

**AMMPOWER CORP. (formerly SOLDERA MINING CORP.)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended November 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company for the six months ended November 30, 2021 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**AMMPOWER CORP. (formerly SOLDERA MINING CORP.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As At November 30, 2021 and May 31, 2021  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<b>November 30, 2021</b>	<b>May 31, 2021</b>
<b>ASSETS</b>		
Current		
Cash	\$ 1,207,088	\$ 1,895,228
Amounts receivable	225,726	71,887
Prepaid expenses and deposit (Note 11)	523,459	763,288
Inventory	158,053	-
	<u>2,114,326</u>	<u>2,730,403</u>
Furnitures and equipment	188,194	-
Right of use asset (Note 11)	1,594,268	-
Exploration and evaluation assets (Note 5)	8,707	48,707
	<u>\$ 3,905,495</u>	<u>\$ 2,779,110</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 252,594	\$ 111,753
Due to related parties (Note 7)	6,707	6,707
Lease liabilities – current (Note 11)	89,096	-
	<u>348,397</u>	<u>118,460</u>
Lease liabilities – long-term (Note 11)	1,574,297	-
	<u>1,922,994</u>	<u>118,460</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	27,009,658	16,661,291
Commitment to issue shares (Note 6)	-	301,536
Contributed surplus (Note 6)	4,353,212	2,306,775
Accumulated other comprehensive loss	6,308	(1,137)
Accumulated deficit	(29,386,377)	(16,607,815)
	<u>1,982,801</u>	<u>2,660,650</u>
	<u>\$ 3,905,495</u>	<u>\$ 2,779,110</u>

Going concern (Note 2)  
Commitments (Notes 6 and 11)  
Subsequent event (Note 12)

APPROVED ON BEHALF OF THE BOARD:

“Faizaan Lalani” Director  
Faizaan Lalani

“Gary Benninger” Director  
Gary Benninger

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**AMMPOWER CORP. (formerly SOLDERA MINING CORP.)****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three and six months ended November 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	For the three months ended		For the six months ended	
	November 30,		November 30,	
	2021	2020	2021	2020
Administrative expenses				
Consulting fees (Note 7)	\$ 343,049	\$ 72,000	\$ 802,406	\$ 79,500
Depreciation	71,640	-	93,657	-
General exploration cost (Note 5)	-	26,478	31,125	34,519
Insurance	13,631	2,083	24,006	2,083
Interest	49,840	-	66,240	-
Marketing	1,510,821	-	5,561,994	36,000
Office and general	80,299	3,126	103,694	7,753
Professional fees	111,428	79,655	159,579	110,141
Repairs and maintenance	25,543	-	30,609	-
Research, development and technology expense	295,988	-	365,922	-
Share-based payments (Notes 6 and 7)	1,774,853	-	5,178,907	-
Transfer agent and filing fees	13,389	32,864	24,444	42,179
Wages and benefits (Note 7)	251,299	-	465,275	-
	4,541,781	216,206	12,907,858	312,175
Loss before other item	(4,541,781)	(216,206)	(12,907,858)	(312,175)
Other items				
Gain on debt settlement	-	-	169,296	-
Impairment of exploration and evaluation asset	-	-	(40,000)	-
Net loss for the period	(4,541,781)	(216,206)	(12,778,562)	(312,175)
Other comprehensive loss				
Gain on translation of foreign operations	(2,211)	-	7,445	-
Total comprehensive loss for the period	\$ (4,543,992)	\$ (216,206)	\$ (12,771,117)	\$ (312,175)
Basic and diluted loss per share	\$ (0.05)	\$ (0.01)	\$ (0.16)	\$ (0.01)
Weighted average number of common shares outstanding	82,644,288	31,466,456	79,387,998	29,723,758

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**AMMPower Corp. (formerly SOLDERA Mining Corp.)****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the three months ended August 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Special Warrants	Commitment to Issue Shares	Contributed Surplus	Accumulated Other Comprehensive (Loss) income	Accumulated Deficit	Total Shareholders' Equity
Balance, May 31, 2020	30,050,002	\$ 420,500	\$ 216,450	\$ -	\$ -	\$ -	\$ (75,850)	\$ 561,100
Conversion of special warrants (Note 6)	4,328,988	216,450	(216,450)	-	-	-	-	-
Exercise of share purchase warrants	72,000	7,200	-	-	-	-	-	7,200
Shares issued pursuant to mineral property agreement (Note 6)	2,000,000	920,000	-	-	-	-	-	920,000
Finder's fee (Note 6)	1,000,000	460,000	-	-	-	-	-	460,000
Net loss for the period	-	-	-	-	-	-	(312,175)	(312,175)
Balance, November 30, 2020	37,450,990	\$ 2,024,150	\$ -	\$ -	\$ -	\$ -	\$ (388,025)	\$ 1,636,125
Balance, May 31, 2021	67,968,290	\$ 16,661,291	\$ -	\$ 301,536	\$ 2,306,775	\$ (1,137)	\$ (16,607,815)	\$ 2,660,650
Private placement \$0.72	5,877,384	4,231,716	-	(301,536)	-	-	-	3,930,180
Share issue cost – cash	-	(145,303)	-	-	-	-	-	(145,303)
Agent's warrants	-	(60,659)	-	-	60,659	-	-	-
Exercise of share purchase warrants	6,932,742	2,762,903	-	-	-	-	-	2,762,903
Exercise of agent's warrants	363,090	297,734	-	-	(79,880)	-	-	217,854
Shares issued per restricted share units	2,741,666	3,113,249	-	-	(3,113,249)	-	-	-
Share-based payments – stock options	-	-	-	-	1,224,550	-	-	1,224,550
Share-based payments – restricted share Units ("RSU")	-	-	-	-	3,954,357	-	-	3,954,357
Shares issued for debt	215,547	148,727	-	-	-	-	-	148,727
Net loss for the period	-	-	-	-	-	7,445	(12,778,562)	(12,771,117)
Balance, November 30, 2021	84,098,719	\$ 27,009,658	\$ -	\$ -	\$ 4,353,212	\$ 6,308	\$ (29,386,377)	\$ 1,982,801

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**AMMPOWER CORP. (formerly SOLDERA MINING CORP.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the six months ended November 30, 2021 and 2020  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<b>For the six months ended November 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (12,778,562)	\$ (95,969)
Items not affecting cash:		
Depreciation	93,657	-
Impairment of exploration and evaluation assets	40,000	-
Interest accretion	67,271	-
Share-based payments	5,178,907	-
Gain on debt settlement	(169,296)	-
Changes in non-cash working capital items related to operations:		
Amounts receivable	(153,839)	(4,020)
Prepaid expenses and deposit	239,829	-
Inventory	(158,053)	-
Accounts payable and accrued liabilities	458,863	25,228
Cash used in operating activities	(7,181,223)	(74,761)
<b>Investing Activity</b>		
Furnitures and equipment	(193,770)	-
Cash used in investing activity	(193,770)	-
<b>Financing Activities</b>		
Shares issued for cash	6,910,938	-
Share issue cost – cash	(145,303)	-
Lease payments and prepayment	(86,228)	-
Cash provided by financing activities	6,679,407	-
Effect of foreign exchange on cash and cash equivalents	7,446	-
Change in cash and cash equivalents during the period	(688,140)	(74,716)
Cash and cash equivalents, beginning of period	1,895,228	531,516
Cash and cash equivalents, end of the period	\$ 1,207,088	\$ 456,755
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 1,207,088	\$ 435,341
Cash held in trust	-	21,414
	\$ 1,207,088	\$ 456,755
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<b>Non-cash investing and financing transactions</b>		
Shares issued for debt	\$ 148,727	\$ -
Fair value on shares issued on exercise of agent's warrants	\$ 79,880	\$ -
Fair value on shares issued for RSU	\$ 3,113,249	\$ -
Fair value on agent's warrants issued	\$ 60,659	\$ -

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**AMMPOWER CORP. (formerly SOLDERA MINING CORP.)**

Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**1. CORPORATE INFORMATION**

AMMPOWER CORP. (formerly SOLDERA MINING CORP.) (the “Company” or “AmmPower”) is a resource exploration company with an increasing focus on clean energy. On September 18, 2020, the Company received conditional approval from the Canadian Securities Exchange (“CSE”) for the listing of its common shares on the CSE and on October 6, 2020, commenced trading on the CSE under the symbol “SOLD” which was subsequently changed to “AMMP”. The Company is also listed on the Frankfurt stock exchange under “601A” and OTC under “AMMPF”.

On March 31, 2021, the Company completed the acquisition of all of the outstanding common shares of AmTek Inc. (“AmTek”). As consideration, the Company issued 12,000,000 common shares of the Company. AmTek is the owner of the Whabouchi South lithium exploration property located in the James Bay/Eeyou Istche region of Quebec and is working on the development of a proprietary technology to produce green ammonia, a potential carbon-free energy source. The Company also issued 960,000 common shares as finders fee. Subsequent to the year end, the Company reorganized its business and assets into two distinct corporate divisions: AmmPower Lithium & Mineral Resources and AmmPower Ammonia & Alternative Energy. The new corporate structure will allow it to better focus on and present the entirety of its asset portfolio.

The Company was incorporated on December 3, 2019 in British Columbia. The head office and principal address of the Company are located at 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. The Company’s registered and records office is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

**2. BASIS OF PREPARATION**

**(a) Statement of Compliance**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on January 28, 2022.

**(b) Basis of Measurement**

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

## **2. BASIS OF PREPARATION – (cont'd)**

### **(c) Going Concern**

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At November 30, 2021, the Company has not achieved profitable operations, has accumulated losses of \$29,386,377 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

There was a global pandemic outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at May 31, 2021.

### Inventories

Inventory consist primarily of raw materials. Inventory is measured at lower of cost, determined on a weighted average basis, and net realizable value. Costs of raw materials include the purchased cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. If the Company determines that the estimated net realizable value of its inventory is less than the carrying value of such inventory, it records a charge to cost of goods sold.



### **3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)**

#### Furnitures and Equipment

Furnitures and equipment's are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write-off the cost of the furniture and equipment, less their estimated residual value, using the declining-balance or straight-line method at the following annual rates:

Computer equipment	Straight-line 5 years
Machinery and equipment	Straight-line 5 years
Furniture and fixtures	Straight-line 7 years
Leasehold improvements	Straight-line 5 to 15 years

Furnitures and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

#### Recent Accounting Pronouncements and Changes in Accounting Policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

##### *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

The amendments to IAS1 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. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

#### **Critical judgments in applying accounting policies**

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements within the next financial year are discussed below:

**AMMPOWER CORP. (formerly SOLDERA MINING CORP.)**

Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS – (cont'd)**Going Concern

The assessment of the Company's ability to continue as a going concern require significant judgement. See Note 2(c).

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

**5. EXPLORATION AND EVALUATION ASSETS**

	Whabouchi Property	Titan Gold Property	Tuscarora Property	Total
Balance, as at May 31, 2020	\$ -	\$ 40,000	\$ -	\$ 40,000
Shares issued for property	-	-	920,000	920,000
Shares issued as finders fees	-	-	460,000	460,000
Asset acquired (Note 10)	8,707	-	-	8,707
Cash	-	-	200,000	200,000
Impairment of mineral property	-	-	(1,580,000)	(1,580,000)
Balance as at May 31, 2021	\$ 8,707	\$ 40,000	\$ -	\$ 48,707
Impairment of mineral property	-	(40,000)	-	-
Balance, as at November 30, 2021	\$ 8,707	\$ -	\$ -	\$ 8,707

General exploration expenditures for the six months ended November 30, 2021:

	Whabouchi Property	Total
Geological	\$ 31,125	31,125
	\$ 31,125	\$ 31,125

General exploration expenditures for the six months ended November 30, 2020:

	Titan Gold Property	Tuscarora	Total
Assays	\$ 1,041	\$ -	\$ 1,041
Geological	\$ 7,000	-	\$ 7,000
Maintenance payments		26,478	\$ 26,478
	\$ 8,041	\$ 26,478	\$ 34,519

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Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2021

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**5. EXPLORATION AND EVALUATION ASSETS – (cont'd)**

Titan Gold Property

By a mineral property option agreement dated May 7, 2020, the Company may acquire up to a 100% interest in the Titan Gold Property. This property consists of 34 mineral tenures and is located in the Klotz Lake Area Northwestern Ontario. As consideration the Company will pay cash of \$140,000, issue 1,800,000 common shares of the Company and incur \$360,000 in exploration expenditures as follows:

- a) Cash payment of \$40,000 within seven days of signing of the Agreement (Paid);
- b) Incur a minimum of \$110,000 in exploration expenditures within the first year from the agreement date (Incurred);
- c) Cash payment of \$40,000 and issuance of 600,000 (300,000 pre-forward split) common shares of the Company on or before the first anniversary of the listing of the Company on a Canadian securities exchange (due on October 6, 2021); and
- d) Cash payment of \$60,000, issuance of 1,200,000 (600,000 pre-forward split) common shares of the company and incur a minimum of \$250,000 of exploration expenditures on or before the second anniversary date of the agreement.

Should the Company acquire 100% of the property the optionor will retain a 2% Net Smelter Returns (“NSR”) royalty. 1% of this royalty may be purchased by the Company for \$500,000.

During the six months ended November 30, 2021, the Company has decided to not proceed with the Titan Gold Property and has recorded an impairment of \$40,000.

Tuscarora Property

On November 3, 2020, the Company entered into an assignment agreement (the “Assignment Agreement”) with Elko Sun Mining Corp (“Elko” or “Assignor”) whereby Elko and American Pacific Mining (US) Inc. are parties to an earn-in option to form joint venture agreement (the “Option Agreement”) dated July 31, 2020, which provides for the grant to the Assignor of an option (the “Option”) to acquire an 80% interest in and to 24 unpatented mining claims located Elkco County, state of Nevada comprising the Tuscarora property. The Company wishes to assume the Assignor’s rights and obligations under the Option Agreement.

Pursuant to the terms of the Assignment Agreement, the Company has agreed to assume the following: to earn the initial 51%, the Company is required on or before January 31, 2021, make a cash payment of \$200,000 (paid), issue 2,000,000 common shares of the Company and fund exploration expenditures of \$1,350,000 in within 24 months from the date of the Option Agreement. On November 5, 2020, the Company issued the 2,000,000 common shares which were fair valued at \$920,000 on the date the shares were issued.

After completion of the 51%, the Company has the option to earn another 14% interest by issuing an additional 1,000,000 common shares of the Company and fund a further minimum \$3,000,000 in exploration expenditures on the property and earn the final 15% interest by completing a pre-feasibility study on the property before the end of July 31, 2024.

In addition, the Company will also be responsible for making the payments to the Tuscarora property holders and paying the claim fees. As at May 31, 2021, the Company had paid \$21,220 in claim fees and \$5,258 in anniversary payment, which were recorded in the consolidated statements of loss and comprehensive loss at May 31, 2021.

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**5. EXPLORATION AND EVALUATION ASSETS – (cont'd)**

Tuscarora Property – (cont'd)

In connection with the assignment agreement the Company issued 1,000,000 common shares as finders fee. These were fair valued at \$460,000 on the date the shares were issued.

On January 28, 2021, the Company entered into a share purchase agreement with American Pacific Mining (US) Inc. to buy back its 2,000,000 common shares for \$100,000 in cash (paid). On May 19, 2021, these shares were returned to treasury for cancellation. In addition, the Company has decided not to pursue with the Tuscarora Property and recorded an impairment on the property of \$1,580,000 at May 31, 2021.

**6. SHARE CAPITAL**

**(a) Authorized**

Unlimited common shares with no par value.

On October 21, 2020, the Company announced a forward stock split on the basis of 2 new for 1 old effective October 26, 2020. The forward stock split has been retroactively presented in the condensed interim consolidated financial statements and all share amounts, including per share amounts, reflect the forward stock split.

**(b) Issued**

During the six months ended November 30, 2021:

On June 4, 2021, the Company completed its private placement of 5,877,384 units at a price of \$0.72 per unit for gross proceeds of \$4,231,716 of which \$301,536 was included in commitment to issue shares at May 31, 2021. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$1.00 per share expiring two years from issuance. In connection with the private placement, the Company paid a cash finders' fee of \$145,303 and issued 189,560 agents' warrants exercisable at \$1.00 per share for a period of two years from the date of issuance. These agent's warrants were fair valued at \$60,659 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.45%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of \$0.72.

On July 16, 2021, the Company issued 215,547 common shares to settle debt of \$318,024 resulting in a gain on debt settlement of \$169,296.

On September 16, 2021, the Company issued 363,090 common shares for total proceeds of \$217,854 pursuant to the exercise of agent's warrants. The transferred \$79,880 from contributed surplus.

During the six months ended November 30, 2021, the Company issued 6,932,742 common shares for total proceeds of \$2,762,903 pursuant to the exercise share purchase warrants with exercise prices between \$0.05 to \$0.60.

During the six months ended November 30, 2021, the Company issued 2,741,666 RSU valued at \$3,113,249.

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**6. SHARE CAPITAL – (cont'd)**

**(b) Issued – (cont'd)**

During the year ended May 31, 2021:

On October 6, 2020, 4,328,988 (2,164,494 pre-forward split) Special Warrants (Note 6(g)) were converted into 4,328,988 units and \$216,450 was transferred from special warrants reserve. Each unit is comprised of one common share of the Company and one share purchase warrant, exercisable into one common share of the Company at an exercise price of \$0.10 (\$0.20 pre-forward split) expiring on October 6, 2022.

On November 5, 2020, the Company issued 2,000,000 common shares pursuant to the Option Agreement fair valued at \$0.46 per share for total fair value of \$920,000. On January 28, 2021, the Company entered into a share purchase agreement with American Pacific Mining (US) Inc. to buy back its 2,000,000 common shares for \$100,000 in cash (paid). On May 19, 2021, these shares were returned to treasury for cancellation. In addition, the Company issued 1,000,000 common shares pursuant to the finder's agreement fair valued at \$0.46 per share for total fair value of \$460,000.

On March 12, 2021, the Company completed its private placement of 9,522,952 units at a price of \$0.42 per unit for gross proceeds of \$3,999,640. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at a price of \$0.60 per share expiring three years from issuance. In connection with the private placement, the Company paid a cash finders' fee of \$155,449 and issued 370,118 agent's warrants exercisable at \$0.60 per share for a period of three years from the date of issuance. These agent's warrants were fair valued at \$81,406 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.22%; dividend yield of 0%; volatility of 100% and expected life of three years and a stock price of \$0.42.

On March 31, 2021, the Company issued 12,000,000 common shares pursuant to the acquisition of AmTek fair valued at \$0.95 per share and discounted using the average strike put-option model, which resulted in a present value of \$8,753,000 on acquisition date. In addition, the Company issued 960,000 common shares pursuant to the finder's agreement fair valued at \$0.95 per share for total fair value of \$912,000.

On May 27, 2021, the Company issued 500,000 common shares pursuant to the RSU Plan and transferred \$570,000 from contributed surplus.

During the year ended May 31, 2021, the Company issued an aggregate of 6,279,560 common shares at a price of \$0.05 for total proceeds of \$313,978 pursuant to the exercise of share purchase warrants.

During the year ended May 31, 2021, the Company issued an aggregate of 3,325,788 common shares at a price of \$0.10 for total proceeds of \$332,578 pursuant to the exercise of share purchase warrants.

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Notes to the Condensed Interim Consolidated Financial Statements  
November 30, 2021  
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**6. SHARE CAPITAL – (cont'd)**

**(c) Share Purchase Warrants**

The changes in share purchase warrants were as follows:

	<b>November 30, 2021</b>	<b>Weighted Average Exercise Price</b>	<b>May 31, 2021</b>	<b>Weighted Average Exercise Price</b>
Balance, beginning of period	12,246,592	\$0.48	8,000,000	\$0.05
Issued	2,938,693	\$1.00	13,851,940	\$0.44
Exercised	(6,932,742)	\$0.40	(9,605,348)	\$0.07
Balance, end of period	8,252,543	\$0.74	12,246,592	\$0.48

As at November 30, 2021, the Company had 8,252,543 share purchase warrants outstanding as follows:

<b>Outstanding</b>	<b>Exercise Price</b>	<b>Weighted average remaining life</b>	<b>Expiry Date</b>
102,200	\$0.10		October 6, 2022
5,211,650	\$0.60		March 12, 2024
2,938,693	\$1.00		June 3, 2023
8,252,543	\$0.74	1.99 years	

**(d) Agent's Warrants**

The changes in agent's warrants were as follows:

	<b>November 30, 2021</b>	<b>Weighted Average Exercise Price</b>	<b>May 31, 2021</b>	<b>Weighted Average Exercise Price</b>
Balance, beginning of period	370,118	\$0.60	-	\$0.00
Issued	189,560	\$1.00	370,118	\$0.60
Exercised	(363,090)	\$0.60	-	-
Balance, end of period	196,588	\$0.74	370,118	\$0.60

As at November 30, 2021, the Company had 196,588 agent's warrants outstanding as follows:

<b>Outstanding</b>	<b>Exercise Price</b>	<b>Weighted average remaining life</b>	<b>Expiry Date</b>
7,028	\$0.60		March 12, 2023
189,560	\$1.00		June 4, 2024
196,588	\$0.99	2.47 years	

**6. SHARE CAPITAL – (cont'd)**

**(e) Stock Options**

On April 12, 2021, the Company adopted an equity incentive plan under which it is authorized to grant to officers, directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common share of the Company. The options can be granted for a maximum of 10 years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

On April 22, 2021, the Company granted 1,125,000 stock options to directors and officers and consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.90 per share expiring on April 22, 2026. The stock option vest at 50% on April 22, 2021 and 25% April 22, 2022 and 2023 thereafter. The fair value of the stock options of \$753,750 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.90; Risk-free interest rate of 0.93%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$141,716 (May 31, 2021 - \$407,076) in share-based payments.

On April 29, 2021, the Company granted 1,200,000 stock options to officers of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.15 per share expiring on April 29, 2026. The stock option vest at 50% on April 29, 2021 and 25% April 29, 2022 and 2023 thereafter. The fair value of the stock options of \$1,020,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.15; Risk-free interest rate of 0.93%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$224,260 (May 31, 2021 - \$511,048) in share-based payments.

On April 29, 2021, the Company granted 1,000,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.15 per share expiring on April 29, 2026. The stock options vest at the date of grant. The fair value of the stock options of \$850,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.15; Risk-free interest rate of 0.93%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended May 31, 2021, the Company recorded \$850,000 in share-based payments.

On May 13, 2021, the Company granted 450,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.15 per share expiring on May 13, 2026. The stock options vest at 12.5% every three months from the date of grant. The fair value of the stock options of \$382,500 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.15; Risk-free interest rate of 0.87%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021 the Company recorded \$159,529 (May 31, 2021 - \$63,939) in share-based payments.

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**6. SHARE CAPITAL – (cont'd)**

**(e) Stock Options – (cont'd)**

On May 17, 2021, the Company granted 150,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.15 per share expiring on May 17, 2026. The stock options vest at 50% on May 17, 2021 and 25% May 17, 2022 and 2023 thereafter. The fair value of the stock options of \$127,500 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.15; Risk-free interest rate of 0.87%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$21,657 (May 31, 2021 - \$67,899) in share-based payments.

On May 25, 2021, the Company granted 150,000 stock options a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.27 per share expiring on May 25, 2026. The stock options vest at 12.5% on August 25, 2021 and every three months thereafter. The fair value of the stock options of \$141,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.27; Risk-free interest rate of 0.87%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$76,431 (May 31, 2021 - \$3,131) in share-based payments.

On May 25, 2021, the Company granted 75,000 stock options to a consultant. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.27 per share expiring on May 25, 2026. The stock options vest at 50% on May 25, 2021 and 25% May 25, 2022 and 2023 thereafter. The fair value of the stock options of \$75,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.27; Risk-free interest rate of 0.87%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$12,540 (May 31, 2021 - \$37,962) in share-based payments.

On June 1, 2021, the Company granted 300,000 stock options to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.46 per share expiring on June 1, 2026. The stock options vest at 12.5% every three months with the first vesting on September 1, 2021 and the last vesting on June 1, 2023. The fair value of the stock options of \$324,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.46; Risk-free interest rate of 0.97%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$179,204 in share-based payments.



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**6. SHARE CAPITAL – (cont'd)**

**(e) Stock Options – (cont'd)**

On June 15, 2021, the Company granted 150,000 stock options to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at \$2.07 per share expiring on June 15, 2026. The stock options vest at 12.5% every three months with the first vesting on September 15, 2021 and the last vesting on June 15, 2023. The fair value of the stock options of \$231,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$2.07; Risk-free interest rate of 0.97%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$112,484 in share-based payments.

On June 24, 2021, the Company granted 125,000 stock options to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.55 per share expiring on June 24, 2026. The stock options vest at 12.5% every three months with the first vesting on September 24, 2021 and the last vesting on June 24, 2023. The fair value of the stock options of \$143,750 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.55; Risk-free interest rate of 0.97%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$71,731 in share-based payments.

On July 5, 2021, the Company granted 150,000 stock options to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at \$1.26 per share expiring on July 5, 2026. The stock options vest at 12.5% every three months with the first vesting on October 5, 2021 and the last vesting on July 5, 2023. The fair value of the stock options of \$139,500 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$1.26; Risk-free interest rate of 0.78%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$65,876 in share-based payments.

On July 29, 2021, the Company granted 250,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.77 per share expiring on July 29, 2026. The stock options vest at the date of grant. The fair value of the stock options of \$142,500 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.77; Risk-free interest rate of 0.78%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$142,500 in share-based payments.

On November 15, 2021, the Company granted 75,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.57 per share expiring on November 15, 2026. The stock options vest at 50% on the date of grant and 25% on November 15, 2022 and 2023 respectively. The fair value of the stock options of \$32,250 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.57; Risk-free interest rate of 1.56%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the six months ended November 30, 2021, the Company recorded \$16,622 in share-based payments.

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**6. SHARE CAPITAL – (cont'd)**

**(e) Stock Options – (cont'd)**

The changes in stock options were as follows:

	November 31, 2021	Weighted Average Exercise Price	May 31, 2021	Weighted Average Exercise Price
Balance, beginning of period	4,150,000	\$1.09	-	\$0.00
Granted	1,050,000	\$1.30	4,150,000	\$1.09
Balance, end of period	5,200,000	\$1.13	4,150,000	\$1.09

As at November 30, 2021, the Company had 5,200,000 stock options outstanding as follows:

Outstanding	Vested	Exercise Price	Weighted Average Remaining Life	Expiry Date
1,125,000	562,500	\$0.90		April 22, 2026
2,200,000	1,600,000	\$1.15		April 29, 2026
450,000	112,500	\$1.15		May 13, 2026
150,000	75,000	\$1.15		May 17, 2026
225,000	56,250	\$1.27		May 25, 2026
300,000	37,500	\$1.46		June 1, 2026
150,000	18,750	\$2.07		June 15, 2026
125,000	15,625	\$1.55		June 24, 2026
150,000	18,750	\$1.26		July 5, 2026
250,000	250,000	\$0.77		July 29, 2026
75,000	37,500	\$0.57		November 15, 2026
5,200,000	2,803,125	\$1.13	4.92 years	

*Restricted Share Unit Plan*

On April 12, 2021, the Company adopted a Restricted Share Unit Plan (the “RSU Plan”) whereby the aggregate number of common shares issuable pursuant to the RSU Plan combined with all of the Company’s other security based compensation arrangements, including the Company’s Stock Option Plan, shall not exceed 20% of the Company’s outstanding common shares.

On April 22, 2021, the Company granted 150,000 RSU to directors and officers of the Company. The granted RSU shall vest 1/2 three months from the date of grant and 1/2 at six months. During the six months ended November 30, 2021, the Company recognized \$106,967 (May 31, 2021 - \$50,533) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the six months ended November 30, 2021, the Company issued 150,000 common shares and transferred \$157,500 from contributed surplus.

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**6. SHARE CAPITAL – (cont'd)**

**(e) Stock Options – (cont'd)**

*Restricted Share Unit Plan – (cont'd)*

On April 29, 2021, the Company granted 100,000 RSU to officers of the Company. The granted RSU shall vest 50% on the date of grant and 25% on April 29, 2022 and 2023 respectively. During the six months ended November 30, 2021, the Company recognized \$21,621 (May 31, 2021 - \$61,281) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. On August 16, 2021, the Company issued 25,000 common shares and transferred \$28,750 from contributed surplus.

On April 29, 2021, the Company granted 150,000 RSU to consultants of the Company. The granted RSU shall vest on the date of grant. During the year ended May 31, 2021, the Company recognized \$172,500 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the six months ended November 30, 2021, the Company issued 100,000 common shares and transferred \$115,000 from contributed surplus.

On May 13, 2021, the Company granted 500,000 RSU to a consultant of the Company. The granted RSU shall vest on the date of grant. During the year ended May 31, 2021, the Company recognized \$570,000 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. On May 27, 2021, the Company issued the 500,000 common shares and transferred \$570,000 from contributed surplus.

On June 24, 2021, the Company granted 125,000 RSU to a consultant of the Company. The granted RSU shall vest 50% on June 24, 2022 and 50% on June 24, 2023. During the six months ended November 30, 2021, the Company recognized \$63,300 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus.

On July 7, 2021, the Company granted 1,500,000 RSU to an officer of the Company and a consultant of the Company. The granted RSU shall vest 1/3 on November 7, 2021 and every four months thereafter. During the six months ended November 30, 2021, the Company recognized \$1,140,469 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the six months ended November 30, 2021, the Company issued 166,666 common shares and transferred \$189,999 from contributed surplus.

On July 7, 2021, the Company granted 825,000 RSU to directors of the Company and a consultant of the Company. The granted RSU shall vest on November 7, 2021. During the six months ended November 30, 2021, the Company recognized \$940,500 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the six months ended November 30, 2021, the Company issued 825,000 common shares and transferred \$940,500 from contributed surplus.

On July 7, 2021, the Company granted 1,475,000 RSU to consultants of the Company. The granted RSU vested on the date of grant. During the six months ended November 30, 2021, the Company recognized \$1,681,500 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. On August 16, 2021, the Company issued 1,475,000 common shares and transferred \$1,681,500 from contributed surplus.

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**6. SHARE CAPITAL – (cont'd)**

**(e) Stock Options – (cont'd)**

*Restricted Share Unit Plan – (cont'd)*

The changes in RSU were as follows:

	<b>November 30, 2021</b>	<b>May 31, 2021</b>
Balance, beginning of period	400,000	-
Granted	3,925,000	900,000
Issued	(2,741,666)	(500,000)
Balance, end of period	<b>1,583,334</b>	<b>400,000</b>

As at November 30, 2021, 408,334 vested but shares unissued.

**(f) Escrow Shares**

Pursuant to an escrow agreement dated September 22, 2020, an aggregate of 2,050,000 (1,025,000 pre-forward split) common shares were placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date. As at November 30, 2021, 1,230,000 (May 31, 2021 – 1,537,500) common shares are in escrow with the next release on April 6, 2022.

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**7. RELATED PARTY TRANSACTIONS AND BALANCES**

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

		<b>For the six months ended November 30,</b>	
		<b>2021</b>	<b>2020</b>
<b>Relationship</b>			
<hr/>			
Consulting fees			
695809 B.C. Ltd.	Robert Krause, Director	6,000	-
Arthur Brown	Director	6,000	-
1196016 B.C. Ltd.	Faizaan, Lalani, CFO	60,000	-
Soumi Holdings Inc.	Rene Bharti, President	52,500	-
		<hr/>	<hr/>
		124,500	-
Wages and benefits			
Gary Benninger	CEO	75,012	-
Share-based payments			
Faizaan Lalani	CFO	184,465	-
Gary Benninger	CEO	992,959	-
Arthur Brown	Director	76,753	-
Robert Krause	Director	76,753	-
		<hr/>	<hr/>
		1,330,930	-
		<hr/>	<hr/>
		\$ 1,530,442	\$ -
		<hr/>	<hr/>

Included in accounts payable and accrued liabilities as at November 30, 2021, was \$4,518 (May 31, 2021 - \$19,250) in unpaid consulting fees to directors and officers of the Company and to companies controlled by directors or officers of the Company and expense reimbursements.

Included in due to related parties at November 30, 2021 was \$6,707 (May 31, 2021 - \$6,707) to former directors of AmTek. The amount is unsecured, non-interest bearing and payable on demand.

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**8. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject to. Capital of the Company comprises of cash and cash equivalents and shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the six months ended November 30, 2021.

**9. FINANCIAL INSTRUMENTS AND RISKS**

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk
- Interest rate risk
- Price risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at November 30, 2021, the Company had a working capital of \$1,765,929 (May 31, 2021 - \$2,611,943).

## **9. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)**

### **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Interest Rate Risk**

The Company is not exposed to significant interest rate risk.

### **Price Risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of lithium and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Credit Risk**

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

### **Fair Values**

The Company's financial instruments include cash, accounts payable and accrued liabilities and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

### **Fair Value Hierarchy**

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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**10. ACQUISITION OF AMTEK INC.**

On March 31, 2021, the Company completed the acquisition of all of the outstanding common shares of AmTek. As consideration, the Company issued 12,000,000 common shares of the Company fair valued at \$0.95 per share and discounted using the average strike put-option model, which resulted in a present value of \$8,753,000 on acquisition date. AmTek is the owner of the Whabouchi South lithium exploration property located in the James Bay/Eeyou Istche region of Quebec and is working on the development of a proprietary technology to produce green ammonia, a potential carbon-free energy source. AmTek also had an agreement with Process Research ORTECH Inc. (“Ortech”) with a term of 5 years to develop proprietary scientific solutions, methodologies, and technologies (collectively, the “Technologies”) for the production of green ammonia. This was subsequently amended on April 21, 2021. Based on the amended agreement, the Company will pay for all mutually agreed upon reasonable costs and have the sole right to use, and market and sell, the Technologies. Ortech will assist in commercializing the Technologies and in the development and/or the construction of production units, devices, and facilities. The Company agreed to grant Ortech a 1% royalty of revenues derived from the Technologies, which may be reduced to 0% by the Company by making a payment of \$1,000,000 at any time. As at May 31, 2021, the Company has advanced \$185,211 to Ortech, which is recorded in prepaid expenses and deposit.

The transaction has been accounted for as an asset acquisition on the basis that AmTek does not meet the definition of a business as it had no ongoing business operations. Accordingly, the acquisition is accounted for in accordance with IFRS 2 Share-based payment whereby the Company issued shares in exchange for the net assets of AmTek. The Company also issued 960,000 common shares as finders fee which was valued at \$912,000.

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the date of acquisition as follows:

	Total
<b>Consideration paid:</b>	
Fair value of shares issued	\$ 8,753,000
960,000 common shares issued as finder’s fee at a value of \$0.95 per share	912,000
	<hr/>
	\$ 9,665,000
<b>Net assets acquired (liabilities)</b>	
Exploration and evaluation assets	\$ 8,707
Due to related parties	(6,707)
	<hr/>
	2,000
Seed research, development and technology expense	9,663,000
	<hr/>
	\$ 9,665,000

The Company has determined that the consideration paid on the development of the proprietary technology to produce green ammonia, does not qualify as development costs for capitalization, accordingly, the amount have been expensed to seed research, development and technology expense.



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(Unaudited – Prepared by Management)

**11. RIGHT OF USE ASSETS AND LEASE LIABILITIES**

On July 14, 2021, the company entered into a general office lease agreement in Toronto, Ontario. The lease is for five years with an option to renew for another 5 years commencing on August 1, 2021 with the first payment due on October 1, 2021. The annual cost of the monthly payment is \$144,000 per annum. The Company paid a deposit of \$36,000 which represents first and last months' rent and a security deposit (\$12,000). The company applied the first and last month's payments against the lease liability and recorded the security deposit in prepaid expenses and deposit.

On August 2, 2021, the Company entered into an agreement to lease a facility in Michigan, USA. The lease has an 86-month term with an optional 5 year extension and the first payment commencing October 1, 2021. The annual cost of the monthly payment is US\$179,304, which will increase by 3% annually. In accordance with IFRS 16, the Company will recognize a right-of-use asset and lease liability on the lease commencement date.

<b>Right of use assets</b>	<b>November 30, 2021</b>	<b>May 31, 2021</b>
<b>Balance, opening</b>	\$ -	\$ -
Additions	1,682,349	-
Depreciation	(88,081)	-
<b>Balance, ending</b>	<b>\$ 1,594,268</b>	<b>-</b>

The lease liability was measured at the present value of the remaining lease payments for the respective leases with terms of five and seven years and discounted using the Company's incremental borrowing rate of 12% per annum.

<b>Lease liabilities</b>	<b>November 30, 2021</b>	<b>May 31, 2021</b>
<b>Balance, opening</b>	\$ -	\$ -
Lease liability addition	1,682,349	-
Prepaid lease payments	(24,000)	-
Lease payments	(62,228)	-
Interest accretion	67,271	-
<b>Balance, ending</b>	<b>\$ 1,663,393</b>	<b>\$ -</b>
<b>Current portion</b>	<b>\$ 89,096</b>	<b>-</b>
<b>Long Term</b>	<b>1,547,297</b>	<b>-</b>
<b>Balance, ending</b>	<b>\$ 1,663,393</b>	<b>\$ -</b>

**AMMPOWER CORP. (formerly SOLDERA MINING CORP.)**  
Notes to the Condensed Interim Consolidated Financial Statements  
November 30, 2021  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

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**11. RIGHT OF USE ASSETS AND LEASE LIABILITIES – (cont'd)**

The maturity analysis of the undiscounted contractual balances of the lease liabilities is as follows:

<b>Maturity analysis</b>	<b>November 30, 2021</b>
Less than one year	\$ 236,910
One to three years	1,155,142
Four to seven years	1,040,188
Total undiscounted lease liabilities	2,432,240
Amount representing implicit interest	(768,848)
<b>Lease liabilities</b>	<b>\$ 1,663,393</b>

**12. SUBSEQUENT EVENTS**

Subsequent to November 30, 2021:

The Company granted 5,675,000 stock options to directors, officers, and consultants of the Company exercisable at \$0.49 per share expiring on December 10, 2026. These stock options vest at 1/6 every three months with the first vesting on March 10, 2022 and the last vesting on June 10, 2023.

The Company granted 3,516,320 RSU to a director and to consultants of the Company of which 16,320 vest on April 11, 2022 and 3,500,000 vest on May 12, 2022.