Company had accumulated losses of $6,193,073 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the conflict in the Ukraine to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for the Company to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, financial performance, financial position and cash flows in the future. There is a material uncertainty related to these events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been presented in accordance with International Financial Reporting Standards ("IFRS") and related interpretations of the IFRS Interpretations Committee ("IFRIC's") as issued by the International Accounting Standards Board ("IASB").

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Consolidation

These consolidated financial statements include the financial statements of the Company, its wholly-owned and controlled subsidiary, Sentinel Resources (Australia) Pty Ltd., incorporated in New South Wales, Australia on August 24, 2020, and Hub City Minerals Corp. ("HCM"), incorporated in British Columbia on April 19, 2021. The Company acquired 67% of the issued and outstanding shares and share purchase warrants of HCM on September 2, 2021. HCM owns 75% of the outstanding common shares of Hub City Lithium Corp. ("HCL"), incorporated in British Columbia on April 19, 2021.

Consolidation of an investee begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

d) Foreign currencies

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These consolidated financial statements are presented in Canadian dollars. The functional currency of EMP Metals Corp., HCM and HCL is the Canadian dollar and the functional currency of Sentinel Resources (Australia) Pty Ltd. is the Australian dollar. Subsidiaries whose functional currencies differ from that of the parent company ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income as exchange difference on translating foreign operations.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive loss related to the foreign operation are reclassified to profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income (loss) related to the subsidiary are reallocated between controlling and non-controlling interests.

e) Financial instruments

Recognition and classification
The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial instruments at initial recognition. The classification of financial asset debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement
Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI
Elected investments 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 recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost using the effective interest method, less any impairment. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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

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

f) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. These direct expenditures include such costs as materials used, surveying, drilling, and payments made to contractors during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general administrative overhead costs, are recognized in profit or loss in the period in which they occur.

Mineral properties are carried at cost less accumulated impairment losses, if any, until such time as the properties are technically feasible or put into production, sold, determined to no longer have commercially viable prospects to the Company or are abandoned. Exploration and evaluation expenditures in respect of properties are deemed to be impaired if the property has an indicator of impairment, and the Company determines the recoverable amount of the asset to be less than its carrying amount.

Mineral properties are assessed annually for indicators of impairment. A property is deemed to have an indicator of impairment if the period for which the Company has the right to explore the property has expired or is not expected to be renewed, substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned, exploration and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities for the specific property, or if sufficient data exists to indicate that development of a specific property would be unlikely to recover the carrying amount of the associated capitalized exploration and evaluation expenditures.

If there is an indication of impairment, the Company determines the recoverable amount of the specific property as the greater of the asset's value in use or fair value less costs of disposal, and comparing this to the carrying amount as at the reporting date. If the carrying amount exceeds the recoverable amount, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss as an impairment loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction", within property, plant and equipment. Exploration and evaluation assets are tested for impairment before the assets are transferred to mine under construction.

g) Impairment of long-lived assets

At each reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and the value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. Impairment is assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

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

h) Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for decommissioning and restoration is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition, the carrying amount of the provision is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at April 30, 2022 and 2021, the Company had no known material restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets.

i) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares, options and warrants are classified as equity instruments.

Costs directly identifiable with the raising of share capital are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are recognized in profit or loss.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the quoted market price and the balance, if any, is allocated to the attached warrants.

j) Income (loss) per share

Basic income (loss) per share represents the income (loss) for the period, divided by the weighted average number of common shares outstanding during the period. Diluted income per share represents the income for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the presumed exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive. Diluted loss per share is equivalent to basic loss per share, as the dilutive impact of shares from the presumed exercise of stock options, warrants and other similar instruments, would be anti-dilutive.

k) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares or the acquisition of exploration and evaluation assets. Amounts related to the issuance of shares are recorded as a reduction of share capital, and amounts related to the acquisition of exploration and evaluation assets are capitalized. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Due to the Company's limited trading history, the expected volatility assumption used in a valuation model takes into account estimated volatility of the Company as well as comparable companies trading on the Exchange.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

l) Income tax

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

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

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences in investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

m) Critical judgments and estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates with respect to future events. These judgments and estimates are based on past experience and other factors. The actual results may differ from the judgments and estimates made by management.

The following paragraphs describe the most critical management judgments and estimates in the recognition and measurement of assets, liabilities and expenses, and the application of accounting policies.

<u>Judgments:</u>

Impairment of exploration and evaluation assets
The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

Asset acquisitions
The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisition of HCM, judgment was required to determine if the acquisition represented a business combination or an asset acquisition. More specifically, management concluded that HCM did not represent a business as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the transaction (Note 4) represented the acquisition of assets, there was no goodwill recognized and the transaction costs were capitalized to the assets acquired rather than expensed.

<u>Estimates:</u>

Shares and warrants issued for asset acquisitions
Management makes estimates in determining the fair value attributed to equity instruments paid as consideration for asset acquisitions, based on the contracted terms for the acquisition. Where common shares are issued for asset acquisitions, management determines the acquisition date and applies the closing market price of the Company's common shares on that date. When warrants are issued as part of asset acquisitions, management must determine the most appropriate valuation model to apply in calculating the grant date fair value of the warrants, and then make estimates of the expected volatility of the stock, the expected life of the warrants, and an estimated risk-free interest rate for input to the calculation. Inputs and resulting estimates differ depending on the valuation model. Further, should management's estimates as to an appropriate grant date share price or inputs be incorrect, the value of consideration for an asset acquisition could be materially different.

Share-based payments
The Company uses the fair-value method of accounting for share-based payments. Under this method, compensation cost attributable to options granted is measured at fair value, using the Black-Scholes option pricing model, at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

3. RECENT ACCOUNTING PRONOUNCEMENTS

The following new standards and interpretations have been issued by the IASB, but are not yet effective and have not been applied in preparing these consolidated financial statements. The Company will adopt the amendments on their effective dates and management does not expect the amendments to have a material impact on the consolidated financial statements.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments are effective for reporting periods beginning on or after January 1, 2022.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

4. ACQUISITION OF HUB CITY MINERALS CORP.

On August 27, 2021, the Company entered into a share purchase agreement (the "Acquisition Agreement") with HCM, whereby the Company acquired 67% of the issued and outstanding shares and share purchase warrants of HCM (the “Transaction”).

Under the terms of the Acquisition Agreement, the Company acquired 14,070,000 Hub City Units (the "Hub City Units") in exchange for the issuance of 14,070,000 EMP units (each, "EMP Unit") to the holders of the Hub City Units. Each EMP Unit consisted of one common share of EMP and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional common share of EMP at an exercise price of $0.06667 and under the existing terms of the outstanding share purchase warrants of HCM. The Company also settled a pre-existing advance to HCM of $150,000, which was non-interest bearing.

The Transaction closed on September 2, 2021, at which time EMP became the ultimate parent company of HCM.

The Transaction did not meet the definition of a business combination and therefore, has been accounted for as a purchase of exploration and evaluation assets with the Company acquiring 67% of HCM on September 2, 2021. The consideration for the acquisition of HCM has been allocated at fair value of the assets acquired and liabilities assumed, based on management’s best estimate and taking into account all available information at the time of acquisition.

(Expressed in Canadian Dollars)

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	**$**
14,070,000 common shares of the Company at $0.39 per share	5,416,950
Fair value of 14,070,000 warrants	4,738,376
Settlement of preexisting relationship	150,000
	10,305,326

Net assets acquired	**$**
Cash	518,973
Receivables	2,689
Exploration and evaluation assets	15,464,433
Accounts payable and accrued liabilities	(5,011)
Loans payable	(600,000)
Non-controlling interest	(5,075,758)
	10,305,326

The fair value of the 14,070,000 warrants ($4,738,376) was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: spot price – $0.39 per share; risk-free rate – 0.52%; expected life – 3 years; expected volatility – 100%; expected forfeitures – nil%; and expected dividends – $nil.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Pass	Litter Bear	Waterloo	Salama	Gold and Silver Projects	Li-Brine Properties	Total
	$	$	$	$	$	$	$
April 30, 2020	**310,000**	**-**	**-**	**-**	**-**	**-**	**310,000**
Acquisition costs – cash	15,000	25,000	30,000	26,200	-	-	96,200
Acquisition costs – shares issued	7,500	-	155,250	1,470,000	-	-	1,632,750
Assaying and sampling	9,675	-	4,645	-	-	-	14,320
Claim fees	-	-	-	3,512	18,979	-	22,491
Consulting	9,281	-	21,620	-	74,473	-	105,374
Equipment	4,173	-	-	-	-	-	4,173
Geologists	27,019	-	-	-	480	-	27,499
Travel	9,753	-	-	-	-	-	9,753
Foreign exchange	-	-	-	-	(2,250)	-	(2,250)
Write-down	(392,401)	(25,000)	(211,515)	(1,499,712)	-	-	(2,128,628)
April 30, 2021	**-**	**-**	**-**	**-**	**91,682**	**-**	**91,682**
HCM asset acquisition	-	-	-	-	-	15,464,433	15,464,433
Acquisition costs – cash	-	-	-	-	-	534,546	534,546
Provision for decommissioning and restoration	-	-	-	-	-	73,900	73,900
Assaying and sampling	-	-	-	-	-	48	48
Claim fees	-	-	-	-	-	2,850	2,850
Consulting	-	-	-	-	-	81,189	81,189
Equipment	-	-	-	-	-	35,869	35,869
Foreign exchange	-	-	-	-	(3,874)	-	(3,874)
Write-down					(87,808)	-	(87,808)
April 30, 2022	**-**	**-**	**-**	**-**	**-**	**16,192,835**	**16,192,835**

Pass Property

On September 30, 2018, the Company entered into an assignment agreement (the "Assignment Agreement") with Madjak Management Ltd. ("Madjak"), which was amended and restated on August 28, 2019 (the "Amended and Restated Assignment Agreement"), to acquire a 100% interest in the North Pass and Anjuli Rose Claims as well as an option (the "Option Agreement") to acquire a 100% interest in the Pass Claim (collectively the "Pass Property"). The Pass Property is located in the Nelson Mining Division in the Province of British Columbia.

Under the terms of the Assignment Agreement, the Company paid $100,000 and issued 1,666,667 units (at fair value of $100,000) of the Company during the year ended April 30, 2019. Each unit consisted of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional share of the Company at a price of $0.30 per share for a period of three years from the date of issue. On August 28, 2019, the Company cancelled the 1,666,667 units previously issued under the Assignment Agreement. In addition, the Company paid a total of $200,000 during the year ended April 30, 2020.

As a result of closing the Amended and Restated Assignment Agreement, the Company assumed all of Madjak's rights and obligations under the Option Agreement. In order to exercise the option, the Company was required to:

(a) pay the Optionor $5,000 and issue 16,666 common shares upon acceptance by the Exchange of the Pass Claim being acquired or optioned by the Company (paid and issued shares during the year ended April 30, 2020);

(b) pay the Optionor $15,000 and issue 16,667 common shares, no later than three months after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company (paid $15,000 and issued shares at fair value of $7,500 during the year ended April 30, 2021);

(c) pay the Optionor $15,000, no later than one year after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company; and

(d) pay the Optionor $35,000, no later than two years after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company.

The Optionor would also retain a 2% net smelter return royalty (the "NSR"). The Company had the option to purchase 1% of the NSR by paying the Optionor a total of $500,000.

During the year ended April 30, 2021, the Company determined that the claims were no longer a good fit in the Company's portfolio of properties. As a result, the Company wrote down the capitalized balance of the project to $nil and recognized an impairment charge, calculated in accordance with level 3 of the fair value hierarchy, of $392,401 for the year ended April 30, 2021.

Little Bear Project

The Company entered into an option agreement (the "Little Bear Option Agreement") to acquire a mineral exploration project in British Columbia. Pursuant to the Little Bear Option Agreement, the Company could earn a 100% interest in two mineral claims, known as the Little Bear 1 and Little Bear 2 claims, located on Vancouver Island, British Columbia, by making a one-time cash payment of $25,000 (paid in May 2020) and completing a $50,000 work program.

During the year ended April 30, 2021, the Company decided to drop the Little Bear Property. As a result, the Company wrote down the capitalized balance of the project to $nil and recognized an impairment charge, calculated in accordance with level 3 of the fair value hierarchy, of $25,000 for the year ended April 30, 2021.

Waterloo Property

In September 2020, the Company entered into an option agreement with RebelEX Resources Corp. ("RebelEx"), to acquire up to a 100% interest in the Waterloo silver-gold property, located near Vernon, British Columbia. Terms of the option agreement were as follows:

1. Making cash payments to RebelEX of an aggregate of $200,000, including: (i) $30,000 within 10 business days of the effective date of the agreement ("Effective Date") (paid during the year ended April 30, 2021); (ii) $30,000 on or before the date that is 12 months following the Effective Date; (iii) $40,000 on or before the date that is 24 months following the Effective Date; (iv) $40,000 on or before the date that is 36 months following the Effective Date; and (v) $60,000 on or before the date that is 48 months following the Effective Date;

2. Issuing to RebelEX the aggregate amount of 1,333,333 common shares of the Company as follows: (i) 100,000 common shares within 10 business days following the Effective Date (issued at fair value of $126,000 during the year ended April 30, 2021); (ii) 200,000 common shares on or before the date that is 12 months following the Effective Date; (iii) 233,333 common shares on or before the date that is 24 months following the Effective Date; (iv) 266,667 common shares on or before the date that is 36 months following the Effective Date; (v) 533,333 common shares on or before the date that is 48 months following the Effective Date;

3. Funding aggregate expenditures on the property of $1,200,000 as follows: (i) $200,000 on or before the date that is 12 months following the Effective Date; (ii) $250,000 on or before the date that is 24 months following the Effective Date; (iii) $250,000 on or before the date that is 36 months following the Effective Date; and (iv) $500,000 on or before the date that is 48 months following the Effective Date.

After the Company has earned the 100% interest, the Company would pay to RebelEX a royalty being equal to 2% of NSR. The Company may purchase 1% of the NSR for $1,000,000.

In connection with the transaction, the Company was to issue 145,000 common shares to an arm's length finder over the term of the option agreement. On October 7, 2020, 15,000 of these finder's shares were issued at a fair value of $29,250.

The Company decided to relinquish the option to acquire the Waterloo Property during the year ended April 30, 2021. As a result, the Company wrote down the capitalized balance of the project to $nil and recognized an impairment charge of $211,515, calculated in accordance with level 3 of the fair value hierarchy, for the year ended April 30, 2021.

Salama Gold Project

In October 2020, the Company acquired the Salama Gold Project, consisting of four gold focused mining concessions totaling approximately 2,700 hectares, located in western Peru. The Company entered into an assignment agreement whereby it assumed all of the rights, title and interest in and to a purchase agreement with the holders of the Salama Gold Project. Under the terms of the various agreements, the Company acquired a 100% interest in the Salama Gold Project, royalty free, by making a cash payment of $26,200 (US$20,000) and issuing a total of 700,000 common shares (issued at their fair value of $1,470,000 during the year ended April 30, 2021). During the year ended April 30, 2021, the Company decided to drop the Salama Gold Project. As a result, the Company wrote down the capitalized balance of the project to $nil and recognized an impairment charge of $1,499,712, calculated in accordance with level 3 of the fair value hierarchy, for the year ended April 30, 2021.

Gold and Silver Projects

In October 2020, the Company acquired, by staking, 8 gold-focused exploration concessions totaling approximately 94,500 hectares located in New South Wales, Australia. The concessions are known as Star of Hope, Golden Bar, Alliance Reef, Stanleys, Lady Mary, Waddery West, Wittagoona Reef and Toolom South (collectively, the "Gold Projects"). In October 2020, the Company also acquired, by staking, 7 silver-focused exploration concessions totaling approximately 38,600 hectares located in New South Wales, Australia. The concessions are known as; Wallah Wallah, Stony Creek, Carrington, Dartmoor, Glens Skarn, Broken Hill West and Goongong (collectively, the "Silver Projects"). The Company was required to post a refundable performance bond of $9,723 (AUD$10,000) per concession and spend exploration and associated expenses on each concession of $24,308 (AUD$25,000) in Year One and $48,615 (AUD$50,000) in Year Two.

During the year ended April 30, 2022, the Company decided not to continue exploring and developing the Gold and Silver Projects and has relinquished all its claims. As a result, the Company wrote down the capitalized balance of the projects to $nil and recognized an impairment charge of $87,808, calculated in accordance with level 3 of the fair value hierarchy, for the year ended April 30, 2022.

Li-Brine Properties

On September 2, 2021, the Company acquired the Li-Brine Properties as a result of the acquisition of HCM (note 4). HCM holds 48,457 hectares (119,739 acres) of subsurface crown mineral dispositions in Saskatchewan, with the focus on potential lithium resource prospects. On January 24, 2022, the Company acquired an additional 37,593 hectares (92,894 acres) of subsurface crown mineral dispositions located in Saskatchewan.

(Expressed in Canadian Dollars)

6. LOANS PAYABLE

On August 25, 2020, the Company entered into loan agreements with several lenders in the total amount of $200,000. $50,000 of the loans were from the CEO of the Company. The loans bore an interest rate of 10% per annum and were to be due and payable on August 25, 2021. In addition, the Company issued 70,176 common shares of the Company at a fair value of $73,684 to the lenders. The loans were fully repaid during the year ended April 30, 2021.

As a result of the acquisition of HCM, the Company assumed loans payable with a principal balance of $600,000, which bore no interest, were unsecured and were to mature on November 16, 2021. In connection with the acquisition of HCM, the Company issued 500,000 common shares to each of the lenders for a total of 1,000,000 common shares at their fair value of $400,000. The loans have been fully repaid during the year ended April 30, 2022.

	$
Balance, April 30, 2020	-
Proceeds	200,000
Interest	3,507
Repayment	(203,507)
Balance, April 30, 2021	-
Assumed on acquisition of HCM	600,000
Repayment	(600,000)
Balance, April 30, 2022	-

7. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – 48,972,473 common shares

c) Consolidation

On May 13, 2021, the Company consolidated its issued and outstanding common shares at a ratio of 3 pre-consolidated shares to one post-consolidation share. All references to share and per share amounts in these consolidated financial statements have been retrospectively restated to reflect the Consolidation.

d) Issuances

On June 2, 2020, the Company issued 16,667 shares at their fair value of $7,500 for the acquisition of the Pass Property.

On August 26, 2020, the Company issued 70,176 shares at their fair value of $73,684 to the lenders in certain loan agreements. Refer to Note 6.

On September 3, 2020, the Company issued 100,000 shares at their fair value of $126,000 for the acquisition of the Waterloo Property.

On September 21, 2020, the Company closed a non-brokered private placement financing of 666,667 units at a price of $0.75 per unit for gross proceeds of $500,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for $1.20 for a period of one year from the date of issuance. The Company assigned $nil to the warrants. The Company paid finders fees totalling $15,750.

On October 6, 2020, the Company issued 700,000 shares at their fair value of $1,470,000 for the acquisition of the Salama Gold Project.

On October 7, 2020, the Company issued 15,000 finders shares at fair value of $29,250 for the acquisition of the Waterloo Property.

On October 22, 2020, the Company closed a non-brokered private placement financing of 666,666 units at a price of $1.65 per unit for gross proceeds of $1,000,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for $3.00 for a period of one year from the date of issuance. The Company assigned $nil to the warrants. The Company paid finders fees totalling $57,000.

During the year ended April 30, 2021, the Company issued 903,333 common shares pursuant to the exercise of warrants for total gross proceeds of $271,000. The weighted average share price at dates the warrants were exercised was $2.03.

During the year ended April 30, 2021, the Company issued 8,333 common shares pursuant to the exercise of stock options for total gross proceeds of $2,500. A value of $251 was transferred from reserves to share capital as a result. The weighted average share price at dates the stock options were exercised was $1.20.

During the year ended April 30, 2021, the Company issued 28,246 common shares pursuant to the exercise of agent's options for total gross proceeds of $8,474. A value of $4,483 was transferred from reserves to share capital as a result. The weighted average share price at dates the agent's options were exercised was $1.50.

On August 5, 2021, the Company closed a non-brokered private placement financing by issuing 11,764,705 units at a price of $0.17 per unit for proceeds of $2,000,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.23 per share for a period of one year from the date of issue. The Company assigned $nil to the warrants. The Company paid finders fees totaling $89,238 and issued 512,262 agent's options. The Company has the right to accelerate the expiry date of the warrants if, at any time, the average closing price of the Company's common shares is equal to or greater than $0.50 for 10 consecutive trading days. In the event of acceleration, the expiry date will be accelerated to a date that is 10 business days after the Company issues a news release announcing that it has elected to exercise this acceleration right.

The fair value of the 512,262 agent's options was determined to be $100,812 and estimated on the date of issue using the Black-Scholes option valuation model with the following assumptions: exercise price of $0.23, spot price of $0.37, dividend yield of $nil, risk free interest rate of 0.42%, expected life of 1 year and expected volatility of 100%.

On September 2, 2021, the Company issued 14,070,000 units pursuant to the acquisition of HCM. Each unit comprises one common share and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one common share at an exercise price of $0.07 per common share, expiring on September 2, 2024. Refer to Note 4.

On October 2, 2021, in consideration for the loans assumed by the Company as a result of the acquisition of HCM, the Company paid a fee to each of the lenders by issuing 500,000 common shares to each of the lenders for a total of 1,000,000 common shares at their fair value of $400,000. The fair value of $400,000 has been classified as financing fees within profit or loss. Refer to Note 6.

During the year ended April 30, 2022, the Company issued 12,659,261 common shares pursuant to the exercise of warrants for total gross proceeds of $1,033,829. $3,871,856 was transferred from reserves to share capital as a result. The weighted average share price at dates the warrants were exercised was $0.46.

During the year ended April 30, 2022, the Company issued 120,086 common shares pursuant to the exercise of agent's options for total gross proceeds of $36,026. $19,058 was transferred from reserves to share capital as a result. The weighted average share price at dates the warrants were exercised was $0.37.

e) Escrowed Shares

As at April 30, 2022, 100,000 common shares are held in escrow (2021 – 200,000) to be released pro-rata to the shareholders as to 10% on the listing date with the remaining escrow shares being released in six equal tranches of 15% every six months as to 50,000 common shares on each of August 27, 2022 and February 27, 2023. These escrow shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

f) Stock Options

On March 15, 2019, the Company adopted a stock option plan (the "Stock Option Plan"), which provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's common shares issued and outstanding at the time such options are granted. Options may be granted under the Stock Option Plan to the directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The Stock Option Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director, officer, employee or consultant, or 1% of the issued common shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability.

On August 21, 2020, the Company granted 100,000 options to consultants. The stock options have an exercise price of $0.84 per share and expire on August 21, 2025. The options vested immediately upon grant. The fair value of the options granted was $0.63.

On October 1, 2020, the Company granted 83,333 options to a director and a consultant. The stock options have an exercise price of $2.01 per share and expire on October 1, 2025. The options vested immediately upon grant. The fair value of the options granted was $1.47 per share.

On August 13, 2021, the Company granted a total of 1,800,000 stock options to its directors, officers, employees, consultants and advisors. The stock options have an exercise price of $0.37 per share and expire on August 13, 2025. 50% of the options vest 3 months after the grant date and the remaining 50% of the options vest 6 months after the grant date. The fair value of the options granted was $0.25 per share.

(Expressed in Canadian Dollars)

On September 28, 2021, the Company granted 500,000 stock options to a consultant. The stock options have an exercise price of $0.35 per share and expire on September 28, 2025. 50% of the options vest 3 months after the grant date and the remaining 50% of the options vest 6 months after the grant date. The fair value of the options granted was $0.24 per share.

On January 24, 2022, the Company granted a total of 1,050,000 stock options to its directors, officers, employees, consultants and advisors. The stock options have an exercise price of $0.40 per share and expire on January 24, 2027. 550,000 stock options will vest quarterly over 12 months from the date of issuance. 500,000 stock options vest on the basis of 50,000 per month after the grant date. The fair value of the options granted was $0.11 per share.

On April 5, 2022, the Company granted a total of 700,000 stock options to its directors and consultants. The stock options have an exercise price of $0.40 per share and expire on April 5, 2027. 500,000 stock options vested immediately. 200,000 stock options will vest as to 100,000 options on April 5, 2024 and 100,000 options on October 5, 2024. The fair value of the options granted was $0.26 per share.

The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	2022	**2021**
Risk free interest rate	1.33%	0.33%
Expected life	4.43 years	5 years
Expected volatility	100%	100%
Expected forfeiture	Nil	Nil
Expected dividends	Nil	Nil

The weighted average grant date fair value of the stock options granted during the year ended April 30, 2022 was $0.26 (2021 - $1.01).

During the year ended April 30, 2022, the Company recorded $800,237 (2021 - $185,751) of share-based compensation expense.

(Expressed in Canadian Dollars)

The changes in the stock options for the years ended April 30, 2022 and 2021 are as follows:

	Number of options	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
Balance, April 30, 2020	91,667	$0.30	4.71
Granted	183,333	$1.38	-
Exercised	(8,333)	$0.30	-
Balance and exercisable, April 30, 2021	266,667	$1.05	3.91
Granted	4,050,000	$0.38	-
Balance and exercisable, April 30, 2022	4,316,667	$0.42	3.92

The balance of options outstanding as at April 30, 2022 was as follows:

Expiry date	**Exercise price**	**Remaining Life (years)**	**Options Outstanding**	**Unvested**	**Vested**
January 14, 2025	$0.30	2.71	83,334	-	83,334
August 21, 2025	$0.84	3.31	100,000	-	100,000
October 1, 2025	$2.01	3.42	83,333	-	83,333
August 13, 2025	$0.37	3.29	1,800,000	-	1,800,000
September 28, 2025	$0.35	3.42	500,000	-	500,000
January 24, 2027	$0.40	4.74	1,050,000	762,500	287,500
April 5, 2027	$0.40	4.93	700,000	200,000	500,000
	$0.42	3.92	4,316,667	962,500	3,354,167

(Expressed in Canadian Dollars)

g) Warrants

Details of warrant activity for the years ended April 30, 2022 and 2021 are as follows:

	Number of Warrants #	Weighted Average Exercise Price $
Balance, April 30, 2020	4,000,000	0.30
Issued	1,333,333	2.10
Exercised	(903,333)	0.30
Balance, April 30, 2021	4,430,000	0.84
Expired	(4,430,000)	0.84
Issued	25,834,705	0.14
Exercised	(12,659,261)	0.08
Balance, April 30, 2022	13,175,444	0.20

The balance of warrants outstanding as at April 30, 2022 is as follows:

Expiry Date	Exercise Price $	Remaining Life (Years)	Warrants Outstanding #
August 5, 2022	0.23	0.27	10,602,425
September 2, 2024	0.07	2.35	2,573,019
		0.67	13,175,444

h) Agent's Options

The changes in the Agent's options for the years ended April 30, 2022 and 2021 are as follows:

	Number of Agent's options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, April 30, 2020	151,667	$0.30	1.83
Exercised	(28,246)	$0.30	-
Balance, April 30, 2021	123,421	$0.30	0.33
Issued	512,262	$0.23	-
Expired	(3,335)	$0.30	-
Exercised	(120,086)	$0.30	-
Balance, April 30, 2022	512,262	$0.23	0.27

(Expressed in Canadian Dollars)

The balance of Agent's options outstanding as at April 30, 2022 was as follows:

Expiry date	Exercise price	Remaining life (years)	Options Outstanding
August 5, 2022	$0.23	0.27	512,262
	$0.23	0.27	512,262

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity attributable to shareholders of the Company, which totaled $12,511,269 at April 30, 2022 (2021 - $544,801).

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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any capital requirements imposed by an external party.

9. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash as FVTPL, and performance bonds and accounts payable and accrued liabilities as at amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

As at April 30, 2022, the Company believes that the carrying values of accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations. The performance bonds approximate fair value as they are held at financial institutions with market rates of interest. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and performance bonds held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the cash and performance bonds at April 30, 2022 of $1,540,256 (2021 - $341,785). The Company's cash and performance bonds are held with reputable Canadian and Australian banks. The credit risk related to cash and performance bonds is considered minimal.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company's interest-bearing financial instruments have fixed interest rates. The Company is also exposed to the risk of variation in the fair value resulting from fluctuations in interest rates, however the impact is not material.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. At April 30, 2022, the Company had $1,467,544 of cash (2021 - $265,865), with which to settle $251,354 of accounts payable and accrued liabilities (2021 - $45,142).

Foreign currency risk
Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily cash, offset by accounts payable and accrued liabilities denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars and Australian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company periodically increases or decreases the amount of funds held in foreign currencies. Included in cash is AUD$6,453 ($5,865) and performance bonds of AUD$80,000 ($72,712) are denominated in foreign currency.

The sensitivity of the Company's net loss to changes in the exchange rate between the Canadian and Australian dollar would be as follows: a 10% change in the Australian dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $1,100.

10. RELATED PARTY TRANSACTIONS

Key management personnel are those persons responsible for planning, directing and controlling the activities of the entity, and include executives and non-executive directors. The Company incurred charges from directors and officers, or to companies controlled by these individuals during the years ended April 30, 2022 and 2021 as follows:

	2022	2021
	$	$
Professional fees	50,476	20,964
Consulting fees	104,241	100,003
Share based compensation	252,694	74,224
	407,411	195,191

Accounts payable and accrued liabilities at April 30, 2022 includes $12,809 (2021 – $13,640) due to the CEO and a company in which the CFO is an owner.

Key management of the Company includes the CEO, the CFO and the Directors. During the year ended April 30, 2022, compensation paid or accrued to key management consisted of accounting fees of $50,476 (2021 – $20,964) paid or accrued to a company in which the CFO is an owner, consulting fees of $95,000 (2021 – $65,000) paid or accrued to the CEO, and consulting fees of $9,241 (2021 – $35,003) paid to a company controlled by a director of the Company.

(Expressed in Canadian Dollars)

11. INCOME TAXES

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

	2022	2021
Statutory tax rate	**27%**	**27%**
	$	**$**
Loss before income taxes	(2,387,898)	(3,673,098)
Expected income tax recovery at statutory rate	(644,732)	(991,736)
Non-deductible items	253,759	50,153
Share issuance costs	(51,314)	(19,643)
Difference in tax rates and foreign exchange	199	(897)
Change in deferred tax asset not recognized	442,088	962,123
Income tax recovery	-	-

The significant components of the Company's deferred unrecognized tax assets as at April 30, 2022 and 2021 are as follows:

	2022 $	2021 $
Non-capital loss carry forwards	912,415	536,139
Share issuance costs	66,793	36,659
Exploration and evaluation assets	513,700	463,271
Unrecognized deferred income tax asset:	(1,492,918)	(1,036,069)
	-	-

As at April 30, 2022, the Company has non-capital losses carried forward for income tax purposes in Canada of $3,193,947 which can be applied against future years' taxable income. Their expiry dates range from 2039 to 2041. The Company has tax losses in Australia of approximately $166,865 which may be carried forward indefinitely and applied against future assessable income. Future tax benefits, which may arise as a result of these losses, have not been recognized in these consolidated financial statements.

12. COMMITMENTS

On August 1, 2021, the Company entered into a consulting agreement with for public company finance and administration support at a rate of $7,500 per month ($90,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the consultant of 24 months ($180,000) is required.

On April 1, 2022, the Company entered into a consulting agreement with for public company finance and administration support at a rate of $10,000 per month ($120,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the consultant of 24 months ($240,000) is required.

On April 1, 2022, the Company entered into a consulting agreement with the CEO at a rate of $10,000 per month ($120,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the CEO of 24 months ($240,000) is required.

13. SUBSEQUENT EVENTS

On May 3, 2022, the Company accelerated the expiry date of common share purchase warrants issued on August 4, 2021 (the "Warrants") in accordance with the terms of the Warrants. Under the terms of the Warrants, the Company is permitted to accelerate the expiry date if the average closing price of the Company's common shares for any 10 consecutive trading days is equal to or greater than $0.50. During May 2022, the Company completed the acceleration, raising $2,478,422 from the exercise of 10,775,746 Warrants.

On May 24, 2022, the Company entered into a Wellbore Takeover Agreement (the "Agreement"). Within the Agreement the Company assumes the provision for decommissioning of the well, estimated at $70,000. The well is located in the Tyvan area of Southeast Saskatchewan which is within one-half mile of HCM's lands.

On July 28, 2022, the Company incorporated a new subsidiary, Hub City Royalty Corp. (“Royalty Corp.”). In August 2022, the Company entered into a share exchange agreement with the other shareholders of HCM who in aggregate own 33% of the issued and outstanding shares of HCM, whereby the Company transferred its shares of Royalty Corp. to those shareholders in exchange for their 33% ownership of HCM. As a result, HCM is now a 100% wholly-owned subsidiary of the Company. In addition, HCM signed a royalty agreement with Royalty Corp., pursuant to which HCM has granted to Royalty Corp. a 25% net profit royalty on amounts received by HCM from HCL.