

Lode Metals Corp. (formerly Crane Capital Corp.)

Consolidated Financial Statements

For the Year Ended January 31, 2022 and for the Period from Incorporation on May 21, 2020 to January 31, 2021

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lode Metals Corp.

Opinion

We have audited the consolidated financial statements of Lode Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year ended January 31, 2022 and the period from May 21, 2020 (incorporation) to January 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022 and 2021, and its financial performance and its cash flows for the year ended January 31, 2022 and the period from May 31, 2020 (incorporation) to January 31, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 Barry Hartley.

DML

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 31, 2022



An independent firm
associated with Moore
Global Network Limited

Lode Metals Corp. (formerly Crane Capital Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	January 31, 2022	January 31, 2021
ASSETS		
Current asset		
Cash	\$ 561,087	\$ 5,865
Restricted cash (Note 9)	1,264,311	-
GST receivable	23,936	-
Prepaid expenses	67,312	-
	1,916,646	5,865
Deposits (Note 6)	91,311	-
Exploration and evaluation asset (Notes 6 and 11)	1,670,539	335,585
TOTAL ASSETS	\$ 3,678,496	\$ 341,450
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7 and 11)	\$ 175,807	\$ 61,801
Loans payable (Notes 8 and 11)	138,595	139,010
TOTAL LIABILITIES	314,402	200,811
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	2,482,386	220,200
Subscription receipts (Note 9)	1,264,331	-
Special warrants (Note 9)	1,236,000	-
Reserve (Note 10)	190,891	-
Accumulated deficit	(1,809,514)	(79,561)
TOTAL SHAREHOLDERS' EQUITY	3,364,094	140,639
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 3,678,496	\$ 341,450

Subsequent event (Note 15)

These consolidated financial statements were authorized for issue by the Board of Directors on May 31, 2022. They are signed on behalf of the Board of Directors by:

/s/ "Ken Tullar"
Director

/s/ "James Yates"
Director

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

Lode Metals Corp. (formerly Crane Capital Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the Year Ended January 31, 2022	For the period from incorporation on May 21, 2020 to January 31, 2021
EXPENSES (INCOME)		
Consulting fees	\$ 87,339	\$ -
Foreign exchange gain (loss) (Note 8)	10,401	(4,787)
General and administrative costs	102,587	6,742
Marketing fees	16,281	-
Professional fees	106,626	40,402
Property investigation costs	-	48,013
Stock-based compensation (Notes 5 and 10)	1,377,619	-
Transfer agent, regulatory and listing fees	29,100	-
Gain on debt settlement (Note 9)	-	(10,809)
NET AND COMPREHENSIVE LOSS	\$ 1,729,953	\$ 79,561
Basic and diluted loss per share	\$ (0.05)	\$ (0.01)
Weighted average number of common shares outstanding	35,009,264	7,329,393

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

Lode Metals Corp. (formerly Crane Capital Corp.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Year Ended January 31, 2022	For the period from incorporation on May 21, 2020 to January 31, 2021
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Net loss	\$ (1,729,953)	\$ (79,561)
Non-cash items:		
Stock-based compensation	1,377,619	-
Foreign exchange gain	(415)	(4,787)
Consulting fees	60,000	-
Gain on debt settlement	-	(10,809)
Net changes in non-cash working capital items:		
GST receivable	(20,499)	-
Prepaid expenses	(7,312)	-
Accounts payable and accrued liabilities	404,881	81,621
Net cash flows used in operating activities	84,321	(13,536)
INVESTING ACTIVITIES		
Mineral property acquisition and exploration costs	(1,389,867)	(229,599)
Cash received upon reverse takeover transaction	733,623	-
Deposits	(91,311)	-
Net cash flows used in investing activities	(747,555)	(229,599)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	20,000	174,000
Proceeds from issuance of subscription receipts	1,242,565	-
Proceeds from issuance of special warrants	1,220,202	-
Proceeds from issuance of loans	-	75,000
Net cash flows provided by financing activities	2,482,767	249,000
Net increase in cash	1,819,533	5,865
Cash, beginning	5,865	-
Cash, ending	\$ 1,825,398	\$ 5,865
Non-cash activity:		
Exploration and evaluation expenditures included within accounts payable	\$ 51,073	\$ 105,986
Shares issued for consulting services	\$ 120,050	\$ -

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

Lode Metals Corp. (formerly Crane Capital Corp.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of shares	Amount	Subscription receipts	Special warrants	Reserve	Accumulated deficit	Total
Balance at May 21, 2020 (incorporation)	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shares issued in private placements (Note 9)	14,285,714	174,000	-	-	-	-	174,000
Shares issued for debt settlements (Note 9)	2,200,000	46,200	-	-	-	-	46,200
Net and comprehensive loss for the period	-	-	-	-	-	(79,561)	(79,561)
Balance at January 31, 2021	16,485,714	220,200	-	-	-	(79,561)	140,639
Balance at January 31, 2021	16,485,714	220,200	-	-	-	(79,561)	140,639
Shares issued in private placements (Notes 9 and 11)	1,000,000	20,000	-	-	-	-	20,000
Shares issued for reverse takeover (Notes 5 and 9)	21,597,005	2,159,700	-	-	-	-	2,159,700
Shares issued for services (Note 9)	343,000	120,050	-	-	-	-	120,050
Subscription receipt financing (Note 9)	-	(21,766)	1,264,331	-	-	-	1,242,565
Special warrants financings (Note 9)	-	(15,798)	-	1,236,000	-	-	1,220,202
Stock-based compensation (Note 10)	-	-	-	-	190,891	-	190,891
Net and comprehensive loss for the year	-	-	-	-	-	(1,729,953)	(1,729,953)
Balance at January 31, 2022	39,425,719	\$ 2,482,386	\$ 1,264,331	\$ 1,236,000	\$ 190,891	\$ (1,809,514)	\$ 3,364,094

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

Lode Metals Corp. (formerly Crane Capital Corp.)

Notes to the Consolidated Financial Statements

For the Year Ended January 31, 2022 and the Period from Incorporation on May 21, 2020 to January 31, 2021

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Lode Metals Corp. (formerly Crane Capital Corp.) (the “Company” or “Lode Metals”) is a gold focused Canadian exploration company. The Company’s registered office is located at Suite 400, 725 Granville Street, Vancouver, BC, V7Y 1G5.

On April 12, 2021, Lode Metals acquired all of the outstanding shares of 2262496 Alberta Ltd. (“226”) by way of share exchange agreement (Note 5) (the Transaction). 226 has been identified for accounting purposes as the acquirer, and accordingly the Company is considered to be a continuation of 226, and the net assets of Lode Metals at the date of the reverse acquisition are deemed to have been acquired by 226. These consolidated financial statements include the results of operations of Lode Metals from April 12, 2021. The comparative figures are those of 226 prior to the reverse acquisition. The Transaction provided the Company with business operations for the purposes of the listing of the Company’s common shares on the Canadian Securities Exchange (“CSE”). On March 23, 2022, the Company received final receipt from the British Columbia Securities Commission of the Company’s Long Form Prospectus dated March 22, 2022 and the Company’s common shares were listed on the CSE.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At January 31, 2022, the Company had cash of \$1,825,398 and its current assets exceed its current liabilities by \$1,602,244. The Company currently is not generating any revenues. It has incurred losses since inception and had an accumulated deficit of \$1,809,514 as at January 31, 2022. Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties may cast significant doubt on the ability of the Company to continue as a going concern. The Company’s ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. These consolidated financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss (“FVTPL”), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 226 and Elkhorn Gold Exploration LLC. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

(d) Presentation and functional currency

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar. All amounts in these consolidated financial statements are expressed in Canadian dollars, unless otherwise indicated.

Lode Metals Corp. (formerly Crane Capital Corp.)

Notes to the Consolidated Financial Statements

For the Year Ended January 31, 2022 and the Period from Incorporation on May 21, 2020 to January 31, 2021

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

(e) Significant accounting judgments and estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future and to exercise judgment in applying the Company's accounting policies. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgments and assumptions made by management and other major sources of measurement uncertainty are discussed in Note 4.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

(a) Foreign currency transactions

Transactions in currencies other than the Canadian dollar ("foreign currencies"), the Company's functional currency, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are denominated in foreign currencies and measured at other than fair value are translated using the rates of exchange at the transaction dates. Foreign exchange gains and losses are included in net loss for the period.

(b) Financial instruments

i) Classification and measurement

Financial asset

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value less, for an item not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue, and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company does not have any assets classified and measured at amortized cost.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The Company does not have any assets classified and measured at FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period in which they arise. The Company's cash is classified in this category.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Lode Metals Corp. (formerly Crane Capital Corp.)

Notes to the Consolidated Financial Statements

For the Year Ended January 31, 2022 and the Period from Incorporation on May 21, 2020 to January 31, 2021

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Accounts payable and accrued liabilities are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the period that are unpaid.

ii) Derecognition of financial assets and liabilities

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).

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

iii) Impairment of financial assets

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 financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive 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.

(c) Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

(d) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits are recorded as a reduction to the cumulative costs incurred and capitalized on the related property in the period it is received.

Lode Metals Corp. (formerly Crane Capital Corp.)

Notes to the Consolidated Financial Statements

For the Year Ended January 31, 2022 and the Period from Incorporation on May 21, 2020 to January 31, 2021

(Expressed in Canadian Dollars)

(d) Exploration and evaluation expenditures (continued)

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(e) Share capital

Common shares

Common shares issued are classified as share capital, a component of shareholders' equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from share capital.

Equity units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated to the common shares up to their fair value, determined by reference to the quoted market price of the common shares on the issuance date, and the remaining balance, if any, to the reserve for warrants.

(f) Share options and warrants

All share options and warrants are recorded in reserves, a component of shareholders' equity, until exercised. Upon exercise, the consideration received plus the amounts in reserves attributable to the options and/or warrants being exercised are credited to share capital. When share options and warrants expire unexercised or are cancelled, other than cancellations resulting from forfeitures when vesting conditions are not satisfied, the amounts recognized in reserves are reclassified to accumulated deficit.

Stock-based compensation to employees and consultants is measured at the fair value of the instruments granted. Stock-based compensation to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instrument issued, if it is determined that the fair value of the goods or services received cannot be reliability measured, and are recorded at the date the goods and services are received. Stock-based compensation is measured at the fair value of the goods or services received or the fair value of the equity instruments issued as calculated using the Black-Scholes option pricing model. The offset to the recorded expense is to reserves. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors: exercise price; current market price of the underlying shares; expected life of the award; risk-free interest rate; forfeiture rate; and expected volatility.

(g) Income taxes

Income tax on profit or loss 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 taxable income for the period.

Deferred tax is provided for using the asset and liability method of accounting, whereby deferred tax assets and liabilities are recognized for the future tax effects of differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the tax bases of the assets and liabilities (temporary differences), unused tax losses and other income tax deductions. Temporary differences on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss are not provided for. Deferred tax assets and liabilities are measured based on the expected manner of realization or settlement of the carrying amounts of the related assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date. Deferred tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

Lode Metals Corp. (formerly Crane Capital Corp.)

Notes to the Consolidated Financial Statements

For the Year Ended January 31, 2022 and the Period from Incorporation on May 21, 2020 to January 31, 2021

(Expressed in Canadian Dollars)

(g) Income taxes (continued)

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss, except deferred tax assets and liabilities are offset when there is a legally enforceable right to set off 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.

(h) Loss per share

Loss per share is calculated by dividing loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted loss per share is determined by adjusting loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive.

(i) Impairment of non-financial assets

Impairment tests on non-financial assets, including exploration and evaluation assets are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in profit or loss.

(j) Recent accounting pronouncements

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Significant accounting judgments

The critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of long-lived assets

The carrying value and the recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the consolidated statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Lode Metals Corp. (formerly Crane Capital Corp.)

Notes to the Consolidated Financial Statements

For the Year Ended January 31, 2022 and the Period from Incorporation on May 21, 2020 to January 31, 2021

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at January 31, 2022, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

Valuation of stock-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of stock-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves

5. REVERSE TAKEOVER TRANSACTION

On April 12, 2021, the Company closed the acquisition of 226 contemplated in the letter of intent (the "LOI") dated January 28, 2021, which constituted a reverse takeover transaction (the "Transaction") (Note 1). Pursuant to the Transaction, 226 shareholders were issued an aggregate of 17,485,714 common shares of the Company in exchange for all of the issued and outstanding shares of 226, with 226 continuing as a wholly owned subsidiary of the Company. The original shareholders of the Company retained 21,597,005 common shares.

The Transaction resulted in 226 obtaining control of the combined entity by obtaining control of governance and management decision-making processes, and the resulting authority to govern the financial and operating policies of the combined entity. The Transaction has been accounted for as a reverse acquisition transaction in accordance with IFRS 2, Share-based payments. The Company did not meet the definition of a business in accordance with IFRS 3, Business combinations, as such, the Transaction does not constitute a business combination.

For accounting purposes, 226 is treated as the accounting parent (legal subsidiary) and the Company as the accounting subsidiary (legal parent). The fair value of the consideration paid by 226, less the fair value of net assets of Lode Metals acquired by 226 constitutes stock-based compensation expense and has been recorded in the consolidated statement of loss and comprehensive loss. These consolidated financial statements reflect the assets, liabilities and operations of 226 since its incorporation and of the Company from April 12, 2021.

The purchase price is allocated as follows:

Consideration	
Fair value of the Company's shares	
(21,597,005 common shares at \$0.10 per share)	\$ 2,159,700
Net assets acquired	
Cash	733,623
Receivables	298,206
Accounts payable	(58,857)
Net assets	972,972
Stock-based compensation expense	\$ 1,186,728

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6. EXPLORATION AND EVALUATION ASSET

	Cracker Creek
Acquisition Costs	
Balance, May 21, 2020	\$ -
Additions	253,588
Balance, January 31, 2021	\$ 253,588
Additions	247,720
Balance, January 31, 2022	\$ 501,308
Deferred Exploration Costs	
Balance, May 21, 2020	\$ -
Consulting (Note 11)	81,997
Balance, January 31, 2021	\$ 81,997
Consulting (Note 11)	761,162
Land maintenance	94,411
Geophysics	142,676
Other	88,985
Balance, January 31, 2022	\$ 1,169,231
Total	
Balance, January 31, 2021	\$ 335,585
Balance, January 31, 2022	\$ 1,670,539

Cracker Creek Gold Property, Oregon, USA

On November 9, 2020, 226 entered into an Exploration and Purchase Option Agreement (the "Option Agreement") with Cracker Creek Gold Corporation ("Cracker Creek") whereby 226 has the option (the "Option") to acquire an undivided 100% legal and beneficial right, title and interest in and to the Cracker Creek Gold Property (the "Property") located in Bourne, Oregon, USA for a total purchase price of US\$3,000,000 (the "Purchase Price").

To maintain the Option Agreement in good standing, 226 must:

- i) Pay US\$100,000 in cash upon signing (paid \$131,503 during the period ended January 31, 2021); and
- ii) Pay US\$60,000 every six months after the signing date until the date that 226 exercises the Option as provided under the Option Agreement or until the date that the Option Agreement is terminated according to its terms (\$149,017 paid during the year ended January 31, 2022).

If the Option Agreement has been maintained in good standing, 226 may exercise its option to purchase the Property at any time after the signing date as follows:

- i) On or before May 1, 2024, deliver notice to Cracker Creek of 226's decision to exercise the Option (the "Exercise Notice");
- ii) Concurrently with 226's delivery of the Exercise Notice to Cracker Creek, pay Cracker Creek by wire transfer US\$300,000 immediately as a deposit towards the Purchase Price; and
- iii) Perform certain closing requirements including payment in full of the remaining balance of the Purchase Price.

The Property is subject to a 2.5% net smelter returns ("NSR") royalty held by Cracker Creek.

On November 21, 2020, 226 entered into a Services Agreement (the "Services Agreement") with Minefinders LLC ("Minefinders") for services provided by Minefinders related to the signing of the Option Agreement with Cracker Creek. As consideration for services rendered, 226 agreed to make certain payments to Minefinders and to grant to Minefinders a 0.5% NSR royalty (the "Minefinders NSR") at the commencement of commercial production at the Property. 226 shall have the option (the "Royalty Option") to purchase the Minefinders NSR at any time within two years of signing the Services Agreement for US\$500,000.

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6. EXPLORATION AND EVALUATION ASSET (continued)

The payments for services rendered shall be made by 226 as follows:

- i) US\$40,000 in cash upon signing (paid \$68,797 during the period ended January 31, 2021);
- ii) US\$40,000 every six months after the signing date until the earlier of (i) the date that 226 exercises its Option as provided under the Option Agreement, (ii) the date that the Option Agreement is terminated according to its terms and (iii) May 1, 2024 (paid \$53,288 during the period ended January 31, 2021 and \$98,703 during the year ended January 31, 2022);
- iii) Unless the Royalty Option has been exercised by 226, US\$500,000 on the date that commercial production is achieved; and
- iv) Unless the Royalty Option has been exercised by 226, US\$500,000 on the date that is 12 months from the date that commercial production is achieved.

As at January 31, 2022, the Company had advanced \$91,311 (January 31, 2021 - \$Nil) towards deferred exploration costs.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are composed of the following:

	January 31, 2022		January 31, 2021	
Accounts payable	\$	133,072	\$	42,399
Accrued liabilities		42,735		19,402
Total	\$	175,807	\$	61,801

Included within accrued liabilities is \$Nil owing to a related party for services rendered as at January 31, 2022 (January 31, 2021 – \$14,402) (Note 11).

8. LOANS PAYABLE

On June 26, 2020, 226 entered into a Bridge Loan Agreement (the "First Loan") with two arms' length parties and one related party (the "Lenders") for a total of US\$50,000 (\$68,797). The First Loan is unsecured, non-interest bearing and repayment is due within 45 days of written demand by the Lenders. On January 31, 2022, 226 revalued the loans to \$63,595 (January 31, 2021 - \$64,010) and accordingly, recorded a foreign exchange gain of \$415, which is included within foreign exchange gain on the consolidated statement of loss and comprehensive loss for the year ended January 31, 2022 (2021 - \$4,787).

On October 26, 2020, 226 entered into a second Bridge Loan Agreement (the "Second Loan") with the Lenders for a total of \$75,000. The Second Loan is also unsecured, non-interest bearing and repayment is due within 45 days of written demand by the Lenders.

Included within loans payable is \$Nil and \$15,000 owing to a related party as at January 31, 2022, and January 31, 2021, respectively (Note 11).

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued

On June 13, 2020, the Company closed a non-brokered private placement by issuing 6,428,571 common shares at a price of \$0.001 per common share for gross proceeds of \$9,000.

On September 1, 2020, the Company closed a non-brokered private placement by issuing 7,857,143 common shares at a price of \$0.021 per common share for gross proceeds of \$165,000.

On January 15, 2021, the Company completed a shares-for-debt transaction whereby the Company issued 1,000,000 common shares with a fair value of \$21,000 in exchange for the forgiveness of \$15,004 in accounts payable. Accordingly, the Company recorded a loss on debt settlement of \$5,996 in the consolidated statement of loss and comprehensive loss.

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9. SHARE CAPITAL (continued)

On January 27, 2021, the Company completed a shares-for-debt transaction whereby the Company issued 1,200,000 common shares with a fair value of \$25,200 in exchange for the forgiveness of \$30,013 in accounts payable. Accordingly, the Company recorded a gain on debt settlement of \$4,813 in the consolidated statement of loss and comprehensive loss.

During the year ended January 31, 2022, the Company issued 1,000,000 common shares for gross proceeds of \$20,000 to the CEO (Note 11).

On April 12, 2021, the Company issued 21,597,005 common shares with a fair value of \$2,159,700 to 226 shareholders in accordance with the Transaction (Note 5).

On August 6, 2021, the Company issued 343,000 common shares with a fair value of \$120,050 to an arm's length consultant (the "Consultant") pursuant to a one-year marketing agreement (the "Agreement"). The Agreement also stipulates a cash payment of \$10,000 per month for twelve months from the agreement date (the "Initial Term"). If the Company undertakes an offering of equity securities, the Consultant is entitled to a cash commission equal to 7% of the gross proceeds raised from the sale of securities and common shares or other securities equal to 7% of the number of securities sold to those parties introduced to the Company by the Consultant. In the event that a transaction other than an equity securities offering involved a party introduced to the Company by the Consultant, the Consultant is entitled to a minimum transaction fee of \$75,000.

On September 7, 2021, the Company closed a special warrant financing by issuing 2,307,142 special warrants (the "Special Warrants") at a price of \$0.35 per Special Warrant for aggregate gross proceeds of \$807,500 (the "Special Warrant Offering"). Each Special Warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company's final long form prospectus is issued by the British Columbia Securities Commission (the "BCSC"), which was received on March 23, 2022 (Note 15).

On September 22, 2021, the Company closed a subscription receipt financing by issuing 3,612,316 subscription receipts (the "Subscription Receipts") at a price of \$0.35 per Subscription Receipt for aggregate gross proceeds of \$1,264,331, which were held in escrow (the "Escrowed Funds") and included in restricted cash as reported on the consolidated statement of financial position as at January 31, 2022. Each Subscription Receipt was convertible into one common share of the Company upon filing of a final long form prospectus of the Company with certain provincial securities regulatory authorities in Canada in order to qualify the distribution of the common shares underlying the Subscription Receipts. On March 23, 2022, the Subscription Receipts were converted into common shares of the Company (Note 15). The Company incurred cash share issuance costs of \$21,766 in conjunction with the Subscription Receipts offering.

On October 1, 2021, the Company closed a second special warrant financing by issuing 1,224,284 special warrants ("Second Special Warrants") at a price of \$0.35 per Second Special Warrant for aggregate gross proceeds of \$428,500 (the "Second Special Warrant Offering"). Each Second Special Warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Second Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company's final long form prospectus is issued by the BCSC, which was received on March 23, 2022 (Note 15). The Company incurred cash share issuance costs of \$15,798 in conjunction with the Second Special Warrant Offering.

10. RESERVE

a) Stock Options

On April 30, 2021, the Company granted 2,482,500 stock options to officers, directors and consultants. Each stock option is exercisable into one common share of the Company at a price of \$0.15 per common share for five years, with 1/2 vesting one year from the grant date and the remaining 1/2 vesting two years from the grant date. The fair value of the stock options was determined to be \$170,521 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.93%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil%. During the year ended January 31, 2022, the Company recognized \$96,706 in stock-based compensation expense for vested stock options.

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10. RESERVE (continued)

On April 30, 2021, the Company granted 400,000 stock options to consultants. Each stock option is exercisable into one common share of the Company at a price of \$0.15 per common share for five years, with 1/2 vesting six months from the grant date and the remaining 1/2 vesting twelve months from the grant date. The fair value of the stock options was determined to be \$27,476 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.93%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil%. During the year ended January 31, 2022, the Company recognized \$24,127 in stock-based compensation expense for vested stock options.

On May 12, 2021, the Company granted 750,000 stock options to a consultant. Each stock option is exercisable into one common share of the Company at a price of \$0.15 per common share for five years, with all stock options vesting immediately. The fair value of the stock options was determined to be \$51,485 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.93%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil%.

On August 30, 2021, the Company granted 200,000 stock options to a consultant. Each stock option is exercisable into one common share of the Company at a price of \$0.15 per common share for five years, with 1/2 vesting one year from the grant date and the remaining 1/2 vesting two years from the grant date. The fair value of the stock options was determined to be \$58,695 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.87%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil%. During the year ended January 31, 2022, the Company recognized \$18,573 in stock-based compensation expense for vested stock options.

A continuity schedule of the Company's outstanding stock options as at January 31, 2022 and January 31, 2021 are as follows:

	January 31, 2022		January 31, 2021	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	-	\$ -	-	\$ -
Granted	3,832,500	0.15	-	-
Outstanding, end of period/year	3,832,500	\$ 0.15	-	\$ -
Exercisable, end of period/year	950,000	\$ 0.15	-	\$ -

At January 31, 2022, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
April 30, 2026	2,882,500	200,000	\$ 0.15	4.25
May 12, 2026	750,000	750,000	\$ 0.15	4.28
August 30, 2021	200,000	Nil	\$ 0.15	4.58
	3,832,500	950,000	\$ 0.15	4.27

b) Special warrants

At January 31, 2022, the Company had 3,531,426 special warrants outstanding (Note 9). Each special warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company's final long form prospectus is issued by the British Columbia Securities Commission (the "BCSC"), which was received on March 23, 2022 (Note 15).

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11. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel, including its directors and officers.

On January 1, 2021, the Company entered into an Executive Consulting Agreement (the "Consulting Agreement") with a consultant (the "Consultant") to provide Chief Executive Officer ("CEO") services to the Company in exchange for US\$11,250 per month. The Consulting Agreement can be terminated at any time by the Company or the Consultant by giving 30 days written notice to the other party. At January 31, 2022, the Company owed \$Nil (January 31, 2021 – \$14,402) to the Consultant for services rendered during the year ended January 31, 2022, which is included in accrued liabilities (Note 7).

During the year ended January 31, 2022, the Company paid or accrued total consulting fees of \$171,707 to the CEO (2021 - \$29,406). The amount was capitalized in exploration and evaluation assets as it relates to project management on the property (Note 6).

During the year ended January 31, 2022, the Company granted options to directors and officers and \$70,120 in stock-based compensation was recorded related to these options (2021 - \$Nil).

During the year ended January 31, 2022, the Company issued 1,000,000 common shares for gross proceeds of \$20,000 to the CEO (Note 9).

As at January 31, 2022, the Company owed \$Nil (January 31, 2021 – \$15,000) to a director of the Company, which is included in loans payable (Note 8).

12. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	January 31, 2022	January 31, 2021
Financial assets:		
<i>Fair value through profit and loss</i>		
Cash and restricted cash	\$ 1,825,398	\$ 5,865
Financial liabilities:		
<i>Amortized cost</i>		
Accounts payable	\$ 133,072	\$ 42,399
Loans payable	138,595	139,010

The fair values of the Company's accounts payable and loans payable approximate their carrying amounts due to the short-term nature of these instruments.

b) Management of financial risks

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At January 31, 2022, the Company was exposed to credit risk on its cash.

The Company's cash is held with a high credit quality financial institution and was escrow with the Company's legal counsel in Canada until March 23, 2022. As at January 31, 2022, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

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12. FINANCIAL INSTRUMENTS

At January 31, 2022, the Company had cash and restricted cash of \$1,825,398 (January 31, 2021 – \$5,865) and current liabilities of \$314,402 (January 31, 2021 – \$200,811) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at January 31, 2022. The Company assessed its liquidity risk as moderate as at January 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at January 31, 2022.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. As at January 31, 2022, management considers its exposure to foreign currency risk to be low.

13. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity composed of issued share capital. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

14. INCOME TAXES

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	January 31, 2022 \$	January 31, 2021 \$
Net loss for the period	(1,729,953)	(79,561)
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(467,087)	(21,481)
Tax effect of:		
Non-deductible items and other	266,212	-
Change in unrecognized deferred income tax assets	200,875	21,481
Income tax provision	-	-

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	January 31, 2022 \$	January 31, 2021 \$
Deferred income tax assets		
Non-capital losses carried forward	214,414	21,481
Share issuance costs	7,942	-
Unrecognized deferred income tax assets	(222,356)	(21,481)
Net deferred income tax asset	-	-

As at January 31, 2022, the Company has non-capital losses carried forward of \$794,127, which are available to offset future years' taxable income. These losses expire between 2039 and 2042.

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15. SUBSEQUENT EVENT

On March 23, 2022, the Company received final receipt from the British Columbia Securities Commission of the Company's Long Form Prospectus dated March 22, 2022, and the Company's common shares were listed on the CSE. All subscription receipts and special warrants were converted into common shares of the Company, which resulted in 7,143,742 common shares being issued (Notes 9 and 10). Concurrently, 2,800,001 common shares were placed into escrow, which will be released as 10% on listing on the CSE, and 15% every 6 months thereafter.