

**FORM 2A**  
**LISTING STATEMENT**

**ISM RESOURCES CORP.**

**September 23, 2022**

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## GLOSSARY OF TERMS

In this Listing Statement (as defined herein), unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

**“Ameriwest”** means Ameriwest Lithium Inc., incorporated on May 17, 2017 under the BCBCA.

**“Arrangement”** means has the meaning ascribed to such term under the heading *“General Development of the Business – General”*.

**“Arrangement Agreement”** means the Arrangement Agreement between ISM and Ameriwest dated March 31, 2022.

**“Audit Committee”** means the audit committee of the Board of Directors.

**“Board”** or **“Board of Directors”** means the board of directors of ISM.

**“Carve-Out Financial Statements”** means the audited carve-out statements for the year ended April 30, 2021, together with the notes thereto and auditors’ report thereon, and the unaudited carve-out statements for the nine months ended January 31, 2022, together with the notes thereto, for the exploration and evaluation assets related to the Gold Collective.

**“BCBCA”** means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder.

**“Ameriwest Shareholders”** means the shareholders of Ameriwest.

**“Ameriwest Shares”** means the common shares in the capital of Ameriwest.

**“CSE”** or **“Exchange”** means the Canadian Securities Exchange.

**“Effective Date”** means the date on which the Arrangement became effective, being September 23, 2022.

**“Effective Time”** means at or after 12:01 AM (Vancouver time) on the Effective Date when the Arrangement became effective.

**“Eligible Person”** has the meaning set out in section 9.1.2.

**“ESN Project”** means the mineral resource property located in White Pine County, Nevada, United States consisting of 33 unpatented lode claims as described in the ESN Technical Report.

**“ESN Technical Report”** means the NI 43-101 technical report dated effective March 1, 2022, entitled “NI 43-101 Technical Report, ESN Project, White Pine County, Nevada, USA” prepared by Mr. Bradley C. Peek, M.Sc., C.P.G.

**“Fire Creek Property”** means the mineral property located 7 km northwest of Harrison Lake, British Columbia.

**“Gold Collective”** means the Koster Dam Project, ESN Project, and Quet Gold Ridge and Fire Creek Properties.

“**ISM**” or the “**Company**” means ISM Resources Corp. incorporated October 26, 2021 under the BCBCA.

“**ISM Annual Financial Statements**” means the audited financial statements of ISM for the period from incorporation on October 26, 2021 to January 31, 2022, together with the notes thereto and the auditors’ report thereon.

“**ISM Financing**” means the non-brokered financing of ISM Units at a price of \$0.10 per ISM Unit, resulting in aggregate gross proceeds of \$1,055,000 which closed on September 23, 2022.

“**ISM Interim Financial Statements**” means the unaudited financial statements of ISM for the three-months ended April 30, 2022, together with the notes thereto.

“**ISM Option Plan**” means the incentive stock option plan of ISM, which was approved by the Ameriwest Shareholders on July 5, 2022.

“**ISM Shares**” means the common shares without par value in the capital of ISM.

“**ISM Units**” means units of ISM, with each ISM Unit comprised of one ISM Share and one ISM Warrant.

“**ISM Warrant**” means a common share purchase warrant of ISM.

“**Koster Dam Project**” means the mineral resource property located in south-central British Columbia and comprised of nine mineral claims as described in the Koster Dam Technical Report.

“**Koster Dam Technical Report**” means the NI 43-101 technical report dated March 14, 2022 and amended on August 27, 2022, entitled “NI 43-101 Technical Report on Koster Dam Project, Clinton Mining Division, B.C. with Recommendations for Continuing Exploration” prepared by Mr. Geoffrey Goodall, P.Geo.

“**MD&A**” means Management’s Discussion and Analysis.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**Quet Gold Ridge Property**” means the mineral property located 10 km northwest of Port Douglas, British Columbia, at the north end of the Harrison Lake.

“**Person**” means an individual, company, corporation, body corporate, partnership, joint venture, society, association, trust or unincorporated organization, or any trustee, executor, administrator, or other legal representative.

“**Securities Laws**” means the applicable securities laws, regulations and rules, and the blanket rulings and policies and written interpretations of, and multilateral or national instruments applicable.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval developed by the Canadian Securities Administrators.

## FORM 2A

### LISTING STATEMENT

#### 1. INTRODUCTION

The following describes the business of ISM and should be read together with the ISM Annual Financial Statements, the ISM Interim Financial Statements and the Carve-Out Financial Statements, which are included as Schedules “A”, “B” and “C”, respectively, to this Listing Statement, and the ESN Technical Report and Koster Dam Technical Report, which are available on the Company’s SEDAR profile.

##### 1.1 Forward-Looking Statements

This document contains information and projections based on current expectations. Certain statements herein may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ISM, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used herein, such statements use such words as “will”, “may”, “could”, “intends”, “potential”, “plans”, “believes”, “expects”, “projects”, “estimates”, “anticipates”, “continue”, “potential”, “predicts” or “should” and other similar terminology. These statements reflect expectations regarding future events and performance but speak only as of the date hereof. Forward-looking statements include, among others, statements with respect to planned acquisitions, strategic partnerships or other transactions not yet concluded; plans to undertake the respective recommended exploration programs on the Koster Dam Project and ESN Project; market competition; plans to retain and recruit personnel; the ability to secure funding; and the ability to obtain regulatory and other approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward- looking statements made by, or on behalf of, the Company. Readers are cautioned that forward- looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements.

ISM assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

Although ISM believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because ISM can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements herein speak only as of the date hereof. Actual results could differ materially from those anticipated due to a number of factors and risks including those described under “*Risk Factors*” in this Listing Statement.

## **2. CORPORATE STRUCTURE**

### **2.1 Corporate Name and Office**

The full corporate name of ISM is “ISM Resources Corp.”

ISM’s head office is located at 306-1110 Hamilton Street, Vancouver, British Columbia, V6B 2S2. Its registered and records office is located at 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, British Columbia V6E 4N7.

### **2.2 Jurisdiction of Incorporation**

ISM was incorporated on October 26, 2021 under the name “ISM Resources Corp.” under the BCBCA. There have been no material amendments to the articles of ISM.

### **2.3 Intercorporate Relationships**

ISM has one wholly-owned subsidiary, ISM Resources Nevada Corp., a corporation incorporated under the laws of the State of Nevada.

### **2.4 Requalification following a Fundamental Change**

Not applicable.

### **2.5 Incorporation outside of Canada**

ISM’s wholly-owned subsidiary, ISM Resources Nevada Corp., is incorporated under the laws of the State of Nevada.

## **3. GENERAL DEVELOPMENT OF THE COMPANY’S BUSINESS**

### **3.1 General**

ISM is engaged in the business of exploration of the ESN Property, Koster Dam Property and Quet Gold Ridge and Fire Creek Property. In connection with the Arrangement, ISM acquired:

- a 100% interest in the Quet Gold Ridge and Fire Creek Property from Ameriwest, pursuant to an asset transfer agreement dated December 2, 2021;
- a 45% interest in the Koster Dam Property from Ameriwest, pursuant to an assignment and novation agreement dated December 28, 2021; and
- a 100% interest in the ESN Property from Ameriwest, pursuant to an asset transfer agreement dated February 18, 2022.

ISM will continue to explore these properties and identify other strategic gold mineral resource projects for exploration and development. ISM is an exploration stage company and, consequently, has no operating income or cash flow from the properties it holds.

ISM was a wholly-owned subsidiary of Ameriwest. On September 23, 2022, Ameriwest completed a statutory plan of arrangement (the “**Arrangement**”) pursuant to the BCBCA, whereby Ameriwest spun out ISM as a separate entity. Through the Spin-Out, shareholders of Ameriwest exchanged all of the existing issued and outstanding Ameriwest common shares (the “**Old Ameriwest Shares**”) for one new common



share of Ameriwest (each, a “**New Ameriwest Share**”) and one-quarter of one ISM Share for each Old Ameriwest Share; as a result ISM issued 14,934,820 ISM Shares to the shareholders of Ameriwest. Prior to completion of the Arrangement, ISM completed a share split at a ratio of 8.4637, such that 2,001,000 ISM Shares issued and outstanding prior to the share split were subdivided in 16,935,864 ISM Shares. Holders of options to purchase Old Ameriwest Shares (“**Ameriwest Options**”) received for each Ameriwest Option held one option to purchase from Ameriwest one New Ameriwest Share and one-quarter of one ISM Option, with each whole ISM Option entitling the holder thereof to purchase from the Company one ISM Share; as a result ISM granted 637,500 ISM Options to holders of Ameriwest Options. Holders of warrants to purchase Ameriwest Shares (“**Ameriwest Warrants**”) received for each Ameriwest Warrant held one warrant to purchase from Ameriwest one New Ameriwest Share and one-quarter of one ISM Warrant, with each whole ISM Warrant entitling the holder thereof to purchase from ISM one ISM Share; as a result, ISM issued 761,303 ISM Warrants to holders of Ameriwest Warrants.

ISM is a reporting issuer in British Columbia, Alberta and Ontario. ISM has applied, and has received conditional approval, to list the ISM Shares on the CSE. Listing of the ISM Shares is subject to the Company meeting CSE listing requirements.

### 3.2 Significant Acquisitions or Dispositions

Other than the acquisitions of the Koster Dam Property and the ESN Property, ISM has made no significant acquisitions or dispositions since incorporation. See “4.3 - *Mineral Properties*” for further details concerning ongoing material obligations.

### 3.3 Forward-Looking Statements

See 1.1 – *Forward-Looking Statements*.

## 4. NARRATIVE DESCRIPTION OF THE COMPANY’S BUSINESS

### 4.1 General

ISM is engaged in the business of gold mineral exploration. ISM currently holds: (i) a 100% interest in the Quet Gold Ridge and Fire Creek Property; (ii) a 45% interest in the Koster Dam Property; and (iii) a 100% interest in the ESN Property.

#### (a) Business Objectives and Milestones

With the funds available to it as described below under the sub-heading “*Total Available Funds*” and “*Principal Purposes of Funds Available*”, ISM intends to, during the 18 months following completion of the Arrangement, conduct exploration programs on both the Koster Dam Property and the ESN Property.

#### Koster Dam Property

The Company intends to complete the Phase One program as outlined in the Koster Dam Technical Report, which has an estimated cost of \$280,000. The Company intends to complete the grid preparation, line cutting and the geochemical program. A contract has been signed with Tripoint Geological Services of Kelowna, BC, to refine gold-silver targets at Koster Dam to the point where they could be tested by mechanical trenching and or drilling. Work is planned to start immediately with a crew of four and will also meet the current assessment work requirements with a September 21, 2022 deadline. The cost of the work is estimated to be \$182,000. The geophysical program with an estimated cost of

\$98,000 is expected to be completed within 12 months following the listing of the ISM Shares on the CSE. The Company is only responsible for 45% of the cost of the Phase one program pursuant to its joint venture agreement with Cariboo Rose Resources Ltd.

ESN Property

Geophysical surveys and additional enzyme leach soil sampling has been recommended for the next exploration phase. Initially a gravity survey is recommended being a relatively inexpensive method that is expected to continue to point to general areas of interest. It will also help to define which geophysical method is to be attempted next. Following the gravity survey and depending on its findings, either a Controlled Source Audio-frequency (“CSAMT”) or an Induce Polarization survey should be conducted. These methods will extend the knowledge of the subsurface geology and provide targets for drilling. The first round of enzyme leach sampling provided additional data to target future exploration. In the next exploration phase, additional enzyme leach soil sampling is recommended. Approximately the same number of samples as the first survey should be collected and should extend the coverage toward the south of the property. The cost of the sampling and geophysical programs is expected to be approximately \$150,000 and be completed in early 2023, subject to availability of personal and laboratory back logs.

(b) Total Funds Available

As of the Effective Date, ISM had a working capital balance of approximately \$1,390,817, including proceeds of \$1,055,000 from the ISM Financing.

(c) Principal Purposes of Funds Available

The following table summarizes expenditures anticipated by ISM required to achieve its business objectives during the 12 months following completion of the Arrangement and the listing of the ISM Shares on the CSE (see “*Narrative Description Of The Company’s Business – General – (a) Business Objectives and Milestones*”).

Principal purpose	Amount (upon completion of ISM Financing, assuming \$1,055,000 of aggregate gross proceeds under the ISM Financing)
CSE listing <sup>(1)</sup>	\$200,000
Exploration expenditures at the Koster Dam Property <sup>(2)</sup>	\$126,000
Exploration expenditures at the ESN Property	\$150,000
General and Administrative <sup>(3)</sup>	\$115,500
Unallocated working capital	\$799,317
<b>Total</b>	<b>\$1,390,817</b>

**Notes:**

- (1) Consists of transfer agent fees, legal fees, audit costs and miscellaneous fees.
- (2) Estimated total cost of the Phase One program is \$280,000 but the Company is responsible for 45% of the cost pursuant to its joint venture agreement with Cariboo Rose Resources Ltd.
- (3) General and administrative costs are broken down as follows: (i) professional fees (includes legal, accounting and regulatory fees of \$103,000; and (ii) public company maintenance fees of \$12,500.

ISM intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for ISM to achieve its objectives or to pursue other exploration and development opportunities. See “*Risk Factors*”.

#### 4.1.2 Principal Products or Services

Not applicable.

#### 4.1.3 Production and Sales

Operations in the battery-metals exploration and development industry require professionals with a diverse set of specialized skill and knowledge. In particular, ISM’s business requires individuals with specialized skills and knowledge in the areas of geology, finance, accounting, and law and with the expertise of drilling engineers, exploration geophysicists, and geologists. These professionals may be employed directly or indirectly by ISM. In order to attract and retain personnel with such skills and knowledge, ISM maintains competitive remuneration and compensation packages. To date, ISM has been able to locate and retain such professionals in Canada and believes it will continue to be able to do so.

ISM is pursuing and expects to continue to acquire land packages, mineral properties, and other interests in mineral properties.

Mining is a cyclical industry and commodity prices fluctuate according to global economic trends and conditions.

ISM’s operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations govern exploration, development, tenure, production, taxes, occupational health, waste disposal, protection and remediation of the environment, reclamation obligations, mine safety, toxic substances, and other matters. The regulations also mandate the maintenance of air and water quality standards and also set forth limitations on the general handling, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving and in the future, may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees.

The financial and operational effects of environmental protections did not have a significant impact on the capital expenditures, profit or loss, or competitive position of the ISM in the current financial year. However, ISM’s projects are currently in the exploration stage and it is difficult to gauge the environmental protection requirements that may arise and the costs associated therewith. The cost of compliance with changes in government regulations or environmental protection requirements imposed in the future have the potential to increase the cost of the ISM’s operations and ISM is unable to accurately predict whether environmental protections will significantly impact ISM in future years.

ISM has no direct employees. ISM expects to rely on and engage consultants on a contract basis, as is usual in the mineral exploration business in Canada.

Mineral exploration and mining activities in the United States may be affected in varying degrees by government regulations relation to the mining industry. Any changes in regulations or shifts in political conditions may adversely affect ISM’s business. Operations may be affected in varying

degrees by government regulations with respect to restrictions on permitting, production, price controls, income taxes, expropriation of property, environmental legislation and mine safety.

#### 4.1.4 Competitive Conditions

The mining industry is intensely competitive in all its phases. ISM competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than ISM. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

#### 4.1.5 Lending and Investment Policies and Restrictions

Not applicable.

#### 4.1.6 Bankruptcy or Receivership Proceedings

There have been no results of any bankruptcy, or any receivership or similar proceedings against ISM or any voluntary bankruptcy, receivership or similar proceedings by ISM.

#### 4.1.7 Material Restructuring Transactions

Not applicable.

#### 4.1.8 Social or Environmental Policies

None.

#### 4.2 Companies with Asset-backed Securities Outstanding

Not applicable.

#### 4.3 Mineral Properties

The Company's material properties are: (i) the Koster Dam Project; and (ii) the ESN Project.

Information of a scientific or technical nature in respect of the Koster Dam Project in this Listing Statement is derived from portions of the independent NI 43-101 technical report (the "**Koster Dam Technical Report**") dated effective May 6, 2022, "NI 43-101 Technical Report on the Koster Dam Project, Clinton Mining Division, B.C." prepared by Mr. Geoffrey Goodall, P.Geo., a qualified person (as defined in NI 43-101) who is independent of ISM.

Information of a scientific or technical nature in respect of the ESN Project in this Listing Statement is derived from portions of the independent NI 43-101 technical report (the "**ESN Technical Report**", and collectively with the Koster Dam Technical Report, the "**Technical Reports**") dated effective March 1, 2022, "NI 43-101 Technical Report, ESN Project, White Pine County, Nevada, USA" prepared by Mr. Bradley C. Peek, M.Sc., C.P.G., a qualified person (as defined in NI 43-101) who is independent of ISM.

Investors should consult the Technical Reports which are filed on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) to obtain further particulars regarding the Koster Dam Project and the ESN Project. Readers are cautioned that the summary of technical information in this Listing Statement

should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Technical Reports and the summary provided herein is qualified in its entirety by Technical Reports. Capitalized and abbreviated terms appearing in this section and not otherwise defined herein have the meaning ascribed to such terms in the Koster Dam Technical Report and the ESN Technical Report, as applicable.

### Koster Dam Project

#### *Project Description, Location and Access*

The Koster Dam claims are located in south-central British Columbia west of the Fraser River approximately 14 kilometres southwest of the Gang Ranch and 9 kilometres northwest of the Empire Valley Ranch. The City of Williams Lake, located 80 kilometres north of the property, is the nearest regional commercial center. Williams Lake has a full spectrum of commercial and retail enterprises, a hospital, the regional headquarters for the Royal Canadian Mounted Police, the regional headquarters for the BC Forest Service and a commercial airport with daily flights to Vancouver. A large work force skilled in resource extraction is based in Williams Lake.

Road access into the Koster Dam claims is from the east via the Gang Ranch Bridge and then the Empire Valley Ranch, Blackdome Mine roads and East Churn forest service road that bisects the claims. Access needs to be coordinated with the Ministry of the Environment who gates the road during the spring and fall migrations of Big Horn Sheep (exemptions are available but need to be requested in advance of these closures). Recent logging within the property boundary has greatly increased access.

The Koster Dam property is comprised of nine Mineral Title Online mineral claims covering an area of 4,535 hectares located on mapsheets 092O\_038 and 092O\_048 in the Clinton Mining Division. The claims are registered in the name of Cariboo Rose Resources Ltd. as operator of the joint venture.

ISM Resources has earned a 45% interest in the Koster Dam Property by meeting the exploration requirements of the Option Agreement. A joint venture to explore the Koster Dam project was formed in December, 2021 with Cariboo Rose Resources Ltd. ("Cariboo Rose") having a 55% interest and ISM a 45% interest. Each party contributes pro rata to exploration expenditures.

In British Columbia, Notice of Work authorizations (exploration permits) are required when surface disturbance is conducted for exploration activity. Activities that have occurred to date on the Koster Dam project have not involved surface. In anticipation of undertaking physical exploration work on the property, an exploration permit was applied for in 2020. Exploration Permit MX-4-747 was granted in October, 2020 and is valid through October 21, 2023. The permit authorizes construction of access roads, line cutting and IP geophysical surveys, trenching and drilling.

First Nations land claims are unresolved in the Chilcotin area. There is no documentation of current or historic settlements or archaeologically significant sites located on the claims. There are no known environmental issues concerning the claims which are located on provincially administered Crown Land.

Mineral title in British Columbia is maintained by performing exploration activities on the property or through cash payments. The Koster Dam claims have been maintained in good standing by filing previous exploration programs for assessment purposes.

The Koster Dam property is adjacent to the Churn Creek Protected Area. Mineral exploration, mining and other resource extraction are permitted activities outside the protected area. There has been extensive logging activity within the claims between 2014 and 2018. The author is unaware of any reason future exploration activities at Koster Dam would not be authorized.

### *History*

The first assessment work filed on the Koster Dam property was in 1985. Records indicate that Western Geophysical Aero Data Ltd. completed 199 km of airborne VLF and magnetometer survey in this area. The airborne surveys detected a number of poorly defined magnetic features which predominantly correspond to ridge tops.

In 1986 a significant stream sediment geochemical gold anomaly was located approximately 12 kilometres north of the Blackdome Mine at a time when the mine was still operational. The anomaly contained several samples exceeding 5 grams per tonne gold (maximum 20 grams per tonne).

In 1986 and 1987 Minquest Exploration Associates Ltd. (with assistance from Welcome North Mines Ltd.) completed exploration to the south and southwest of the Koster Dam claims on behalf of Chevron Canada Resources Ltd. This work entailed project level mapping, a remote sensing analysis and the collection and analysis of 40 rocks, 28 panned concentrates and 150 soil samples. Gold values were generally weak excepting a few panned concentrates from the southern region of the claims. Four of the 1986 rock samples collected returned gold values ranging between 75 ppb and 920 ppb.

In 1988 Nexus Resource Corporation conducted two exploration surveys in the vicinity of the 1986 anomaly, a reconnaissance-scale stream sediment survey with the collection of 180 samples on 50 metre intervals on two larger and several smaller streams. A small soil sample grid (126 samples) was established over an airborne magnetometer anomaly. Seven rock samples were collected and analyzed. The highest anomalous gold value from heavy mineral sampling was 22,370 ppb gold.

In 2012 Cariboo Rose began an assessment of the area of the geochemical gold anomaly and completed a program of prospecting and rock sampling (45 samples). One rock sample (float) returned 160 ppm gold, 21.6 ppm silver.

In 2013 two separate excursions into the claims resulted in the collection and analysis of 33 rocks and 134 samples consisting of silt samples, "sluiced" silt samples and soil samples. In 2014 this work was continued with a further 57 samples collected from 19 sites using the same methodology. A robust and cohesive anomaly with a sluiced silt sample value of 1452 ppb gold was located in a small subsidiary drainage.

In 2015 a grid was established and 258 soil samples were collected in addition to three rock samples. While there were no significant results, the soil grid only covered a portion of the anomalous drainage and hence the anomaly remains open for further evaluation.

In 2017, Oakley Resources conducted a limited sampling program was conducted on newly acquired claims with 31 rock samples and 11 stream sediment samples collected and analyzed. Results from this brief program in the southwest portion of the property were insignificant.

A follow up program in 2018 by Oakley Resources comprised collection of 82 soil samples, 44 stream sediment samples and 19 rock samples. Two clay altered rock samples returned 0.208ppm gold and 0.415ppm gold respectively. Seven stream sediment samples in the Borin Creek and

Central areas of the property returned anomalous ( $>0.3\text{ppm Au}$ ) gold values. Two small magnetometer surveys, totalling 7.6 line kilometres were also emplaced.

#### *Geological Setting, Mineralization and Deposit Types*

In 1978, H. W. Tipper of the Geological Survey of Canada published an open file regional map at a 1:250,000 scale which includes the Koster Dam claims and surrounding regions. Tipper's map shows the property to be underlain primarily by Eocene aged rhyolitic and dacitic volcanic rocks including flows, breccias and tuff. Minor porphyritic or amygdaloidal andesite or basalt is also present.

The northern portion of the property is mapped as being predominantly underlain by Upper Cretaceous Kingsvale group rocks which are primarily siltstone, greywacke and conglomerate.

In most areas of the property, bedrock is covered by a thick layer of till and glacial outwash making outcrop scarce except on isolated ridge tops and deeply incised gullies. During the 2012 to 2019 reconnaissance programs widely dispersed outcrops of predominantly volcanic affinity were documented. These exposures were tentatively described as dacite, andesite and tuff and also included silicified varieties of the same volcanic rocks as well as silicified shale and conglomerate sedimentary units. These rock types are consistent with Tupper's mapping of the region being dominated by Eocene volcanics along with some Cretaceous sediments. Amygdaloidal basalt believed to be part of the Miocene Chilcotin group has been noted on the road extending into the claims from the west side.

A mineralized, silicified volcanic boulder was found in the creek bed of West Churn Creek in 2012. The boulder returned an assay value of 160 ppm gold, 21.6 ppm silver and was anomalous in copper and lead. Rock sampling in 2018 by Oakley Resources located two anomalous samples of andesitic float (sample 1815 – 208 ppb Au and sample 1816 – 415 ppb Au) in the Borin Creek area. One rock sample collected from Borin Creek in 2019 (sample 19BOR-2) was described as an angular piece of andesite float (Eocene age?) andesite containing quartz, chlorite and limonite. This sample returned an analysis of 1.23 g/t gold. A bedrock source of this mineralization has not been located.

Exploration efforts at the Koster Dam project have targeted gold mineralization associated with Cretaceous to Eocene age volcanic and sediment rocks similar to the mineralization found at the nearby past producing Blackdome Mine. Gold mineralization at Blackdome is related to quartz veins within structures related to doming. Pervasive potassic alteration occurs adjacent to quartz veins within a broader propylitic alteration halo. The size and quantity of mineralization found at Blackdome is not indicative of that found to date at the Koster Dam Project.

#### *Exploration*

Since Cariboo Rose located the initial mineral claims at Koster Dam in 2012, Cariboo Rose and its partners have undertaken progressive exploration programs each year to further the understanding of the historic gold values identified in the region. Successive programs of stream sediment sampling, rock sampling, prospecting, soil geochemical sampling and magnetometer geophysical surveys have enhanced the prospect and identified zones of anomalous gold concentrations.

In 2017, Oakley Resources Ltd. conducted a limited sampling program on newly acquired claims with 31 rock samples and 11 stream sediment samples collected and analyzed. Results from this brief program in the southwest portion of the property were of limited significance.

Fieldwork in 2018 undertaken by Oakley Resources included collection of a total of 82 soil, 44 stream sediment, and 19 rock chip samples in the Central and Southwest (Borin Creek) area of the property. Results of the rock sampling in 2018 by Oakley Resources located two anomalous samples of andesitic float (sample 1815 – 208 ppb Au and sample 1816 – 415 ppb Au) in the Borin Creek area. Four lines, 7.6 line-kilometers total, of ground magnetometer survey was also completed in the central and southwest (Borin Creek) portion of the Koster Dam property. Soil samples were collected along four grid lines 2.75 line kilometres long, at 50 metre intervals with lines spaced 100 metres apart. An additional 1.25 kilometre line followed a stream in the central portion of the property. The 2018 stream sediment sampling program returned elevated gold values ( $>0.15$  ppm Au) from 5 samples in the Borin Creek area, two samples from the Central Zone, one sample from the West Central Zone. Soil samples taken in 2018 over the Borin Creek and Central Zone areas did not identify any precious or base metal anomalies or groupings of elevated values.

Magnetometer survey work in 2018 consisted of 4 line-km on Borin Creek Zone (4 east west grid lines, 1,000 metres in length), and 3.6 line-km on the Central Zone (7 north south grid lines, 600-750 metres in length). The grouping of magnetometer lows in the SE corner of the Borin Creek grid, and SW corner of the Central grid are both in close proximity to stream sediment anomalies. Magnetometer lows may be related to alteration and/or deep weathering of underlying bedrock. The Magnetometer highs in the west portion of the Borin Creek grid may reflect intrusive rocks underlying this area.

Geochemical fieldwork carried out in 2019 on the Borin Creek area focused on following up the upstream (east extension) of gold bearing mineralization found in 2018 (rock chip sample 1815 with 0.208 ppm Au and sample 1816 with 0.415 ppm Au). Geochemical fieldwork in 2019 consisted of four stream sediment samples, and three rock chip samples taken from the Borin Creek drainage. One of the samples from Borin Creek, described as an angular piece of float (Eocene age andesite containing quartz, chlorite and limonite) returned an analysis of 1.23 g/t gold.

Fieldwork on behalf of Oakley Resources, in January, 2020, consisted of 3.6 line kilometres of ground magnetometer geophysics located in the southwest portion of the property on Borin Creek. Six east-west oriented grid lines (600 metre length) were surveyed. Magnetometer data indicates two general areas of north oriented 50-300 nT positive and negative anomalies.

In 2021, Cariboo Rose and Ameriwest completed an airborne triaxial magnetic survey and Lidar Terrain mapping survey over the Koster Dam project area, flying a total of 748 line kilometres at a line spacing of 100 metres. Residual Magnetic Intensity (“**RMI**”) areas identified from the survey appear co-incident locally with concentrations of gold in soil and silt samples as well as near the angular, high gold rock sample identified in 2018. Areas of low RMI features possibly represent magnetite depletion due to hydrothermal alteration whereas linear high RMI features are extrapolated to represent magnetite bearing dykes.

### *Drilling*

No drilling has been completed on the Koster Dam claims.

### *Sampling, Analysis and Data Verification*

All samples collected between 2012 and 2015 were analyzed by Acme Analytical Laboratories, an ISO 17025 accredited laboratory, (subsequently taken over by Bureau Veritas Minerals) of Vancouver, British Columbia. The 2017 samples were analyzed by Loring Laboratories Ltd an ISO 9001:2008 Certified laboratory located in Calgary, Alberta. The 2018 samples were prepared at ALS Canada in Kamloops, British Columbia and analyzed at ALS Canada’s facility in North



Vancouver, BC. The 2019 samples were shipped directly to ALS Canada's North Vancouver facility for analysis. ALS Canada is accredited to ISO/IEC 17025:2017 for specific analytical procedures.

Samples collected between 2012 through 2015 and 2018, 2019 were kept in a chain of command and shipped to the lab using bonded transportation contractors. All 2017 samples were transported from the field directly to Loring Laboratories in Calgary by the project geologist where they were delivered with full instructions and Chain of Custody Forms.

Other than the noted panning or sieving of stream sediment samples, no sample preparation work was performed outside of accredited laboratories. All laboratories used are independent of Cariboo Rose and ISM. All labs insert standard and blank samples within the sample stream for quality control and quality assurance. It is the author's opinion that all sample preparation, security and analysis are adequate and conform to industry standards.

The author, Geoffrey Goodall, P.Geo., has examined analytical certificates produced by Acme Analytical Labs Ltd. (later Bureau Veritas Minerals), Loring Laboratories Ltd, and ALS Canada. The author has reviewed the analytical data and comparison of internal standards inserted into the sample stream by the accredited laboratories. The author is satisfied that the internal standards and blanks have repeatable results and the data are reliable. The author has randomly cross-checked recorded assay data with that used in reports and satisfied that it has been correctly transcribed.

### *Conclusions*

The recent airborne magnetic geophysical survey over the Koster Dam project has highlighted several zones of interest that are locally coincident with geochemical anomalies as well as additional magnetic features that may represent structural targets. The magnetic low features are extrapolated to indicate hydrothermally altered and magnetite depleted zones. Lineal magnetic high features are believed to represent magnetite rich mafic dykes or similar structural features.

It is the author's opinion that the successive exploration programs undertaken at Koster Dam have continued to enhance the exploration potential of the property within this covered target area. A source for the consistent gold values returned from stream sediment samples, rock samples nor the historic placer showings has not been identified and remains a primary target.

### *Recommendations*

A very strong and consistent silt and sluiced silt anomaly is open for expansion to the southwestern quadrant of the claim group on a small, south flowing drainage. Another significant silt and sluiced silt anomaly exists immediately west of the current claim boundary on a drainage flowing west from the property. The area between these diverging drainages is the highest priority target. In order to narrow the target area, it is recommended that further sampling be completed in the region of these two drainages on a more detailed spacing of 100 metres. Additional, comprehensive grid work should be completed throughout the anomalous region of the property. This grid should cover each of the drainages that returned anomalous gold values as well as the area with significant gold in rock samples. A 50 line kilometer grid with lines spaced 100 metres apart and soil samples collected at 25 metre intervals along the lines should provide sufficient sample density to identify a covered target. Approximately 30 line kilometres of induced polarization surveying should be completed along the grid in the most promising area of the silt and soil surveying.

A budget of \$280,000 is recommended to support the Phase One exploration programs at Koster Dam project as detailed below. Contingent upon favourable results from these surface programs a Phase Two drill program of 1,000 metres would be recommended to test suitable targets.

## ESN Project

### *Project Description, Location and Access*

The property is located in White Pine County, Nevada approximately 35 miles (57 kilometers) west of the town of Ely, Nevada, the White Pine County Seat. The property position consists of a total of 33 unpatented lode claims. The claims cover an area of approximately 660 acres (267 hectares). The claims are staked on U. S. Government land administered by the U. S. Bureau of Land Management (“**BLM**”) and the U. S. Forest Service (“**USFS**”).

The ESN claim block falls between elevations of 6700 and 7300 feet (2045 and 2225 meters) above sea level. The topography is moderately rugged consisting of outcrops of the Paleozoic sediments and jasperoids along with the outwash slopes away from them. The area can partly be traversed by 4-wheel drive vehicles where roads to drill sites or to the Emigrant Spring have been built, but often with some difficulty. There are no maintained roads crossing the property, however the northeast edge of the claim block lies within ½ mile (±0.7km) of a county-maintained gravel road. Relatively mild climatic conditions allow for field work to continue throughout most of the year.

On November 10, 2020, Ameriwest acquired the rights under a Mining Lease and Option to Purchase Agreement between Trend Resources LLC (“**Trend**”) and Emigrant Springs Gold Corporation (“**Emigrant**”) dated August 3, 2020, as amended on October 31, 2020 (the “**Option Agreement**”) pursuant to which Trend granted Ameriwest an option (the “**Option**”) to acquire the mineral claims relating to the Emigrant Springs project (the “**ESN Property**”). The rights and obligations of Emigrant under the Option Agreement was assigned to Ameriwest pursuant to an assignment and novation agreement dated November 10, 2020. On February 4, 2022, the Option Agreement was amended and Ameriwest exercised the Option, acquiring the ESN Property. ISM, which is a subsidiary of Ameriwest, acquired the ESN Property pursuant to an asset transfer agreement with Ameriwest dated February 18, 2022. The ESN Property remains subject to a 2% NSR to be paid to Trend and 2% NSR to be paid to Emigrant should the property reach production.

Currently, there are no known significant factors or risks that may affect access, title or the right or ability to perform work on the ISM claim area.

### *History*

There have been several phases of mineral exploration on the ESN Property. The table below is a summary of the exploration efforts as they are known to the author of the ESN Technical Report.

Year	Entity	Work Performed	Source	Comments
1979-1980	Earth Resources Co.	Geologic mapping, rock chip and soil sampling	Earth Res & geologic map	2 Cross Sections, map
1980-1983	Houston Int'l Minerals Corp.	Geologic mapping, rock sampling, soil	HIMCO & Bear Creek geologic maps	Drill hole location data from maps but no attitude,

Year	Entity	Work Performed	Source	Comments
		sampling & drilled 19 RC holes		depth or assay data for drill holes
1983-1984	Bear Creek Mining Co.	Geologic mapping, rock sampling, drilled 3 or 4 rotary holes in 1983 and 1 rotary hole to 865' in 1984	Bear Creek geologic map and invoice from Eklund Drilling	Location data from maps but no assay data for drill holes
1989	USMX	RC drilling – somewhere between 6 and 29 holes	Indicated on Homestake geologic map. Collar data in Homestake spreadsheet	Collar info but no assays
1995-1996	Homestake Mining Co.	Geologic mapping, rock sampling, geophysics (3.5 miles CSAMT) and 7 RC holes in 1995 (?) and 17,180 feet of RC drilling in 27 holes in 1996	Sterling and Dilles, 1996 Homestake report	Location data, geologic logs and assay data for 1996 drill holes. No assays for 1995 drilling. No CSAMT results.
2008-2009	Rae Wallace Mining Co.	Geologic mapping, more than 100 rock samples	Map, rock sample assays (Mough/Friberg)	

Homestake had three phases of drilling. The first was in October 1995 with at least 6 RC holes (ES-3 through ES-9). For this first phase, logs are available but with no assays. They also drilled 27 RC holes in April-May and July-August 1996 totaling 17,180 feet. There are assay and stratigraphic information available for the 1996 drill holes.

Significant gold assays from the Homestake drilling are shown below:

- NNV 4            15' of 0.012 opt @ 160'-175'
- NNV 14          15' of 0.042 opt @ 355'-370' (includes 5' @ 0.10 opt), 5' of 0.026 opt @ 610'-615'
- NNV 15          5' of 0.014 opt @ 435'-440'

- NNV 17            55' of 0.020 opt @ 130'-185' (interval interpolated for 11 samples, including 5 with no recovery), 5' of 0.011 opt @ 385'-390'
- NNV 21            5' of 0.010 opt @ 320'-325'
- NNV 23            5' of 0.013 opt @ 390'-395', 15' of 0.026 opt @ 645'-660'
- NNV 24            15' of 0.018 opt @ 365'-380'
- NNV 27            10' of 0.015 opt @ 440'-450'

#### *Geological Setting, Mineralization and Deposit Types*

The ESN project is located on the western edge of the White Pine Mountains in the White Pine Mining District which are in the eastern sector of the Great Basin in east-central Nevada. The White Pine Mountains are one of the many mountain ranges that have been uplifted along north-striking steeply dipping normal faults formed during extension that formed the Great Basin Physiographic Province.

This region was subjected to east to west compression during the Sevier and Laramide orogenies in the Cretaceous and early Tertiary. This compression resulted in the formation of broadly north-trending folds and thrust faults. Mesozoic compression is marked by thrust displacements generally confined to specific units. Extension beginning in the middle Tertiary has affected much of southwestern North America, resulting in the Basin and Range style of physiography.

The majority of the property is concealed by a veneer of Recent alluvium, with outcropping Paleozoic sediments exposed over about one-third of the area. The bedrock units include the Devils Gate Limestone, Pilot Shale, Joanna Limestone, and Chainman Shale. Each of these units is an important ore host in the region. These units are present in an upright stratigraphic section, cut by steep normal faults. Scattered erosional windows exposing bedrock indicate the overlying alluvium is relatively thin. No exposures of igneous rock have been observed.

The dominant structural element on the Project is a regional thrust, localized within the Joanna Formation. Strong normal faults trending N-S and NE control topography on the Project but are not directly exposed. These N-S elements appear to control alteration in the central portion of the Project, while the Joanna thrust has controlled stratiform silicification throughout the district.

Alteration and mineralization are widespread in the Project area and take a variety of styles, largely influenced by rock type. Jasperoidal silicification is the most conspicuous alteration. The jasperoids are present as two separate events and are pervasively developed in the highly fractured Joanna Limestone.

The ESN project is envisioned to have potential for a Carlin-type gold deposit. Carlin-type gold deposits are epigenetic, disseminated, auriferous pyrite (marcasite or arsenopyrite) deposits characterized by carbonate dissolution, argillic alteration, sulfidation, and silicification of typically calcareous sedimentary rocks. The deposits occur in clusters or along trends and exhibit both structural and stratigraphic controls. The ESN project occurs at the intersection of the Battle Mountain and Bald Mountain trends.

The ESN project shares many of the features that have been used to define Carlin-type gold deposits. Among them are:

- Occurrence along NNE trending high angle faults
- Low angle thrust fault(s)
- Occurrence in Paleozoic sedimentary rocks
- Alteration types
  - Decalcification
  - Argillic
  - Silicification / Jasperoid
  - Oxidation
- Stratigraphic and structural controls to mineralization
- Anomalous values of As, Sb, Hg
- Mineralization in an anticlinal structure
- Mineralization primarily in Joana Limestone but also in Chainman Formation

#### *Exploration*

ISM Resources has performed an Enzyme Leach geochemical soil survey on the property. The Enzyme Leach survey samples were collected in June 2021 by Robert Friberg, a principal in Trend Resources, the company that owns the ESN claims, and by Locke Goldsmith, P.Eng. a contract geologist. Both are Qualified Persons. A total of 138 soil samples were collected across the ESN property on east-west lines, spaced 750 feet apart. Samples were taken at a 300-foot spacing along the lines. The samples were processed by Skyline Laboratories, Tucson, Arizona. Results of the survey indicate 3 main areas of the claims that should be targeted for future exploration efforts.

#### *Drilling*

ISM has not yet performed any drilling on the subject property.

#### *Sampling, Analysis and Data Verification*

Samples thus far collected by ISM include 7 surface rock samples collected by the author during the site visit to the property in August of 2020 and 138 Enzyme Leach samples collected in June of 2021. The rock samples were kept in the author's possession until submittal to ALS Laboratories.

Soil material for the Enzyme Leach survey was collected in sample tubes provided by Skyline Laboratories to hermetically seal the sample. The samples were kept in the samplers' possession or under lock and key at all times. The samples were kept cool to prevent sample degradation prior to the samples' submittal to Skyline, an ISO certified lab, for analysis.

Most of the data for the ESN NI 43-101 report were supplied to the author from the files of Trend Resources LLC, the original owner of the property. Much of the data came in the form of old reports, the content of which could not be verified. Additional exploration work would be needed to verify this data.

Data from most (17 of 27 drill holes) of the Homestake Mining Company 1996 drill holes included copies of the original assay certificates dated May of 1996 from Chemex Labs, Inc. in Sparks, Nevada. These original assay data were cross-checked against those used in figures in this report. Because of the existence of original assay data which could be cross-checked, these data are considered by the author to be valid.

Data resulting from the Enzyme Leach survey were also supplied by Trend Resources, who forwarded the original data supplied by Skyline Labs. These data were spot-checked with the plots used in the contoured figures used in Section 9 of the Technical Report and found to be accurate. An invoice from Skyline Laboratories was also supplied to the author with charges for the 138 soil sample analyses using the Enhanced Enzyme Leach extraction + ICP/MS analysis method. The author concludes that the soil survey and analyses were performed as indicated and have been verified.

The author has not verified the resources or reserves reported on the nearby properties mentioned in this report. The author is of the opinion that all data presented in this report are adequate for the purposes of this report.

#### *Mineral Processing and Metallurgical Testing*

No metallurgical testing is known to have been performed on samples from the ESN Project.

#### *Mineral Resource and Mineral Reserve Estimates*

Insufficient data have been generated for the ESN project to undertake a mineral resource estimate.

#### *Conclusions*

The ESN Project has undergone several past exploration programs by various companies. From the information supplied to the author, it is indicated that at least 50 reverse circulation drill holes have been drilled and several hundred rock and soil samples have been collected and analyzed. Unfortunately, much of the data from these programs have been lost and none of the information has been verified by the author, except that several of the old drill sites were located on the ground. Prominent similarities to Carlin-type gold deposits and to the nearby properties with gold production have been found to be present at ESN, as verified by the author's rock sampling and by the enzyme leach sampling. Indications are that the ESN Project has the potential to host one or more Carlin-type mineral deposits. It is the author's opinion that further exploration at ESN is definitely warranted.

From the Enzyme Leach survey, three target zones have been indicated from what is currently known from past exploration programs. These areas should be the focus of future exploration expenditures.

#### *Recommendations*

Geophysical surveys and additional Enzyme Leach soil sampling is recommended for the next exploration phase. Initially a gravity survey is recommended. Gravity is a relatively inexpensive method that is expected to continue to point to general areas of interest. It will also help to define which geophysical method is to be attempted next.

Following the gravity survey and depending on its findings, either a CSAMT or IP survey should be conducted. These methods will extend the knowledge of the subsurface geology and provide targets for drilling.

The first round of Enzyme Leach sampling provided additional data to target future exploration. In the next exploration phase, additional Enzyme Leach soil sampling is recommended. Approximately the same number of samples as the first survey should be collected and should extend the coverage toward the south.

The cost of the sampling and geophysical programs is expected to be approximately \$150,000.

The second recommendation is to drill the areas indicated by the Enzyme Leach soil sampling and the geophysical methods. This phase is dependent on the results of the sampling and geophysical phases. The average hole depth would be approximately 700 feet (215 meters) for a total program of 3500 feet (1100 meters). The cost of the drilling portion of the program is estimated to be US\$300,000.

#### 4.4 Issuers with Oil and Gas Operations

Not applicable.

### 5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

#### 5.1 Annual Information

The following table is a summary of selected annual financial information of ISM for the period from incorporation on October 26, 2021 to January 31, 2022, comprised of the statement of financial position, statement of changes in equity, statement of cash flows and notes to such statements, derived from the ISM Annual Financial Statements which are included as Schedule “A” to this Listing Statement.

	<b>For the period from incorporation on October 26, 2021 to January 31, 2022 (audited)</b>
Revenue	Nil
Net Income (Loss)	\$(31)
Basic and diluted earnings from continued operations (loss) per share	Nil
Total Assets	\$1,745,189
Total Liabilities	\$195,220

The Gold Collective forms the primary business of ISM. The Carve-Out Financial Statements related to the Gold Collective for the years ended April 30, 2021 and 2020 and for the nine-month period ended January 31, 2022, are included as Schedule “C” to this Listing Statement.

The ISM Annual Financial Statements and the Carve-Out Financial Statements were prepared in accordance with International Financial Reporting Standards.

The following table sets out selected financial information in respect of the Gold Collective as at and for the years ended April 30, 2021 and 2020, and as at the nine-months ended January 31, 2022, all of which is qualified by the more detailed information contained in the Carve-Out Financial Statements included as Schedule “C” to this Listing Statement.

<b>Audited Carve-Out Financials of the Gold Collective Selected Financial Statement Information</b>			
	<b>As at April 30, 2020</b>	<b>As at April 30, 2021</b>	<b>As at January 31, 2022 (unaudited)</b>
Mineral property acquisition costs	\$2,189	\$2,689	\$2,689
Exploration and evaluation expenses	\$68,126	\$91,002	\$144,031

## 5.2 Quarterly Information

The ISM Interim Financial Statements were prepared in accordance with International Financial Reporting Standards and are attached to this Listing Statement as Schedule “A”.

<b>Summary of Quarterly Results</b>	<b>October 26, 2021 to January 31, 2022 (\$)</b>	<b>February 1 to April 30, 2022 (\$)</b>
Revenue	Nil	Nil
Net Income (Loss)	\$(31)	\$(38,270)
Basic and diluted earnings from continued operations (loss) per share	(0.00)	(0.02)

## 5.3 Dividends

ISM has not paid dividends since its incorporation. While there are no restrictions precluding ISM from paying dividends, it has no source of cash flow and anticipates using all available cash resources toward its stated business objectives. At present, the Company’s policy is to retain earnings, if any, to finance its business operations. The Board of Directors will determine if and when dividends should be declared and paid in the future based on the Company’s financial position, financial requirements and other conditions existing at the relevant time.

## 5.4 Foreign GAAP

Not applicable.

# 6. MANAGEMENT’S DISCUSSION AND ANALYSIS

## 6.1 Annual MD&A

The following MD&A is as of May 27, 2022, relating to the financial information from the Company’s incorporation on October 26, 2021 to January 31, 2022. It includes financial information from, and should be read in conjunction with, the audited financial statements for the period from the date of incorporation on October 26, 2021 to January 31, 2022, and the notes thereto, which are included in this Listing Statement as Schedule “A”, as well as the disclosure contained throughout this Listing Statement. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated.



## 6.2 Overall Performance

ISM was incorporated on October 26, 2021. ISM's sole business focus has been to (i) acquire and operate the exploration of the Gold Collective and (ii) make an application to list the ISM Shares on the CSE. To that end, ISM has entered into two asset transfer agreements and an assignment and novation agreement with Ameriwest for the acquisition of the Gold Collective. Other than the acquisition of the Gold Collective, ISM has made no significant acquisitions or dispositions since incorporation.

As of January 31, 2022, ISM had available funds of approximately \$1,549,969, which management believes will be sufficient for all of the Company's needs in the first 12 months following listing on the CSE. See *"Narrative Description Of The Company's Business – General – Total Funds Available"* and *"Narrative Description Of The Company's Business – General – Principal Purposes of Funds Available"*.

On September 23, 2022, ISM completed a \$1,055,000 private placement offering of 10,550,000 units of ISM ("Unit") at a price of \$0.10 per Unit. Each Unit consists of one ISM Share and one non-transferable ISM Share purchase warrant (each, a "Warrant"), with each Warrant exercisable to purchase one ISM Share at a price of \$0.20 for a period of twenty-four months from the date of closing of the financing. ISM may seek to raise additional funds through public or private equity funding, bank debt financing or from other sources.

## 6.3 Selected Financial Information

The following table sets forth selected financial information with respect to ISM, which information has been derived from and should be read in conjunction with the ISM Annual Financial Statements:

<b>Income Statement Data</b>	<b>Period from incorporation on October 26, 2021 to year-ended January 31, 2022 (audited)</b>
Total expenses	(\$31)
Income (loss) before discontinued operations and extraordinary items	(\$31)
Basic and diluted income or loss per common share	\$Nil
Net loss and comprehensive loss for the period	\$Nil

<b>Financial Position</b>	<b>As at January 31, 2022 (audited)</b>
Current and total assets	\$1,745,189
Total liabilities	\$195,220
Shareholders' equity	\$1,549,969
Dividends per share	\$Nil

## 6.4 Variations

Other than the acquisition of the Gold Collective, ISM has made no significant acquisitions or dispositions since incorporation. See “*General Development Of The Company’s Business*”.

## 6.5 Result of Operations

### 6.5.1 Net Sales or Total Revenues

For the period from incorporation on October 26, 2021 to year-ended January 31, 2022, ISM had no revenues and had a net operating loss of \$31.

### 6.5.2 Any other Significant Factors causing Changes in Net Sales or Total Revenues

This section is not applicable to ISM as ISM has had no revenues and minimal expenses for the period from incorporation on October 26, 2021 to year-ended January 31, 2022.

### 6.5.3 Cost of Sales or Gross Profit

For the period from incorporation on October 26, 2021 to year-ended January 31, 2022, ISM had no revenues and had a net operating loss of \$31.

### 6.5.4 Mineral Properties

ISM has commenced exploration and, as warranted, development of the Koster Dam Project and ESN Project pursuant to the recommendations in the respective Technical Reports.

Further details regarding the Koster Dam Project and ESN Project can be found at this Listing Statement, “*Narrative Description of the Company’s Business – Mineral Properties*”.

### 6.5.5 Factors that Caused Change between Costs and Revenues

ISM was incorporated on October 26, 2021 and has not yet completed a financial year, therefore this information is not available.

### 6.5.6 Commitments, Events, Risks or Uncertainties

ISM presently has no contractual obligations other than as disclosed in the Listing Statement and pursuant to the agreements related to the Gold Collective.

See “*Risk Factors*” for additional information, risks and uncertainties associated with ISM, its business and operations, and the ISM Shares.

### 6.5.7 Effect of Inflation and Specific Price Changes on Revenues and on Loss

Not applicable.

### 6.5.8 Use of Proceeds Disclosure

Not applicable.

#### 6.5.9 Unusual or Infrequent Events or Transactions

ISM has not engaged in any unusual events or transactions from incorporation on October 26, 2021 to year-ended January 31, 2022.

#### 6.6 Summary of Quarterly Results

Summary of quarterly results	Q1 2022 (\$)	From the date of incorporation (October 26, 2021) to January 31, 2022 (\$)
Revenues	Nil	Nil
Net loss and comprehensive loss	(38,270)	(31)
Basic and diluted loss per Common Share	(0.02)	(0.00)

#### 6.7 Liquidity

Since incorporation, the Company's operations have been funded by Ameriwest, its sole shareholder. On October 26, 2021, the Company issued 1,000 common shares for nominal consideration.

On November 29, 2021, the Company issued 2,000,000 common shares to Ameriwest at a price of \$0.25 per share for gross proceeds of \$500,000.

The Company is in the process of closing the ISM Financing for gross proceeds of \$1,055,000.

As at January 31, 2022, the Company had working capital of \$1,549,969.

As of July 31, 2022, ISM had available funds of approximately \$1,410,154, which management estimates to be sufficient for all of the Company's needs in the first 12 months following listing of the ISM, being sufficient funds: (i) for exploration of the Gold Collective and (ii) to cover a minimum 18 months of general and administrative expenses (estimated to be \$173,500 for the first 18 months of operations following the listing of the ISM Shares on the CSE). See "*Narrative Description Of The Company's Business- General - Principal Purposes of Funds Available*", "*Management's Discussion And Analysis – Result of Operations – Commitments, Events, Risks or Uncertainties*" and "*Risk Factors*".

#### 6.8 Capital Resources

See Section 6.7.

#### 6.9 Off-Balance Sheet Arrangements

ISM does not have any off-balance sheet arrangements.

#### 6.10 Transactions with Related Parties

ISM was a party to two asset transfer agreements and an assignment and novation agreement with Ameriwest, pursuant to which ISM acquired the Gold Collective. See also the Management's Discussion and Analysis of the Gold Collective as of January 31, 2022 and April 30, 2021 attached as Schedule "D" to the Listing Statement. ISM was also a party to the Arrangement Agreement dated March 31, 2022 with Ameriwest. See "*General Development Of The Company's Business*", "*Promoters*" and "*Interest Of Management And Others In Material Transactions*".

#### 6.11 Fourth Quarter

See “*Management’s Discussion And Analysis - Overall Performance*” and “*Management’s Discussion And Analysis - Transactions with Related Parties*”.

#### 6.12 Proposed Transactions

As at the date of the Listing Statement, ISM does not have any proposed asset or business acquisitions or dispositions.

#### 6.13 Changes in Accounting Policies

Not applicable.

#### 6.14 Financial Instruments and Other Instruments

See Note 9 to the audited financial statements for the period from incorporation on October 26, 2021 to January 31, 2022.

#### 6.15 Interim MD&A

The following MD&A is as of July 5, 2022, relating to the financial information for the three-months ended April 30, 2022. It includes financial information from, and should be read in conjunction with, the unaudited interim financial statements for the three-months ended April 30, 2022, and the notes thereto, which are included in this Listing Statement as Schedule “A”, as well as the disclosure contained throughout this Listing Statement. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated.

#### 6.16 Additional Disclosure for Issuers without Significant Revenue

##### 6.16.1 Overall Performance

See “*Management’s Discussion And Analysis - Overall Performance*”.

##### 6.16.2 Result of Operations

###### *Net Sales or Total Revenues*

For the three months ended April 30, 2022, ISM had no revenues and had a net operating loss of \$38,270.

###### *Any Other Significant Factors Causing Changes in Net Sales or Total Revenues*

The increase in net operating loss from \$31 for the period of incorporation on October 26, 2021 to January 31, 2022, is due to the following expenses:

#### **EXPENSES**

Audit fees	\$9,500
Office and administration	\$228
Legal fees	\$24,426

Meals and entertainment	\$3,951
Filing fees	\$165

*Cost of Sales or Gross Profit*

For the three months ended April 30, 2022, ISM had no revenues and had a net operating loss of \$38,270.

*Mineral Properties*

ISM has commenced exploration and, as warranted, development of the Koster Dam Project and ESN Project pursuant to the recommendations in the respective Technical Reports.

Further details regarding the Koster Dam Project and ESN Project can be found at this Listing Statement, “*Narrative Description of the Company’s Business – Mineral Properties*”.

*Factors that Caused Change between Costs and Revenues*

The increase in net operating loss from \$31 for the period of incorporation on October 26, 2021 to January 31, 2022, is due to the following expenses:

**EXPENSES**

Audit fees	\$9,500
Office and administration	\$228
Legal fees	\$24,426
Meals and entertainment	\$3,951
Filing fees	\$165

*Commitments, Events, Risks or Uncertainties*

ISM presently has no contractual obligations other than as disclosed in the Listing Statement and pursuant to the agreements related to the Gold Collective.

See “*Risk Factors*” for additional information, risks and uncertainties associated with ISM, its business and operations, and the ISM Shares.

*Effect of Inflation and Specific Price Changes on Revenues and Loss*

Not applicable.

*Use of Proceeds Disclosure*

Not applicable.

*Unusual or Infrequent Events or Transactions*

On March 31, 2022, ISM entered into the Arrangement Agreement with Ameriwest.

### 6.16.3 Summary of Quarterly Results

See “*Management’s Discussion and Analysis - Summary of Quarterly Results*”.

### 6.16.4 Liquidity

As at April 30, 2022, the Company had working capital of \$1,510,606.

The Company is in progress of closing the ISM Financing.

As of July 31, 2022, ISM had available funds of approximately \$1,410,154, which management estimates to be sufficient for all of the Company’s needs in the first 12 months following listing of the ISM, being sufficient funds: (i) for exploration of the Gold Collective and (ii) to cover a minimum 18 months of general and administrative expenses (estimated to be \$173,500 for the first 18 months of operations following the listing of the ISM Shares on the CSE). See “*Narrative Description Of The Company’s Business- General - Principal Purposes of Funds Available*”, “*Management’s Discussion And Analysis – Result of Operations – Commitments, Events, Risks or Uncertainties*” and “*Risk Factors*”.

### 6.16.5 Capital Resources

See Section 6.16.4.

### 6.16.6 Off-Balance Sheet Arrangements

ISM does not have any off-balance sheet arrangements.

### 6.16.7 Transactions with Related Parties

See “*Management’s Discussion and Analysis - Transactions with Related Parties*”.

### 6.16.8 Proposed Transactions

See “*Management’s Discussion and Analysis -Proposed Transactions*”.

### 6.16.9 Changes in Accounting Policies

Not applicable.

### 6.16.10 Financial Instruments and Other Instruments

See Note 7 to the unaudited financial statements for the three-months ended April 30, 2022.

## 6.17 **Negative Cash-Flow**

ISM was incorporated on October 26, 2021, and has not yet completed a financial year, therefore this item is not applicable.

## 6.18 **Additional Disclosure for Issuers with Significant Equity Investees**

Not applicable.

## 7. MARKET FOR SECURITIES

The ISM Shares will be listed on the CSE under the trading symbol “ISM”.

## 8. CONSOLIDATED CAPITALIZATION

The following table sets out the share and loan capital of ISM. The table should be read in conjunction with the audited financial statements attached as Schedule “A” to this Listing Statement as well as with the other disclosure contained in this Listing Statement and in the Listing Statement. See also in this Listing Statement, “*Description Of Securities*” and “*Description of Securities - Prior Sales*”.

Capital	Authorized	Amount outstanding as of April 30, 2022 <sup>(1)</sup>	Amount outstanding as of the date of this Listing Statement
ISM Shares	Unlimited	2,001,000	27,485,864
ISM Options	10% of issued and outstanding ISM Shares	Nil	1,537,500
ISM Warrants	Unlimited	Nil	11,311,303

**Note:**

(1) See “*Description Of Securities - Prior Sales*”.

## 9. OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

### 9.1 ISM Stock Options

ISM has adopted and implemented the ISM Option Plan. Pursuant to the ISM Option Plan, the board of directors of ISM may from time to time, in its discretion, grant to directors, officers and employees of ISM, non-transferable options to purchase ISM Shares, provided that the number of ISM Shares reserved for issuance will not exceed 10% of the issued and outstanding share capital of ISM as of the date the ISM Option Plan is approved by Ameriwest Shareholders, exercisable for a period of up to five years from the date of the grant, subject to the exception that expiry dates that fall within a blackout period will be extended by seven business days from the expiry of the blackout period, subject to certain conditions being met.

Subject to obtaining disinterested shareholder approval, the number of ISM Shares reserved for issuance pursuant to grants of ISM Options to any individual will not exceed 5% of the issued and outstanding ISM Shares in any 12-month period (2% in the case of all optionees providing investor relations services to ISM and 2% in the case of all consultants of ISM in any 12-month period). The exercise price and vesting terms of any option granted pursuant to the ISM Option Plan will be determined by the board of directors when granted. Notwithstanding the foregoing, the vesting terms for options granted to optionees performing investor relations activities will vest not sooner than one quarter of the options granted to such optionee on every three-month interval from the date of grant.

The options granted pursuant to the ISM Option Plan will be non-transferable, except by means of a will or pursuant to the laws of descent and distribution. If the tenure of a director or officer or the employment of an employee of ISM is terminated for cause, no option held by such optionee may be exercised following the date upon which termination occurred. If termination occurs for any reason other than death or permanent disability of the optionee, then any option held by such optionee, will be exercisable, in whole or in part, for 60 days from the date of termination; notwithstanding the foregoing, the board of directors of ISM may in its discretion determine that

all of the ISM Options held by an optionee on the date of termination which have not yet vested shall vest immediately on such date.

As of the date of this Listing Statement, ISM has the following ISM Options outstanding:

<b>Holders</b>	<b>Number of Options</b>
Current and past executive officers of ISM	887,500
Current and past directors of ISM (excluding any executive officers of ISM)	200,000
Current and past executive officers of Ameriwest (excluding any executive officers or directors of ISM)	150,000
Current and past directors of Ameriwest (excluding any executive officers of Ameriwest, and any executive officers or directors of ISM)	225,000
Current and past employees of ISM (excluding any executive officers)	Nil
Current and past employees of ISM's subsidiaries (excluding any executive officers)	N/A
Consultants of ISM or Ameriwest	75,000
<b>TOTAL:</b>	<b>1,537,500</b>

## 10. DESCRIPTION OF SECURITIES

### 10.1 Authorized Capital

ISM's authorized share capital consists of an unlimited number of ISM Shares without par value.

As at the date of the Listing Statement, 27,485,864 ISM Shares are issued and outstanding. Additionally, 1,537,500 ISM Shares are reserved for issuance in respect of ISM Options, and 11,311,303 ISM Shares are reserved for issuance in respect of ISM Warrants.

The rights and restrictions attaching to the ISM Shares will be the same in all material respects as the rights and restrictions attaching to the Ameriwest Shares. All of the ISM Shares will be of the same class and, once issued, rank equally as to dividends, voting powers and participation in assets and in all other respects, on liquidation, dissolution or winding up of ISM, whether voluntary or involuntary, or any other distribution of the assets of ISM among its shareholders for the purpose of winding up its affairs after ISM has paid out its liabilities. The issued ISM Shares will not be subject to call or assessment by ISM nor are there any pre-emptive, conversion, exchange, redemption or retraction rights attaching to the ISM Shares.



## 10.2 ISM Warrants

As of the date of this Listing Statement, ISM has 11,311,303 ISM Warrants outstanding for the purchase of up to an aggregate of 11,311,303 ISM Shares.

ISM has the following ISM Warrants outstanding: (a) 45,000 ISM Warrants, each exercisable to acquire one ISM Share until February 5, 2023 with an exercise price equal to the 5 Day VWAP following the Effective Time, (b) 716,303 ISM Warrants, each exercisable to acquire one ISM Share until May 28, 2023 with an exercise price equal to the 5 Day VWAP following the Effective Time and (c) up to 10,550,000 ISM Warrants, each exercisable to acquire one ISM Share until September 23, 2024 with an exercise price of \$0.20.

## 10.3 ISM Stock Options

As of the date of the Listing Statement, ISM has 1,537,500 ISM Options outstanding.

ISM has adopted and implemented the ISM Option Plan (see “*Options And Other Rights To Purchase Securities – ISM Stock Options – ISM Option Plan*”). See “*Options to Purchase Securities- ISM Option Plan*”.

## 10.4 Prior Sales

On October 26, 2021, ISM issued 1,000 ISM Shares to Ameriwest for nominal consideration.

On November 29, 2021, ISM issued 2,000,000 ISM Shares at a price of \$0.25 for gross proceeds of \$500,000.

On September 23, 2022, ISM completed a non-brokered private placement pursuant to which it issued 10,550,000 ISM Shares and 10,550,000 ISM Warrants, each such ISM Warrant entitling the holder thereof to acquire one ISM share at \$0.20 per ISM Share for a period of 24 months.

On September 23, 2022, ISM issued 14,934,820 ISM Shares, 637,500 ISM Options and 761,303 Warrants pursuant to the Arrangement.

On September 23, 2022, ISM granted an aggregate of 900,000 ISM Options to its directors and officers, with each such ISM Option exercisable into an ISM Share at an exercise price of \$0.10 per ISM Share until September 23, 2025. All such ISM Options vested immediately.

## 10.5 Listing of ISM Shares

The ISM Shares are listed on the CSE under the trading symbol “ISM”.

ISM does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America.

See “*Risk Factors*”.

## 11. ESCROWED SECURITIES

The principals of ISM are subject to escrow pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* (“NP 46-201”). The CSE imposes NP 46-201 escrow requirements on completion of transactions such as the Arrangement.

In accordance with NP 46-201, all securities of an issuer that are owned or controlled by its principals (or spouses of its principals) are escrowed at the time of the issuer's initial public offering, or in this case the completion of the Arrangement, unless the securities held by the principals, or issuable to the principals upon conversion of convertible securities held by the principals, collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the offering or transaction.

Uniform terms of automatic timed-release escrow apply to principals of exchange-listed issuers, differing only according to the classification of the issuer. ISM is classified as an "emerging issuer" for the purposes of NP 46-201, and the following automatic timed releases apply to the securities held by its principals:

<b>Date</b>	<b>% of Escrowed Securities Released</b>
The Listing Date	1/10 of the escrowed securities
On the date 6 months following the Listing Date	1/6 of the remaining escrowed securities
On the date 12 months following the Listing Date	1/5 of the remaining escrowed securities
On the date 18 months following the Listing Date	1/4 of the remaining escrowed securities
On the date 24 months following the Listing Date	1/3 of the remaining escrowed securities
On the date 30 months following the Listing Date	1/2 of the remaining escrowed securities
On the date 36 months following the Listing Date	The remaining escrowed securities

A total of 2,001,044 ISM Shares have been deposited into escrow pursuant to the terms of an escrow agreement entered into by ISM, the escrowed shareholder and the Company's transfer agent, as the escrow agent (the "**Escrow Agreement**"):

<b>Name and Position of Escrow Holder</b>	<b>Number of Escrowed ISM Shares</b>	<b>Percentage of Class <sup>(1)</sup></b>
Ameriwest Lithium Corp.	2,001,044	7.28%
<b>Total</b>	<b>2,001,044</b>	<b>7.28%</b>

**Note:**

(1) Based on 27,485,864 ISM Shares issued and outstanding.

Pursuant to the terms of the Escrow Agreement, the ISM Shares held in escrow may be transferred within escrow to an individual who is a director or senior officer of ISM or of a material operating subsidiary of ISM, subject to the approval of the Board, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of ISM or of any of its material operating subsidiaries.

Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

The Escrow Agreement also provides that escrowed securities can be transferred within escrow to a financial institution on the realization of escrowed securities pledged, mortgaged or charged by the holder of such escrowed securities to the financial institution as collateral for a loan. Pursuant to the terms of the Escrow Agreement, escrowed securities may also be transferred within escrow to or between registered retirement savings plans, registered retirement income funds or other similar registered plans or funds with a trustee, where the annuitant of such plans or funds, or the beneficiaries of the other registered plan or funds are limited to the holder and his or her spouse, children and parents, or in the case of a trustee of such a registered plan or fund, to the annuitant of the registered plan or fund, or a beneficiary of the registered plan or fund, as applicable, or his or her spouse, children and parents.

Pursuant to the terms of the Escrow Agreement, 10% of the principal's escrowed securities (a total of 200,104 ISM Shares) will be released from escrow on the date the ISM Shares are listed on the CSE (the "**Listing Date**"). The remaining 1,800,940 ISM Shares which will be held in escrow immediately following the Listing Date will represent 6.55% of the ISM Shares anticipated to be issued and outstanding at the Listing Date.

## 12. PRINCIPAL SHAREHOLDERS

As of the date of the Listing Statement, to the knowledge of the directors and executive officers of ISM, no Person beneficially owns directly or indirectly, control or direct securities of ISM carrying 10% or more of the voting rights attached to any class of outstanding securities.

## 13. DIRECTORS AND OFFICERS

### 13.1 Directors and Executive Officers of ISM

As at the date of the Listing Statement, the names, place of residence, positions, offices and principal occupations of the directors and officers of ISM are as follows:

Name and place of residence	Principal occupation	Date of appointment as director or officer of ISM	ISM Shares to be Beneficially Owned or Controlled
<b>Michael Gheyle</b> Director and Chief Executive Officer <i>British Columbia, Canada</i>	Corporate Business Consultant	November 29, 2021	Nil <sup>(2)</sup>
<b>Graeme Wright</b> Director and Chief Financial Officer <i>British Columbia, Canada</i>	Accountant	November 29, 2021	Nil <sup>(3)</sup>
<b>Ryan Arthur</b> <sup>(1)</sup> Director <i>British Columbia, Canada</i>	President of CR7 Investments Inc.	November 29, 2021	Nil <sup>(4)</sup>

<b>Glenn Collick<sup>(1)(4)</sup></b> Director and President <i>British Columbia, Canada</i>	Self employed business Consultant.  Chief Executive Officer of Nova Lithium Corp.	October 26, 2021	196,875 ISM Shares <sup>(5)</sup>
<b>Nicholas Houghton<sup>(1)</sup></b> Director <i>British Columbia, Canada</i>	Mining Consultant  President, CEO of West Mining Corp.	December 20, 2021	Nil <sup>(6)</sup>
<b>Melissa Vettoretti</b> <i>British Columbia, Canada</i> Corporate Secretary	Corporate and securities paralegal	May 24, 2022	Nil

**Notes:**

- (1) Member of the Audit Committee.
- (2) Mr. Gheyle owns 300,000 ISM Options.
- (3) Mr. Wright owns 150,000 ISM Options.
- (4) Mr. Arthur owns 100,000 ISM Options.
- (5) Mr. Collick also owns 437,500 ISM Options and 150,000 Warrants.
- (6) Mr. Houghton owns 100,000 ISM Options.

### 13.2 Period of Service of Directors

The current and proposed directors of ISM will be elected annually at each annual general meeting of the ISM shareholders and will hold office until the next annual general meeting unless a director's office is earlier vacated in accordance with the constating documents of ISM or he or she becomes disqualified to serve as a director.

### 13.3 Directors' and Officers' Common Share Ownership

The directors and executive officers of ISM as a group, beneficially own, directly or indirectly, or control or direct, 196,875 ISM Shares, or approximately 0.72% of the ISM Shares issued and outstanding as of the date of this Listing Statement on a non-diluted basis.

### 13.4 Board Committees

#### 13.4.1 Audit Committee

The Audit Committee consists of Ryan Arthur, Glenn Collick and Nicholas Houghton., each of whom is a director of ISM, and financially literate and independent in accordance with NI 52-110. Mr. Houghton is the Chair of the Audit Committee.

ISM's Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of ISM's Audit Committee will be to assist ISM's Board in discharging the oversight of:

- the integrity of ISM's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;

- ISM's compliance with legal and regulatory requirements;
- ISM's external auditors' qualifications and independence;
- the work and performance of ISM's financial management and its external auditors; and
- ISM's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Board.
- It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about ISM as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for ISM's Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

ISM is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

The Board of Directors may from time to time establish additional committees.

### **13.5 Principal Occupation of Directors and Executive Officers**

Information on directors' and executive officers' principal occupation is set out in section 13.11 – Management Details.

### **13.6 Cease Trade Orders and Bankruptcies**

Other than disclosed below, no proposed director or officer of the ISM or a shareholder holding a sufficient number of securities of the ISM to affect materially the control of ISM, is, or within 10 years before the date hereof has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under securities law, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or

instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Nicholas Houghton was the President, CEO and director of True North Gems Inc., a TSX-V listed company, when its operating subsidiary, True North Gems Greenland A/S (“TNGG”), a company incorporated under the laws of Greenland, initiated voluntary bankruptcy proceedings under the *Bankruptcy Act* (Greenland) in September 2016. The court appointed two trustees who assumed all accounting and administrative duties of TNGG. In September 2018, the trustees distributed the remaining assets of TNGG to the creditors.

The foregoing has been furnished by the respective directors, executive officers and shareholders holding a sufficient number of securities of ISM to affect materially control of ISM.

### 13.7 Penalties or Sanctions

No proposed director or executive officer of ISM, or a shareholder holding a sufficient number of the Company’s securities to affect materially the control of ISM, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

The foregoing has been furnished by the respective directors, executive officers and shareholders holding a sufficient number of securities of ISM to affect materially control of ISM.

### 13.8 Settlement Agreements

Not applicable.

### 13.9 Personal Bankruptcies

Other than as disclosed below, no director or officer of ISM, or a shareholder holding sufficient securities of ISM to affect materially the control of ISM, or a personal holding company of any such persons has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

In 2013, Glenn Collick, the CEO and a director of ISM, made a proposal to creditors under the *Bankruptcy and Insolvency Act (Canada)* that was accepted by all the creditors including the largest creditor, the Canada Revenue Agency (the “CRA”). There were two separate payment arrangements under this proposal, one that applied to all creditors (except the CRA) and required Mr. Collick to pay the bankruptcy trustee, and another that applied to the CRA and required Mr. Collick to pay the CRA directly. Mr. Collick fully performed his obligations under the first arrangement; however, he defaulted under the second arrangement with the CRA since the payment schedule was too onerous. As a result of the default, the bankruptcy trustee applied to the courts for a discharge and an order of trustee discharge was granted on March 23, 2017. The result is that Mr. Collick has not been fully discharged as bankrupt, and that the CRA as his sole remaining creditor is able to pursue him to collect the outstanding debt. Mr. Collick is continuing to work with the CRA to resolve this matter.

### 13.10 Potential Conflicts of Interest

Certain directors and officers of ISM are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties, including Ameriwest. Such associations to other public companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of ISM may not be made available to ISM, but rather may be offered to a company with competing interests. The directors and senior officers of ISM are required by law to act honestly and in good faith with a view to the best interests of ISM and to disclose any personal interest which they may have in any project or opportunity of ISM, and to abstain from voting on such matters.

The directors and officers of ISM are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and ISM will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

### 13.11 Management Details

The following sets out details of the directors and officers of ISM:

#### *Michael Gheyle, Chief Executive Officer and Director (Age 53)*

Mr. Gheyle has worked for over 25 years in international capital markets. His experience includes wealth management, derivative trading, corporate finance, institutional sales, mergers and acquisitions, venture capital and private equity. Over the years, Mr. Gheyle has developed a passion for assisting companies navigate the public markets both in North America and in Europe. He has helped multiple companies across many industry sectors raise in excess of \$100 million in aggregate. He also has held executive, board and advisory positions with a number of public and private companies. Mr. Gheyle will devote all of his time, or such other proportion of his time as is needed, to ISM.

#### *Graeme Wright, Chief Financial Officer and Director (Age 66)*

Mr. Wright has over 35 years of financial management, consulting and accounting experience involving a wide range of industries. Mr. Wright has held Vice President of Finance and Administration positions in various Vancouver-based technology companies, one of which, Healthpricer Interactive Limited, was a publicly traded company. Mr. Wright's contribution was critical to the sale of Healthpricer and the spin out and privatization of its operating subsidiary. Mr. Wright graduated from the University of Toronto with a bachelor's degree in commerce, majoring in Accounting and Economics, and received his initial training at PricewaterhouseCoopers. Mr. Wright will devote all of his time, or such other proportion of his time as is needed, to ISM.

#### *Ryan Arthur, Director (Age 23)*

Mr. Arthur is currently the president of CR7 Investments Inc., which actively identifies promising mining and technology projects for purpose of investment and technical and strategic partnership to ensure the growth and success of these projects. His professional experience spans various industries including retail, mining, Industrial, and Technology. Mr. Arthur has assisted in financing several public companies and bring's a pleather of knowledge in the capital markets. Previous to his career in management, Mr. Arthur was a varsity athlete for the University of British Columbia's Men's Soccer Program and had spent a short period overseas pursuing a professional career as an athlete. Mr. Arthur will devote all of his time, or such other proportion of his time as is needed, to ISM.



*Glenn Collick, President and Director (Age 63)*

Mr. Collick brings an extensive 35-year background in the strategic planning and executive level management of the operational, financial and developmental duties of emerging natural resource and alternative energy companies including the identification and evaluation of potential asset acquisitions. He is a founder of Ameriwest Lithium (CSE: AWLI), a Canadian-based junior explorer with 33,291 acres of multiple strategic assets in Nevada, a Director and CEO of Nova Lithium Nova Lithium Corp. focused on fueling the green revolution from a highly promising battery-mineral project portfolio located in tier 1 jurisdictions. He previously served on the Board of American Comstock Explorations and led the company to the acquisition of the Harper Creek Copper project from US Steel and Noranda. He was an early participant in the Voisey's Bay area discovery through early stage staking of several hundred square kilometers. His efforts include extensive experience in successfully working with Government, First Nations, and related stakeholders. His efforts in the alternative energy sector include founding and managing start-ups through feasibility studies, including statistical and engineering reports aimed at securing capital project grant funding, and in some instances specifically aimed at providing hybrid energy systems and storage facilities to remote Industry and communities. He has led multiple initiatives in Alberta including wind energy resources which were subsequently purchased by a world leading company in wind farm development. Mr. Collick will devote all of his time, or such other proportion of his time as is needed, to ISM.

*Nicholas Houghton, Director (Age 63)*

Nicholas Houghton has worked several years in the private and public capital markets sector. Mr. Houghton has extensive experience in recognizing, delineating and financing business opportunities either through funding or mergers and acquisitions. Mr. Houghton has served on several company boards as director and Chairman, as well as serving in the capacity as Vice President, President and CEO. Mr. Houghton was CEO and President of True North Gems (TSX-V: TGX) and during his tenure took the company from exploration to a fully permitted mine in Greenland. He was instrumental in early stage funding for Next Leaf Solutions (CSE: OILS) and was also a founding director and board member of Less Mess Solutions (TSX-V: LMS), which was successfully bought and taken private by a UK entity based out of London. Mr. Houghton will devote all of his time, or such other proportion of his time as is needed, to ISM.

*Melissa Vettoretti, Corporate Secretary (Age 36)*

Melissa Vettoretti has 9 years of experience as a corporate and securities paralegal. She completed her legal assistant certificate at Douglas College in May of 2013 and her Paralegal Certificate at Capilano College in May of 2018. In 2016 Ms. Vettoretti founded Glow Corporate Services Inc., where she has worked for the past six years, providing services on a contract basis to private and public companies and law firms. She has worked on multiple go public transactions in addition to assisting with continuous disclosure obligations for public companies. Ms. Vettoretti has acted as Corporate Secretary for Komo Plant Based Foods Inc. (CSE:YUM) from January 2021 to July 2022 and Ameriwest Lithium Inc. (CSE:AWLI) since September 2021. She previously acted as Corporate Secretary for Maven Brands Inc. (CSE:MJ) from November 2019 to September 2021. Ms. Vettoretti will devote all of her time, or such other proportion of her time as is needed, to ISM.

## **14. CAPITALIZATION**

ISM issued capital consists of **27,485,864** ISM Shares.



	<b>Number of ISM Shares (non-diluted)</b>	<b>Number of ISM Shares (fully-diluted)</b>	<b>% of Issued (non-diluted)</b>	<b>% of Issued (fully diluted)</b>
<b>Public Float</b>				
Total outstanding (A)	27,485,864	40,334,667	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	2,197,919	3,435,419	8.00%	8.52%
Total Public Float (A-B)	25,287,945	36,899,248	92.00%	91.48%
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	12,551,044	23,101,044	45.66%	57.27%
Total Tradeable Float (A-C)	14,934,820	17,233,623	54.34%	42.73%

**Public Securityholders (Registered)**

<b>Class of Security</b>		
<b>Size of Holding</b>	<b>Number of holders</b>	<b>Total number of securities</b>
1 – 99 securities	0	0
100 – 499 securities	0	0

500 – 999 securities	0	0
1,000 – 1,999 securities	1	1,250
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	31	25,287,945
<b>TOTAL</b>	<b>32</b>	<b>25,289,195</b>

**Public Securityholders (Beneficial)**

<b>Class of Security</b>		
<b>Size of Holding</b>	<b>Number of holders</b>	<b>Total number of securities</b>
1 – 249 securities	1,393	47,091
250 - 999 securities	204	81,201
1,000 – 1,249 securities	15	15,875
1,250 – 2499 or more securities	33	57,573
2,500 or more	210	4,853,055
Unable to confirm	-	-
<b>TOTAL</b>	<b>1,855</b>	<b>5,054,797</b>

**Non-Public Securityholders (Registered)**

<b>Class of Security</b>		
<b>Size of Holding</b>	<b>Number of holders</b>	<b>Total number of securities</b>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0

1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	2	2,197,919
<b>TOTAL</b>	<b>2</b>	<b>2,197,919</b>

**Securities Convertible or Exchangeable into Any Class of Listed Securities**

<b>Description of Security (include conversion / exercise terms, including conversion / exercise price)</b>	<b>Number of convertible / exchangeable securities outstanding</b>	<b>Number of listed securities issuable upon conversion / exercise</b>
ISM Options exercisable at a price equal to the five day volume weighted average trading price of ISM Shares following the list of the ISM Shares on the CSE (the “ <b>Exercise Price</b> ”) until April 30, 2026	212,500	212,500 ISM Shares
ISM Options exercisable at the Exercise Price until June 21, 2023	50,000	50,000 ISM Shares
ISM Options exercisable at the Exercise Price until August 16, 2026	50,000	50,000 ISM Shares
ISM Options exercisable at the Exercise Price until February 9, 2027	325,000	325,000 ISM Shares
ISM Options exercisable at \$0.10 per ISM Share until September 23, 2025	900,000	900,000 ISM Shares
ISM Warrants exercisable at the Exercise Price until February 5, 2023	45,000	45,000 ISM Shares

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
ISM Warrants exercisable at the Exercise Price until May 28, 2023	716,303	716,303 ISM Shares
ISM Warrants exercisable at \$0.20 until September 23, 2024	10,550,000	10,550,000 ISM Shares

## 15. EXECUTIVE COMPENSATION

There will be no material differences between its executive compensation practices and the executive compensation practices of Ameriwest. For Ameriwest’s Statement of Executive Compensation, prepared in accordance with National Instrument Form 51-102F6V, see the section of Ameriwest’s information circular dated May 30, 2022, entitled “*Executive Compensation*” and the section entitled “*ISM Option Plan and ISM Options*” in Appendix F thereto.

## 16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of ISM, a proposed nominee for election as a director of ISM, and each associate of any such director, executive officer or proposed nominee: (a) is, or at any time since the beginning of the most recently completed financial year of ISM has been indebted to ISM or any of its subsidiaries or (b) has indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by ISM or any of its subsidiaries.

## 17. RISK FACTORS

**An investment in ISM Shares, as well as the Company’s prospects, are highly speculative due to the high-risk nature of its business and the present stage of its development. Shareholders of ISM may lose their entire investment.** The risks described below are not the only ones facing ISM. Additional risks not currently known to ISM, or that ISM currently deems immaterial, may also impair the Company’s operations. If any of the following risks actually occur, the Company’s business, financial condition and operating results could be adversely affected.

Ameriwest Shareholders should consult with their professional advisors to assess the Arrangement and their resulting investment in ISM. In evaluating ISM and its business and whether to vote in favour of the Arrangement, Ameriwest Shareholders should carefully consider, in addition to the other information contained in the Listing Statement and the risk factors which follow, as well as the risks associated with the Arrangement (see in the Listing Statement “*The Ameriwest Arrangement — Risks Associated with the Ameriwest Arrangement*”). These risk factors may not be a definitive list of all risk factors associated with the Arrangement, an investment in ISM or in connection with the Company’s business and operations.

### *Exploration Activities May Not be Successful*

Exploration for, and development of, mineral properties involves significant financial risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of

an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling, to complete a feasibility study and to construct mining and processing facilities at a site for extracting natural resource products. ISM cannot ensure that its future exploration programs will result in profitable commercial mining operations.

Also, substantial expenses may be incurred on exploration projects that are subsequently abandoned due to poor exploration results or the inability to define reserves that can be mined economically. Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. There have been no feasibility studies conducted in order to derive estimates of capital and operating costs including, among others, anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the gold or copper from the ore, and anticipated environmental and regulatory compliance costs.

It is possible that actual costs and economic returns of future mining operations may differ materially from ISM's best estimates. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start up phase and to require more capital than anticipated. These additional costs could have an adverse impact on ISM's future cash flows, earnings, results of operations and financial condition.

#### *Exploration Stage Operations*

ISM's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. ISM has implemented safety and environmental measures designed to comply with or exceed government regulations and ensure safe, reliable and efficient operations in all phases of its operations. ISM maintains liability and property insurance, where reasonably available, in such amounts as it considers prudent. ISM may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

The mineral exploration business is very speculative. All of ISM's properties are at an early stage of exploration. Mineral exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain adequate machinery, equipment and/or labour are some of the risks involved in mineral exploration activities. ISM has relied on and may continue to rely on consultants and others for mineral exploration expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial or any quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit any mineral reserves and resources discovered by ISM will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as mineral prices. Most of the above factors are beyond the control of ISM. There can be no assurance that ISM's mineral exploration activities will be successful. In the event that such commercial viability is never attained, ISM may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

### *Properties May be Subject to Defects in Title*

ISM has investigated its rights to explore and exploit its projects and, to the best of its knowledge, its rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to ISM's detriment. There can also be no assurance that ISM's rights will not be challenged or impugned by third parties.

Some ISM mineral claims may overlap with other mineral claims owned by third parties which may be considered senior in title to the ISM mineral claims. The junior claim is only invalid in the areas where it overlaps a senior claim. ISM has not determined which, if any, of the ISM mineral claims is junior to a mineral claim held by a third party.

Although ISM is not aware of any existing title uncertainties with respect to any of its projects, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on ISM's future cash flows, earnings, results of operations and financial condition.

### *Key Personnel*

ISM's senior officers are critical to its success. In the event of the departure of a senior officer, ISM believes that it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as ISM grows is critical to its success. The number of persons skilled in the acquisition, exploration of mining properties is limited and competition for such persons is intense. As ISM's business activity grows, it will require additional key financial, administrative, mining and exploration personnel, and potentially additional operations staff. If ISM is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of ISM.

### *Limited Business History and No History of Earnings*

ISM has only recently commenced operations and has no history of operating earnings. The likelihood of success of ISM must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. ISM has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that ISM will ultimately generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

In addition, ISM's activities are focused primarily on natural resource opportunities in British Columbia, Nevada and Arizona. Any adverse changes or developments affecting this project would have a material and adverse effect on ISM's business, financial condition, results of operations and prospects.

### *No History of Earnings or Dividends*

ISM has no history of earnings and there is no assurance that its mineral properties will generate earnings, operate profitably or provide a return on investment in the near future.

No dividends on the ISM Shares have been paid by ISM to date. Payment of any future dividends, if any, will be at the discretion of the Board after taking into account many factors, including ISM's operating results, financial condition, and current and anticipated cash needs.

*Changes in the Market Price of ISM Shares may be Unrelated to ISM's Results of Operations and could have an Adverse Impact on ISM*

The ISM Shares are listed on the CSE. The price of ISM Shares is likely to be significantly affected by short term changes in natural resource prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to ISM's performance that may have an effect on the price of ISM Shares and may adversely affect an investors' ability to liquidate an investment and consequently an investor's interest in acquiring a significant stake in ISM include: a reduction in analytical coverage by investment banks with research capabilities; a drop in trading volume and general market interest in ISM's securities; a failure to meet the reporting and other obligations under relevant securities laws or imposed by applicable stock exchanges could result in a delisting of ISM Shares and a substantial decline in the price of the ISM Shares that persists for a significant period of time.

As a result of any of these factors, the market price of ISM Shares at any given point in time may not accurately reflect their long term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. ISM may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

*Price Volatility of Publicly Traded Securities*

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur.

*Future Sales May Affect the Market Price of the ISM Shares*

In order to finance future operations, ISM may raise funds through the issuance of additional ISM Shares or the issuance of debt instruments or other securities convertible into ISM Shares. ISM cannot predict the size of future issuances of ISM Shares or the issuance of debt instruments or other securities convertible into ISM Shares or the dilutive effect, if any, that future issuances and sales of ISM's securities will have on the market price of the ISM Shares.

*Commodity Price Fluctuations and Cycles*

Resource exploration is significantly linked to the outlook for commodities. When the price of commodities being explored declines investor interest subsides and capital markets become very difficult. The price of commodities varies on a daily basis and there is no proven methodology for determining future prices. Price volatility could have dramatic effects on the results of operations and the ability of ISM to execute its business plan. The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Fluctuations in supply and demand in various regions throughout the world are common. In recent years, mineral prices have fluctuated widely. Moreover, it is difficult to predict future mineral prices with any certainty. As ISM's business is in the exploration stage and as ISM does not carry on production activities, its ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

*Additional Funding Requirements*

As ISM's business is in the exploration stage and as ISM does not carry on production activities, it will require additional financing to continue its operations. Its ability to secure additional financing and fund

ongoing exploration is affected by the strength of the economy and other general economic factors. There can be no assurance that ISM will be able to obtain adequate financing in the future, or that the terms of such financing will be favourable for further exploration and development of its projects. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources.

#### *Legal and Litigation Risks*

All industries, including the exploration industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which ISM may become subject could have a material adverse effect on ISM's business, prospects, financial condition, and operating results. Defense and settlement of costs of legal claims can be substantial.

#### *Specialized Skill and Knowledge*

Various aspects of ISM's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, metallurgy, logistical planning and implementation of exploration programs as well as finance and accounting. ISM's management team and board of directors provide much of the specialized skill and knowledge. ISM also retains outside consultants as additional specialized skills and knowledge are required. However, it is possible that delays and increased costs may be experienced by ISM in locating and/or retaining skilled and knowledgeable employees and consultants in order to proceed with its planned exploration and development at its mineral properties.

#### *Competitive Conditions*

ISM competes against other companies to identify suitable exploration properties. Competition in the mineral exploration business is intense, and there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary exploration equipment, as well as for access to funds. ISM is competing with many other exploration companies possessing greater financial resources and technical facilities than that currently held by ISM.

#### *Environmental Protection*

ISM's properties are subject to stringent laws and regulations governing environmental quality. Such laws and regulations can increase the cost of planning, designing, installing and operating facilities on our properties. However, it is anticipated that, absent the occurrence of an extraordinary event, compliance with existing laws and regulations governing the release of materials in the environment or otherwise relating to the protection of the environment, will not have a material effect upon ISM's current operations, capital expenditures, earnings or competitive position.

#### *Property Commitments*

ISM's mineral properties and/or interests may be subject to various land payments, royalties and/or work commitments. Failure by ISM to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.



### *Environmental Regulatory Risks*

ISM's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation and regulation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain exploration industry operations, such as from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non compliance are more stringent. Future legislation and regulations could cause additional expenses, capital expenditures, restrictions, liabilities and delays in exploration of any of ISM's properties, the extent of which cannot be predicted. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

### *Climate Change*

ISM acknowledges climate change and that the increased regulation of greenhouse gas emissions (known as carbon taxes) may adversely affect ISM's operations and related legislation is becoming more stringent. The effects of climate change or extreme weather events may cause prolonged disruption to the delivery of essential commodities which could negatively affect production efficiency.

ISM makes efforts to mitigate climate risks by ensuring that extreme weather conditions are included in its emergency response plans. However, there is no assurance that the response will be effective, and the physical risks of climate change will not have an adverse effect on ISM's operations and profitability.

### *Changes in Government Regulation*

Changes in government regulations or the application thereof and the presence of unknown environmental hazards on any of ISM's mineral properties may result in significant unanticipated compliance and reclamation costs. Government regulations relating to mineral rights tenure, permission to disturb areas and the right to operate can adversely affect ISM.

ISM may not be able to obtain all necessary licenses and permits that may be required to carry out exploration on any of its projects. Obtaining the necessary governmental permits is a complex, time consuming and costly process. The duration and success of efforts to obtain permits are contingent upon many variables not within our control. Obtaining environmental permits may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary approvals and permits will be obtained and, if obtained, that the costs involved will not exceed those that we previously estimated. It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that we would not proceed with the development or operation.

### *Risks Relating to Statutory and Regulatory Compliance*

ISM's current and future operations, from exploration through development activities and commercial production, if any, are and will be governed by applicable laws and regulations governing mineral claims acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities, generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. ISM has received all necessary permits

for the exploration work it is presently conducting; however, there can be no assurance that all permits which ISM may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis or at all, or that such laws and regulations would not have an adverse effect on any project which ISM may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. ISM may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. ISM is not currently covered by any form of environmental liability insurance. See “*Risk Factors – Insurance Risk*”, below.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on ISM and cause increases in capital expenditures or require abandonment or delays in exploration.

#### *Insurance Risk*

ISM is subject to a number of operational risks and may not be adequately insured for certain risks, including: accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of ISM, personal injury or death, environmental damage or, regarding the exploration activities of ISM, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on ISM’s future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to ISM. If ISM is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which ISM’s activities are subject will be available at all or at commercially reasonable premiums. ISM is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration activities is unavailable or prohibitively expensive. This lack of environmental liability insurance coverage could have an adverse impact on ISM’s future cash flows, earnings, results of operations and financial condition.

#### *The Success of ISM Depends on its Relationships with Local Communities and Indigenous Organizations*

Negative relationships with Indigenous and local communities could result in opposition to ISM’s projects. Such opposition could result in material delays in attaining key operating permits or make certain projects inaccessible to ISM’s personnel. ISM respects and engages meaningfully with Indigenous and local communities at all of its operations. ISM is committed to working constructively with local communities, government agencies and Indigenous groups to ensure that exploration work is conducted in a culturally and environmentally sensitive manner.

### *Aboriginal Title Land Claims*

Aboriginal title rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared Aboriginal title to lands outside of reserve land. ISM's property interests may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of Aboriginal title claims is a matter of considerable complexity. The impact of any such claim on ISM's ownership interest in properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which ISM's property interests are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on ISM's activities. Even in the absence of such recognition, ISM may at some point be required to negotiate with and seek the approval of holders of aboriginal interests in order to facilitate exploration and development work on its property interests, and there is no assurance that ISM will be able to establish a practical working relationship with any Indigenous organization in the area which would allow it to ultimately develop its property interests.

### *Management of Growth*

ISM's success depends to a significant degree upon its ability to attract, retain and motivate skilled and qualified personnel. As it becomes a more mature company in the future, it may find recruiting and retention efforts more challenging. If ISM does not succeed in attracting, hiring and integrating such personnel, or retaining and motivating existing personnel, it may be unable to grow effectively. The loss of any key employee, including members of its management team, and its inability to attract highly skilled personnel with sufficient experience in ISM's industry could harm its business and prospects.

### *Conflicts of Interest*

Certain of ISM's directors and officers are, and may continue to be, involved in other ventures in the mining industry through their direct and indirect participation in corporations, partnerships, joint ventures and other entities that may become potential competitors of ISM. Other than as described in this Circular, ISM has also not entered into non-competition or non-disclosure agreements with any of its directors or officers that could restrict such persons from forming competing businesses or disclosing confidential information about ISM to third parties. Situations may therefore arise in connection with potential acquisitions or opportunities where the interests of ISM's directors and officers conflict with or diverge from the interests of ISM. Directors and officers with conflicts of interest will be required to follow the procedures set out in the Business Corporations Act (British Columbia). See "*Directors And Officers – Conflicts of Interest*" and "*Audit Committee*".

### *COVID-19*

ISM's business, operations and financial condition, and the market price of the ISM Shares on the CSE, could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent 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 a number of countries. The outbreak has caused companies and various international jurisdictions 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, ISM cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in the supply and demand for minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to ISM of

such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact ISM is uncertain and these factors are beyond ISM's control; however, it is possible that COVID-19 may have a material adverse effect on ISM's business, results of operations, and financial condition and the market price of the ISM Shares.

## **18. PROMOTERS**

Ameriwest took the initiative of founding and organizing ISM and its business and operations and, as such, may be considered to be the promoter of ISM for the purposes of applicable securities legislation. At the Effective Date, Ameriwest was the sole (100%) shareholder of ISM and had transferred the Gold Collective to ISM to hold and operate as contemplated by the terms of the Arrangement. See "*General Development Of The Company's Business – General*" and "*Description Of Securities – Prior Sales*".

The claims comprising the Gold Collective have associated costs as reflected in the Carve-Out Financial Statements attached as Schedule "C" to the Listing Statement.

During the 10 years prior to the date of the Listing Statement, Ameriwest has not been subject to:

- (a) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or
- (b) an order similar to a cease trade order, or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days; nor has Ameriwest been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; nor has Ameriwest become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold its assets.

## **19. LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

### **19.1 Legal Proceedings**

ISM is not aware of any material legal proceedings to which ISM or a proposed subsidiary is a party or to which the Gold Collective is subject, nor is ISM aware that any such proceedings are contemplated.

### **19.2 Regulatory Actions**

There are currently no: (a) penalties or sanctions imposed against ISM by a court relating to securities legislation or by a securities regulatory authority; (b) other penalties or sanctions imposed by a court or regulatory body against ISM that would likely be considered important to a reasonable investor in making

an investment decision in ISM; and (c) settlement agreements ISM entered into before a court relating to securities legislation or with a securities regulatory authority since ISM was incorporated.

## **20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Since the Company's incorporation, no director, executive officer, or shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding ISM Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect ISM other than Ameriwest in connection with the Company's incorporation (see "*Corporate Structure*" and "*Promoters*"), the entering into of the Arrangement Agreement (see in the Listing Statement, "*The Ameriwest Arrangement -The Ameriwest Arrangement*"), and the transfer of the Gold Collective to ISM in connection with the Arrangement (see "*General Development Of The Company's Business*"). See also in this Listing Statement, "*Material Contracts*" below.

Certain prior directors and officers of Ameriwest are also directors and officers of ISM. See in the Listing Statement under the heading "*Directors And Officers – Management Details*".

## **21. AUDITORS, TRANSFER AGENTS AND REGISTRARS**

### **21.1 Auditor**

The auditor of ISM is DeVisser Gray LLP, 401-905 West Pender Street, Vancouver, British Columbia, V6C 1L6, who has been the Company's auditor since incorporation.

### **21.2 Transfer Agent and Registrar**

The registrar and transfer agent of ISM and for the ISM Shares is be Endeavor Trust Corporation, Suite 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

## **22. MATERIAL CONTRACTS**

ISM entered into the following material contracts within the two years before the date of this Listing Statement:

1. the Arrangement Agreement; and
2. the asset transfer agreement dated December 2, 2021, between ISM and Ameriwest, pursuant to which ISM acquired a 100% interest in the Quet Gold Ridge and Fire Creek Properties;
3. the asset transfer agreement between dated February 18, 2022, between ISM and Ameriwest, pursuant to which ISM acquired a 100% interest in the ESN Project;
4. the assignment and novation agreement dated December 28, 2021, between ISM, as transferee, Ameriwest, as transferor, and a third party, as obligee, pursuant to which ISM acquired a 45% interest in the Koster Dam Project from Ameriwest; and
5. the joint venture agreement dated December 29, 2021 between the Company and Cariboo Rose Resources Ltd.

## **23. INTEREST OF EXPERTS**

DeVisser Gray LLP, Chartered Professional Accountants, the auditor of ISM, has confirmed that it is independent with respect to ISM within the meaning of the Code of Professional Conduct of Chartered Professional Accountants of British Columbia.

Certain legal matters relating to the Arrangement and ISM were passed upon by McMillan LLP of Vancouver, British Columbia, legal counsel to ISM.

The disclosure with respect to the Koster Dam Project in this Listing Statement is based on the Koster Dam Technical Report prepared by Geoffrey Goodall, P.Geo. The disclosure with respect to the ESN Project in this Listing Statement is based on the ESN Technical Report prepared by Bradley C. Peek M.Sc., C.P.G.

None of the aforementioned persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned companies and partnerships, has received or will receive as a result of the Arrangement a direct or indirect interest in a property of ISM or any associate or affiliate of ISM, nor is currently expected to be elected, appointed or employed as a director, officer or employee of ISM or any associate or affiliate of ISM.

To the knowledge of ISM as of the date hereof, DeVisser Gray LLP, McMillan LLP, Geoffrey Goodall, P.Geo. and Bradley C. Peek, M.Sc., C.P.G. beneficially own, directly or indirectly, in the aggregate, less than one percent of the ISM Shares.

## **24. OTHER MATERIAL FACTS**

There are no other material facts other than as disclosed in the preceding items and that are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to ISM and its securities.

## **25. FINANCIAL STATEMENTS**

### **25.1 Financial Statements**

Copies of the ISM Annual Financial Statements, ISM Interim Financial Statements and Carve-out Financial Statements are attached to the Listing Statement as Schedules “A”, “B” and “C”, respectively.

### **25.2 Re-Qualifying Issuer**

Not applicable.

## CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, ISM Resources Corp. hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to ISM Resources Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, Canada this 23<sup>rd</sup> day of September, 2022

*"Michael Gheyle"*

Michael Gheyle, Chief Executive Officer

*"Graeme Wright"*

Graeme Wright, Chief Financial Officer

*"Glenn Collick"*

Glenn Collick, Director

*"Ryan Arthur"*

Ryan Arthur, Director

**Ameriwest Lithium Inc.**

*"David Watkinson"*

David Watkinson, Chief Executive Officer,  
Promoter

**SCHEDULE "A"**  
**ISM ANNUAL FINANCIAL STATEMENTS**

**[See Attached]**



**ISM RESOURCES CORP.**  
**FINANCIAL STATEMENTS**  
**AS AT JANUARY 31, 2022**  
**AND FOR THE PERIOD FROM INCEPTION OCTOBER 26, 2021 TO JANUARY 31, 2022**  
**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

**To the Directors of ISM Resources Corp.**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of ISM Resources Corp. (the "Company"), which comprise the statement of financial position as at January 31, 2022 and the statements of comprehensive loss, changes in shareholder's equity and cash flows for the period from inception on October 26, 2021 to January 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

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 its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS").

#### **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 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.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

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, 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. 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 IFRS, 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 James Roxburgh.



## Chartered Professional Accountants

Vancouver, BC, Canada  
May 16, 2022

**ISM RESOURCES CORP.**  
**STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
As at

	<b>Note</b>	<b>January 31, 2022</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash		\$ 1,549,969
		<u>1,549,969</u>
<b>Non-current</b>		
Exploration and evaluation assets	5	<u>743,520</u>
<b>TOTAL ASSETS</b>		<u>2,293,489</u>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		
<b>Non-current liability</b>		
Due to Ameriwest Lithium Inc.	5	<u>743,520</u>
		<u>743,520</u>
<b>Shareholder's equity</b>		
Share capital	6	500,000
Share subscriptions	6	1,050,000
Deficit		<u>(31)</u>
		<u>1,549,969</u>
<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		<u>\$ 2,293,489</u>

**Nature and continuance of operations** (Note 1)

**Subsequent events** (Notes 1 and 5)

**Authorized and approved by the Board of Directors on May 16, 2022.**

*"Glenn Collick"*

Director

*"Graeme Wright"*

Director

*The accompanying notes are an integral part of these financial statements.*

**ISM RESOURCES CORP.****STATEMENT OF COMPREHENSIVE LOSS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**

(Expressed in Canadian Dollars)

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<b>EXPENSES</b>	
Office and administration	\$ 31
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (31)</b>
<b>Weighted-average number of shares outstanding</b>	<b>1,299,969</b>
<b>Weighted-average loss per share – basic &amp; diluted</b>	<b>\$ (0.00)</b>

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*The accompanying notes are an integral part of these financial statements.*

**ISM RESOURCES CORP.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**  
(Expressed in Canadian Dollars)

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<b>Cash provided by (used in):</b>	
<b>OPERATING ACTIVITIES</b>	
Net loss for the period	\$ (31)
Cash flows used in operating activities	(31)
<b>FINANCING ACTIVITIES</b>	
Proceeds from share subscriptions	1,050,000
Proceeds from the issuance of common shares	500,000
Cash flows provided by financing activities	1,550,000
<b>Increase in cash</b>	1,549,969
<b>Cash, beginning</b>	-
<b>Cash, end</b>	<b>\$ 1,549,969</b>

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*The accompanying notes are an integral part of these financial statements.*

**ISM RESOURCES CORP.****STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**

(Expressed in Canadian Dollars)

	<b>Note</b>	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Share Subscriptions</b>	<b>Deficit</b>	<b>Shareholder's Equity</b>
<b>Balance, October 26, 2021</b>		-	\$ -	\$ -	\$ -	\$ -
Common shares issued	6	2,001,000	500,000	-	-	500,000
Common shares subscribed	6	-	-	1,050,000	-	1,050,000
Net loss for the period		-	-	-	(31)	(31)
<b>Balance, January 31, 2022</b>		<b>2,001,000</b>	<b>\$ 500,000</b>	<b>\$ 1,050,000</b>	<b>\$ (31)</b>	<b>\$ 1,549,969</b>

*The accompanying notes are an integral part of these financial statements.*

**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**

(Expressed in Canadian Dollars)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

ISM Resources Corp. (the “Company” or “ISM”) was incorporated under the Business Corporations Act (British Columbia) on October 26, 2021. It is a wholly-owned subsidiary of Ameriwest Lithium Inc. (“Ameriwest” or the “Parent”)

The Company’s corporate office and principal address is located at Suite 306, 1110 Hamilton Street, Vancouver, BC, Canada, V6B 2S2.

On March 31, 2022, Ameriwest and ISM entered into an Arrangement Agreement pursuant to which it is proposed that ISM, through a series of transactions, acquire all of Ameriwest’s gold assets on a tax deferred basis and would itself be acquired by Ameriwest’s shareholders. At the conclusion of the transactions set out in the Arrangement Agreement, each Ameriwest shareholder would hold the same number of Ameriwest shares as he, she or it held at the start of the transactions, and approximately one quarter of that number of ISM shares. Ameriwest shareholders will thereafter directly own the shares of ISM in the same proportion, relative to each other, that they own their shares of Ameriwest.

As such, ISM will obtain assets and a distribution of shareholders sufficient to obtain the intended subsequent listing of its common shares for trading on the TSX Venture Exchange.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

**2. BASIS OF PREPARATION**

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

The policies applied in these financial statements are based on IFRS issued as at May 16, 2022, the date the Board of Directors approved these financial statements.

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian Dollars, which is also the Company’s functional currency.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS**

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Judgements and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022****(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS (continued)**

The following is a critical judgment that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- the determination that the Company will continue as a going concern for a minimum of 12 months from the statement of financial position date.

**4. SIGNIFICANT ACCOUNTING POLICIES****Cash**

The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents.

**Exploration and evaluation assets**

The Company's exploration and evaluation assets consist of mineral rights acquired in respect of projects that are at the exploration and evaluation stage.

No amortization charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development assets in property, plant and equipment upon the commencement of mine development.

Exploration and evaluation expenditures in the relevant area of interest are comprised of costs which are directly attributable to:

- Acquisition;
- Assays, Staking, and Mapping;
- Consulting & Professional;
- Drilling;
- Field Work;
- Geological & Geophysical; and
- Travel & Accommodation.

Exploration and evaluation expenditures related to an area of interest where the Company has tenure are capitalized as intangible assets and are initially recorded at cost less impairment.

Exploration and evaluation expenditures also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Where the Company has entered into option agreements to acquire interests in mineral properties that require periodic share issuances, amounts un-issued are not recorded as liabilities since they are issuable entirely at the Company's option. Option payments are recorded as mineral property costs when the payments are made and share issuances are recorded as mineral property costs using the fair market value of the Company's common shares at the date of the issuance.

All capitalized exploration and evaluation expenditures are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The following circumstances indicate that an entity should test exploration and evaluation assets for impairment:

**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**

(Expressed in Canadian Dollars)

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**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

**Financial instruments**

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its cash at FVTPL and classifies Due to Ameriwest Lithium Inc. at amortized cost.

**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022****(Expressed in Canadian Dollars)**

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**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

*Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

*Financial assets at amortized cost*

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

*Equity investments at FTVOCI*

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

*Debt investments at FTVOCI*

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost the Company applies the expected credit loss impairment model.

**Income taxes**

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

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

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to 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.

**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022

(Expressed in Canadian Dollars)

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)****Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as reserves.

**Loss per share**

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

**5. EXPLORATION AND EVALUATION ASSETS**

	<b>Koster Dam, Canada</b>	<b>Quet &amp; Fire, Canada</b>	<b>ESN, USA</b>	<b>Total</b>
<b>Acquisition Costs</b>				
Balance – October 26, 2021	\$ -	\$ -	\$ -	\$ -
Acquired from Ameriwest	146,720	48,500	548,300	743,520
<b>Balance – January 31, 2022</b>	<b>\$ 146,720</b>	<b>\$ 48,500</b>	<b>\$ 548,300</b>	<b>\$ 743,520</b>

*The exploration and evaluation assets acquired from Ameriwest were measured at fair value, with the amount due to Ameriwest expected to be converted to equity upon completion of the Arrangement Agreement. As the fair value of the Company's equity ultimately issued in connection with the Arrangement Agreement was not readily determinable, and given that there had been no substantive change in the ownership of the assets on their acquisition, fair value was based on their current carrying amounts in the accounts of Ameriwest.*

**Koster Dam Property, Canada**

On June 30, 2017, and later amended on October 26, 2018 and June 29, 2020, Ameriwest entered into an option and joint venture agreement, later replaced by an amended and restated option and joint venture agreement (the "Amended Agreement"), whereby Ameriwest was granted the option to acquire up to a 50% interest in 10 mineral claims in the Clinton Mining Division of British Columbia (the "Property"). Pursuant to the Amended Agreement, Ameriwest was granted the sole and exclusive right and option (the "Initial Option") to acquire a 45% right, title and interest in the Property by incurring a total of \$110,495 of expenditures on the Property by October 1, 2020 and the sole and exclusive right and option (the "Second Option") to acquire an additional 5% right, title and interest in the Property by paying \$50,000 in cash within 30 days of exercising the Initial Option.

**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**

(Expressed in Canadian Dollars)

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**5. EXPLORATION AND EVALUATION ASSETS (continued)****Koster Dam Property, Canada (continued)**

If, during the term of the Amended Agreement and so long as the joint venture agreement is still in force, either party or any of its affiliates stakes any interest in mineral claims or any other form of mineral tenure (the “AOI Tenure”) within two kilometers around the perimeter boundaries of the Property or any part thereof (the Area of Interest or “AOI”) located wholly or partly within the AOI, the acquiring party must give notice to the other party of such staking. If staking occurs prior to the formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property. If a non-acquiring party so elects and if the AOI Tenure was staked by Ameriwest or any of its affiliates, the staking or acquisition costs shall constitute expenditures. If a non-acquiring party so elects and if the AOI Tenure was staked by the third party or any of its affiliates, Ameriwest shall reimburse the third party for the staking or acquisition costs and these costs will also constitute expenditures. If such staking occurs after formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property provided that it then holds a participating interest, excluding any interest in any royalty, in the Property. If the AOI Tenure becomes part of the Property, the acquiring party shall be reimbursed its staking costs in proportion to its participating interest and such reimbursement shall be deemed a cost of the joint venture.

On September 30, 2020, Ameriwest notified the third party that it had completed the minimum expenditure required to exercise the Initial Option and thereby acquired a 45% interest in the Koster Dam property.

On December 28, 2021, ISM, as transferee, entered into an Assignment and Novation Agreement (the “Koster Dam ANA”) with Ameriwest, the transferor, and the third party, the Oblige. Pursuant to the Koster Dam ANA, Ameriwest assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Amended Agreement and all rights, benefits, privileges and advantages of Ameriwest to be derived therefrom, to have and to hold the same unto ISM for its sole use and benefit in the same manner and to the same extent as if ISM had been originally named as a party thereto instead of Ameriwest.

On December 29, 2021, the third party and ISM (the “Participants”) entered into a Joint Venture Agreement (the “JV Agreement”). Pursuant to the terms of the JV Agreement, each of the Participants will be liable for their share of costs associated with the exploration, development or operation of the property, with each Participant’s share of costs being equal to their interest in the property. At inception of the JV Agreement, ISM has a 45% interest in the joint venture.

Each Participant’s respective interest will not change so long as each Participant contributes its respective share of costs. At any time after a Participant has elected not to contribute its share of costs, or loses its right to contribute its share of costs, then that Participant’s interest will be reduced in accordance with the terms of the JV Agreement. If the interest of one of the Participants is reduced to 10% or less, their remaining interest will be transferred to the other Participant, and the diluted Participant’s interest will be converted to a royalty interest, being 3.0% of net profits.

Per the terms of the JV Agreement, the Participants will establish a Management Committee consisting of two members, and two alternate members, representing each Participant. One member of the two members appointed by each Participant will be appointed as a voting member, with their number of votes being equal to the interest held by that Participant.

Pursuant to the JV Agreement, the third party will act as the initial managing operator of the joint venture.

**Quet & Fire Property, Canada**

On December 2, 2021, Ameriwest and ISM Resources entered into an Asset Transfer Agreement whereby ISM purchased from Ameriwest a 100% interest in the 8 claims comprising the Quet & Fire Property for a nominal amount.

On April 2, 2022, 6 of the claims comprising this property were consolidated into 3 claims. As a result, the property is comprised of a total of 5 claims.

**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**

(Expressed in Canadian Dollars)

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**5. EXPLORATION AND EVALUATION ASSETS (continued)****ESN Property, USA**

On November 11, 2020, Ameriwest, as transferee, entered into an Assignment and Novation Agreement (the “ANA”) with two companies in the State of Nevada, USA, Emigrant Springs Gold Corporation (“ESGC”), the transferor, and Trend Resources L.L.C. (“Trend”), the Obligee. ESGC and Trend are the original parties to a Mining and Lease Option Purchase Agreement dated August 3, 2020, as amended by an Amendment To Mining Lease Option Agreement dated October 31, 2020 (collectively, called the “Subject Agreement”) pursuant to which Trend granted an option to ESGC to acquire a 100% undivided interest in and to certain mineral claims comprising the Emigrant Springs Project (collectively, the “Property”). Pursuant to the ANA, ESGC assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Subject Agreement and all rights, benefits, privileges and advantages of ESGC to be derived therefrom, to have and to hold the same unto Ameriwest for its sole use and benefit in the same manner and to the same extent as if Ameriwest had been originally named as a party thereto instead of ESGC.

Pursuant to the Subject Agreement, Trend granted ESGC the sole and exclusive right and option to purchase the Property, which includes 17 unpatented mining claims and 16 additional unperfected claims, by paying an aggregate of \$125,000 in cash on or before August 3, 2025 and incurring an aggregate of \$300,000 in exploration expenditures on or in relation to the Property on or before October 31, 2022.

On December 1, 2021, ISM, as transferee, entered into an Assignment and Novation Agreement (the “2021 ANA”) with Ameriwest, as transferor, as well as Trend and ESGC. Pursuant to the 2021 ANA, Ameriwest assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Subject Agreement and the ANA and all rights, benefits, privileges and advantages of Ameriwest to be derived therefrom, to have and to hold the same unto ISM for its sole use and benefit in the same manner and to the same extent as if ISM had been originally named as a party thereto instead of Ameriwest.

On February 4, 2022, Trend, ESGC and ISM entered into an Amending Agreement whereby the parties agreed to amend the Subject Agreement as follows:

- a) The cost of exercising the option to acquire a 100% undivided interest in the ESN property was increased from US\$125,000 to US\$225,000, of which US\$45,000 had previously been paid, leaving a remaining balance of US\$180,000; and
- b) The requirement to incur an aggregate of \$300,000 in exploration expenditures on or in relation to the Property on or before October 31, 2022 was removed.

On February 7, 2022, ISM’s option to acquire a 100% undivided interest in the ESN property was exercised by paying the remaining amount of US\$180,000 (paid by Ameriwest) and issuing 2,000,000 common shares of Ameriwest.

On completion of the acquisition of the Property, in accordance with the terms of the Subject Agreement, ISM granted to ESGC a 2.0% production royalty based on the Net Smelter Returns (“NSR”) from the production or sale of all minerals from the Property, including any additions to the Property resulting from the parties’ location of unpatented mining claims located in the Area of Interest (as defined). ISM has the right to repurchase each 1% of the royalty at the rate of US\$1 million for each 1% within five years after the date of the acquisition.

**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**

(Expressed in Canadian Dollars)

**6. SHARE CAPITAL**

The Company has authorized an unlimited number of common shares without par value.

On October 26, 2021, the Company issued 1,000 common shares for nominal consideration.

On November 29, 2021, the Company issued 2,000,000 common shares at a price of \$0.25 per share for gross proceeds of \$500,000.

During the period ended January 31, 2022, the Company received \$1,050,000 related to a private placement to be completed subsequent to period-end. This amount is recorded as Share subscriptions on the statement of financial position at January 31, 2022.

**7. INCOME TAXES**

A reconciliation of income taxes at a statutory rate of 27% with the reported taxes is as follows:

	January 31, 2022
Net loss	\$ (31)
Expected income tax recovery	(8)
Change in deferred tax assets	8
Deferred income tax recovery	\$ -

The Company's deductible temporary differences and unused tax losses consist of the following amount:

	January 31, 2022
Non-capital loss carry-forwards	\$ 31
	\$ 31

The Company has available for deduction against future taxable income non-capital losses of approximately \$31. These losses, if not utilized, will expire in 2042.

**8. CAPITAL MANAGEMENT**

The Company defines its capital as all components of shareholder's equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. 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 make changes to its capital structure as deemed appropriate under the specific circumstances.

**9. FINANCIAL INSTRUMENT AND RISK MANAGEMENT**

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

**ISM RESOURCES CORP.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022**

(Expressed in Canadian Dollars)

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**9. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**(a) 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. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. There can be no assurance of continued access to significant equity funding. As at January 31, 2022, the Company had cash of \$1,549,969 and no liabilities.

**(c) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company considers this risk to be minimal.

**(d) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

**(e) Commodity Price Risk**

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

**10. COMPARATIVE FINANCIAL STATEMENTS**

As the Company was incorporated on October 26, 2021, there are no comparative amounts reported in the financial statements.



**SCHEDULE “B”**  
**ISM INTERIM FINANCIAL STATEMENTS**

**[See Attached]**

**ISM RESOURCES CORP.**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED APRIL 30, 2022**  
**UNAUDITED – PREPARED BY MANAGEMENT**  
**(Expressed in Canadian Dollars)**

**ISM RESOURCES CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

As at

	Note	April 30, 2022	January 31, 2022
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 1,525,128	\$ 1,549,969
Receivables		1,428	-
Prepays		25,195	-
		<u>1,551,751</u>	<u>1,549,969</u>
<b>Non-current</b>			
Exploration and evaluation assets	5	<u>3,176,081</u>	<u>195,220</u>
<b>TOTAL ASSETS</b>		<b>4,727,832</b>	<b>1,745,189</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>			
<b>Current liability</b>			
Accounts payable		41,145	-
<b>Non-current liability</b>			
Due to Ameriwest Lithium Inc.	5	<u>3,175,315</u>	<u>195,220</u>
		<u>3,216,460</u>	<u>195,220</u>
<b>Shareholder's equity</b>			
Share capital	6	500,000	500,000
Share issue costs		(5,327)	-
Share subscriptions	6	1,055,000	1,050,000
Deficit		<u>(38,301)</u>	<u>(31)</u>
		<u>1,511,372</u>	<u>1,549,969</u>
<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		<b>\$ 4,727,832</b>	<b>\$ 1,745,189</b>

Nature and continuance of operations (Note 1) Authorized and approved by the Board of Directors on June 22, 2022.

Subsequent events (Notes 1 and 5)

*"Glenn Collick"*

Director

*"Graeme Wright"*

Director

*The accompanying notes are an integral part of these financial statements.*

**ISM RESOURCES CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

	<b>Three months ended April 30, 2022</b>
<b>EXPENSES</b>	
Audit fees	\$ 9,500
Office and administration	228
Legal fees	24,426
Meals and entertainment	3,951
Filing fees	165
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (38,270)</b>
<b>Weighted-average number of shares outstanding</b>	<b>1,635,409</b>
<b>Weighted-average loss per share – basic &amp; diluted</b>	<b>\$ (0.00)</b>

*The accompanying notes are an integral part of these financial statements.*

**ISM RESOURCES CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
Unaudited – Prepared by Management

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**Cash provided by (used in):**

**OPERATING ACTIVITIES**

Net loss for the period	\$ (38,270)
Changes in non-cash working capital items:	
Receivables	(1,428)
Prepaid	(25,195)
Trade payables	41,145
Cash flows used in operating activities	<u>(23,748)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Exploration and evaluation assets	<u>(766)</u>
Net cash used in investing activities	<u>(766)</u>

**FINANCING ACTIVITIES**

Proceeds from share subscriptions	5,000
Share issue costs	<u>(5,327)</u>
Cash flows provided by financing activities	<u>(327)</u>

<b>Increase in cash</b>	(24,841)
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<b>Cash, beginning</b>	<u>1,549,969</u>
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<b>Cash, end</b>	<b>\$ 1,525,128</b>
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*The accompanying notes are an integral part of these financial statements.*

**ISM RESOURCES CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

	Note	Number of Shares	Share Capital	Share Subscriptions	Deficit	Shareholder's Equity
<b>Balance, January 31, 2022</b>		<b>2,001,000</b>	<b>\$ 500,000</b>	<b>\$ 1,050,000-</b>	<b>\$ (31)</b>	<b>\$ 1,549,969</b>
Share issue costs			(5,327)			(5,327)
Share subscriptions				5,000		
Net loss for the period		-	-	-	(38,270)	(38,270)
<b>Balance, April 30, 2022</b>		<b>2,001,000</b>	<b>\$ 494,673</b>	<b>\$ 1,055,000</b>	<b>\$ (38,301)</b>	<b>\$ 1,511,372</b>

*The accompanying notes are an integral part of these financial statements.*

**ISM RESOURCES CORP.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended April 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

ISM Resources Corp. (the “Company” or “ISM”) was incorporated under the Business Corporations Act (British Columbia) on October 26, 2021. It is a wholly-owned subsidiary of Ameriwest Lithium Inc. (“Ameriwest” or the “Parent”)

The Company’s corporate office and principal address is located at Suite 306, 1110 Hamilton Street, Vancouver, BC, Canada, V6B 2S2.

On March 31, 2022, Ameriwest and ISM entered into an Arrangement Agreement pursuant to which it is proposed that ISM, through a series of transactions, acquire all of Ameriwest’s gold assets on a tax deferred basis and would itself be acquired by Ameriwest’s shareholders. At the conclusion of the transactions set out in the Arrangement Agreement, each Ameriwest shareholder would hold the same number of Ameriwest shares as he, she or it held at the start of the transactions, and approximately one quarter of that number of ISM shares. Ameriwest shareholders will thereafter directly own the shares of ISM in the same proportion, relative to each other, that they own their shares of Ameriwest.

As such, ISM will obtain assets and a distribution of shareholders sufficient to obtain the intended subsequent listing of its common shares for trading on the Canadian Securities Exchange.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

**2. BASIS OF PREPARATION**

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

The policies applied in these financial statements are based on IFRS issued as at May 27, 2022, the date the Board of Directors approved these financial statements.

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian Dollars, which is also the Company’s functional currency.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS**

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Judgements and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**ISM RESOURCES CORP.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended April 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS (continued)**

The following is a critical judgment that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- the determination that the Company will continue as a going concern for a minimum of 12 months from the statement of financial position date.

**4. SIGNIFICANT ACCOUNTING POLICIES****Cash**

The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents.

**Exploration and evaluation assets**

The Company's exploration and evaluation assets consist of mineral rights acquired in respect of projects that are at the exploration and evaluation stage.

No amortization charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development assets in property, plant and equipment upon the commencement of mine development.

Exploration and evaluation expenditures in the relevant area of interest are comprised of costs which are directly attributable to:

- Acquisition;
- Assays, Staking, and Mapping;
- Consulting & Professional;
- Drilling;
- Field Work;
- Geological & Geophysical; and
- Travel & Accommodation.

Exploration and evaluation expenditures related to an area of interest where the Company has tenure are capitalized as intangible assets and are initially recorded at cost less impairment.

Exploration and evaluation expenditures also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Where the Company has entered into option agreements to acquire interests in mineral properties that require periodic share issuances, amounts un-issued are not recorded as liabilities since they are issuable entirely at the Company's option. Option payments are recorded as mineral property costs when the payments are made and share issuances are recorded as mineral property costs using the fair market value of the Company's common shares at the date of the issuance.

All capitalized exploration and evaluation expenditures are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The following circumstances indicate that an entity should test exploration and evaluation assets for impairment:



**ISM RESOURCES CORP.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended April 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

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**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

**Financial instruments**

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

**ISM RESOURCES CORP.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended April 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

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The Company classifies its cash at FVTPL and classifies Due to Ameriwest Lithium Inc. at amortized cost.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)****Subsequent measurement**

The following accounting policies apply to the subsequent measurement of financial instruments:

***Financial assets at FVTPL***

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

***Financial assets at amortized cost***

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

***Equity investments at FTVOCI***

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

***Debt investments at FTVOCI***

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Impairment of financial instruments**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost the Company applies the expected credit loss impairment model.

**Income taxes**

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

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

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to 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.

**ISM RESOURCES CORP.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended April 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)****Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as reserves.

**Loss per share**

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

**5. EXPLORATION AND EVALUATION ASSETS**

	ESN, USA	Koster Dam, Canada	Quet & Fire, Canada	Total
<b>Acquisition Costs</b>				
Balance – October 26, 2021	\$ -	\$ -	\$ -	\$ -
Acquired from Ameriwest	2,980,095	146,720	48,500	3,175,315
<b>Balance – April 30, 2022</b>	<b>\$ 2,980,095</b>	<b>\$ 146,720</b>	<b>\$ 48,500</b>	<b>\$ 3,175,315</b>

*The exploration and evaluation assets acquired from Ameriwest were measured at fair value, with the amount due to Ameriwest expected to be converted to equity upon completion of the Arrangement Agreement. As the fair value of the Company's equity ultimately issued in connection with the Arrangement Agreement was not readily determinable, and given that there had been no substantive change in the ownership of the assets on their acquisition, fair value was based on their current carrying amounts in the accounts of Ameriwest.*

**Koster Dam Property, Canada**

On June 30, 2017, and later amended on October 26, 2018 and June 29, 2020, Ameriwest entered into an option and joint venture agreement, later replaced by an amended and restated option and joint venture agreement (the "Amended Agreement"), whereby Ameriwest was granted the option to acquire up to a 50% interest in 10 mineral claims in the Clinton Mining Division of British Columbia (the "Property"). Pursuant to the Amended Agreement, Ameriwest was granted the sole and exclusive right and option (the "Initial Option") to acquire a 45% right, title and interest in the Property by incurring a total of \$110,495 of expenditures on the Property by October 1, 2020 and the sole and exclusive right and option (the "Second Option") to acquire an additional 5% right, title and interest in the Property by paying \$50,000 in cash within 30 days of exercising the Initial Option.

**ISM RESOURCES CORP.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended April 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

**5. EXPLORATION AND EVALUATION ASSETS (continued)****Koster Dam Property, Canada (continued)**

If, during the term of the Amended Agreement and so long as the joint venture agreement is still in force, either party or any of its affiliates stakes any interest in mineral claims or any other form of mineral tenure (the “AOI Tenure”) within two kilometers around the perimeter boundaries of the Property or any part thereof (the Area of Interest or “AOI”) located wholly or partly within the AOI, the acquiring party must give notice to the other party of such staking. If staking occurs prior to the formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property. If a non-acquiring party so elects and if the AOI Tenure was staked by Ameriwest or any of its affiliates, the staking or acquisition costs shall constitute expenditures. If a non-acquiring party so elects and if the AOI Tenure was staked by the third party or any of its affiliates, Ameriwest shall reimburse the third party for the staking or acquisition costs and these costs will also constitute expenditures. If such staking occurs after formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property provided that it then holds a participating interest, excluding any interest in any royalty, in the Property. If the AOI Tenure becomes part of the Property, the acquiring party shall be reimbursed its staking costs in proportion to its participating interest and such reimbursement shall be deemed a cost of the joint venture.

On September 30, 2020, Ameriwest notified the third party that it had completed the minimum expenditure required to exercise the Initial Option and thereby acquired a 45% interest in the Koster Dam property.

On December 28, 2021, ISM, as transferee, entered into an Assignment and Novation Agreement (the “Koster Dam ANA”) with Ameriwest, the transferor, and the third party, the Obligee. Pursuant to the Koster Dam ANA, Ameriwest assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Amended Agreement and all rights, benefits, privileges and advantages of Ameriwest to be derived therefrom, to have and to hold the same unto ISM for its sole use and benefit in the same manner and to the same extent as if ISM had been originally named as a party thereto instead of Ameriwest.

On December 29, 2021, the third party and ISM (the “Participants”) entered into a Joint Venture Agreement (the “JV Agreement”). Pursuant to the terms of the JV Agreement, each of the Participants will be liable for their share of costs associated with the exploration, development or operation of the property, with each Participant’s share of costs being equal to their interest in the property. At inception of the JV Agreement, ISM has a 45% interest in the joint venture.

Each Participant’s respective interest will not change so long as each Participant contributes its respective share of costs. At any time after a Participant has elected not to contribute its share of costs, or loses its right to contribute its share of costs, then that Participant’s interest will be reduced in accordance with the terms of the JV Agreement. If the interest of one of the Participants is reduced to 10% or less, their remaining interest will be transferred to the other Participant, and the diluted Participant’s interest will be converted to a royalty interest, being 3.0% of net profits.

Per the terms of the JV Agreement, the Participants will establish a Management Committee consisting of two members, and two alternate members, representing each Participant. One member of the two members appointed by each Participant will be appointed as a voting member, with their number of votes being equal to the interest held by that Participant.

Pursuant to the JV Agreement, the third party will act as the initial managing operator of the joint venture.

**Quet & Fire Property, Canada**

On December 2, 2021, Ameriwest and ISM entered into an Asset Transfer Agreement whereby ISM purchased from Ameriwest a 100% interest in the 8 claims comprising the Quet & Fire Property for a nominal amount.

On April 2, 2022, 6 of the claims comprising this property were consolidated into 3 claims. As a result, the property is comprised of a total of 5 claims.

**ISM RESOURCES CORP.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended April 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

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**5. EXPLORATION AND EVALUATION ASSETS (continued)****ESN Property, USA**

On February 18, 2022, Ameriwest and ISM entered into an Asset Transfer Agreement whereby ISM purchased from Ameriwest a 100% interest in the 33 claims comprising the ESN Property for a nominal amount.

The 33 claims making up the ESN Property are subject to an underlying production royalty based on the Net Smelter Returns (“NSR”) from the production or sale of minerals from the property, at the rate of 2% of the NSR, with the Company having the right to repurchase each 1% of the royalty at the rate of US\$1 million for each 1% within five years after the date of the acquisition of the property.

**6. SHARE CAPITAL**

The Company has authorized an unlimited number of common shares without par value.

On October 26, 2021, the Company issued 1,000 common shares for nominal consideration.

On November 29, 2021, the Company issued 2,000,000 common shares at a price of \$0.25 per share for gross proceeds of \$500,000.

During the period ended January 31, 2022, the Company received \$1,050,000 related to a private placement to be completed subsequent to period-end. This amount is recorded as Share subscriptions on the statement of financial position at January 31, 2022.

**7. CAPITAL MANAGEMENT**

The Company defines its capital as all components of shareholder’s equity. The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. 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 make changes to its capital structure as deemed appropriate under the specific circumstances.

**8. FINANCIAL INSTRUMENT AND RISK MANAGEMENT**

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) 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. The Company’s primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

**ISM RESOURCES CORP.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended April 30, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

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**8. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)**

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. There can be no assurance of continued access to significant equity funding. As at January 31, 2022, the Company had cash of \$1,549,969.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company considers this risk to be minimal.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

(e) Commodity Price Risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

**10. COMPARATIVE FINANCIAL STATEMENTS**

As the Company was incorporated on October 26, 2021, there are no comparative amounts reported in the financial statements.

**SCHEDULE “C”  
CARVE-OUT FINANCIAL STATEMENTS**

**[See Attached]**

**AMERIWEST GOLD COLLECTIVE**

**CARVE OUT FINANCIAL STATEMENTS**

**FOR THE NINE-MONTH INTERIM PERIODS ENDED JANUARY 31, 2022 AND 2021 (UNAUDITED), AND  
FOR THE YEARS ENDED APRIL 30, 2021 AND APRIL 30, 2020 (AUDITED)**

**(Expressed in Canadian Dollars)**



## **Independent Auditor's Report**

To the Directors of ISM Resources Corp. (the "Company")

### **Opinion**

We have audited the accompanying carve-out financial statements of Ameriwest Gold Collective (the "Carve-Out Project", which comprises the Company's principle expected business activity), which comprise the Carve-out statements of financial position as at April 30, 2021 and 2020, and the Carve-out statements of comprehensive loss, changes in owner's net investment and cash flows for the years then ended, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, these carve-out financial statements present fairly, in all material respects, the financial position of the Carve-Out Project as at April 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for Opinion**

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Carve-Out Financial Statements section of our report. We are independent of the Carve-Out Project in accordance with the ethical requirements that are relevant to our audit of the carve-out financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw attention to the basis of preparation of the carve-out financial statements, as described in Note 2 to the carve-out financial statements. As the Carve-out Project has not operated as a separate entity, these carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if the Carve-out Project had been a separate standalone entity during the years presented. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Carve-Out Financial Statements**

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

In preparing the carve-out financial statements, management is responsible for assessing the Carve-Out Project'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 Carve-Out Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Carve-Out Project's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Carve-Out Financial Statements**

Our objectives are to obtain reasonable assurance about whether the carve-out 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 carve-out 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 carve-out 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 Carve-Out Project'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 Carve-Out Project'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 carve-out 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 Carve Out Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The engagement partner on the audit resulting in this independent auditor's report is James Roxburgh.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants**

Vancouver, BC  
May 16, 2022

**AMERIWEST GOLD COLLECTIVE****CARVE OUT STATEMENTS OF FINANCIAL POSITION**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and  
for the years ended April 30, 2021 and 2020 (audited)  
(Expressed in Canadian Dollars)

	Note	January 31, 2022	April 30, 2021	April 30, 2020
<b>ASSETS</b>				
Reclamation deposit	5	\$ 2,750	\$ 2,750	\$ -
Exploration and evaluation assets	5	743,520	618,931	118,315
<b>TOTAL ASSETS</b>		<b>746,270</b>	<b>621,681</b>	<b>118,315</b>
<b>LIABILITIES AND OWNER'S NET INVESTMENT</b>				
<b>Current liabilities</b>				
Trade Payables		7,583	15,175	22,222
		7,583	15,175	22,222
<b>Non-current liabilities</b>				
Trade Payables	6	-	-	33,286
Total liabilities		7,583	15,175	55,508
<b>Owner's Net investment</b>				
Net investment		738,687	606,506	62,807
<b>TOTAL LIABILITIES AND OWNER'S NET INVESTMENT</b>		<b>\$ 746,270</b>	<b>\$ 621,681</b>	<b>\$ 118,315</b>

Nature of operations (Note 1)

Basis of presentation (Note 2)

Subsequent events (Notes 5 and 9)

Approved by the Board of Ameriwest Lithium Inc.

*"Glenn Collick"*

Director

*"James Gheyle"*

Director

*The accompanying notes are an integral part of these carve-out financial statements.*

**AMERIWEST GOLD COLLECTIVE****CARVE-OUT STATEMENTS OF COMPREHENSIVE LOSS**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and  
for the years ended April 30, 2021 and 2020 (audited)  
(Expressed in Canadian Dollars)

	Note	Nine months ended January 31, 2022	Nine months ended January 31, 2021	Year ended April 30, 2021	Year ended April 30, 2020
<b>EXPENSES</b>					
Accounting and audit		\$ 4,532	\$ 38,941	\$ 54,728	\$ 37,870
Legal fees		-	5,332	15,997	-
Management fees	7	5,760	13,300	14,900	-
Office and administration		2,169	1,037	1,936	533
Rent		3,052	4,352	6,656	-
		(15,513)	(62,962)	(94,217)	(38,403)
BC METC refund		-	-	3,172	-
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (15,513)</b>	<b>\$ (62,962)</b>	<b>\$ (91,045)</b>	<b>\$ (38,403)</b>

*The accompanying notes are an integral part of these carve-out financial statements.*

**AMERIWEST GOLD COLLECTIVE****CARVE-OUT STATEMENTS OF CASH FLOWS**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and  
for the years ended April 30, 2021 and 2020 (audited)  
(Expressed in Canadian Dollars)

	Nine months ended January 31, 2022	Nine months ended January 31, 2021	Year ended April 30, 2021	Year ended April 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss for the period	\$ (15,513)	\$ (62,962)	\$ (91,045)	\$ (38,403)
Net cash used in operating activities	(15,513)	(62,962)	(91,045)	(38,403)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Reclamation deposit	-	(2,750)	(2,750)	-
Exploration and evaluation assets	(132,181)	(511,465)	(541,033)	(3,000)
BC METC refund received	-	-	84	9,686
Net cash provided by (used in) investing activities	(132,181)	(514,215)	(543,699)	6,686
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Advances from owners	147,694	577,177	634,744	31,717
Net cash provided by financing activities	147,694	577,177	634,744	31,717
<b>Change in cash</b>	-	-	-	-
<b>Cash, beginning</b>	-	-	-	-
<b>Cash, end</b>	\$ -	\$ -	\$ -	\$ -

**Supplemental cash flow disclosure (Note 8)**

*The accompanying notes are an integral part of these carve-out financial statements.*

**AMERIWEST GOLD COLLECTIVE****CARVE-OUT STATEMENT OF CHANGES IN OWNER'S NET INVESTMENT**

(Expressed in Canadian Dollars)

	<b>Owner's Net Investment</b>
<b>Balance, April 30, 2019</b>	<b>\$ 69,493</b>
Additional net investments by Ameriwest Lithium Inc.	31,717
Net loss for the year	(38,403)
<b>Balance, April 30, 2020</b>	<b>\$ 62,807</b>
Additional net investments by Ameriwest Lithium Inc.	634,744
Net loss for the year	(91,045)
<b>Balance, April 30, 2021</b>	<b>\$ 606,506</b>
Additional net investments by Ameriwest Lithium Inc.	147,694
Net loss for the period	(15,513)
<b>Balance, January 31, 2022</b>	<b>\$ 738,687</b>

The April 30, 2019 balance of Owner's net investment is the aggregate of Ameriwest Lithium Inc.'s ("Ameriwest") historical advances to its Gold Collective business (referred to herein as "GC") comprised of cumulative exploration costs incurred by GC (in respect to the property interests owned at that date) net of the proceeds of any disposals of such interests. The GC, as reported herein, does not include the operations of assets of any gold property interests disposed of by Ameriwest prior to April 30, 2019. Ameriwest historical advances noted above are therefore, again for these purposes, equivalent to its total spending on the GC property interests, inclusive of (for the period subsequent to April 30, 2019 only) estimated general and administrative expenses, as more fully described in Note 2.

*The accompanying notes are an integral part of these carve-out financial statements.*

## **AMERIWEST GOLD COLLECTIVE**

### **NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

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#### **1. CORPORATE INFORMATION AND NATURE OF OPERATIONS**

The Gold Collective ("GC") is anticipated to be acquired by ISM Resources Corp. ("ISM Resources") pursuant to a Plan of Arrangement ("POA") with Ameriwest Lithium Inc. ("Ameriwest") (Note 9). The GC is comprised of mineral exploration-stage gold projects located in Nevada, USA and British Columbia, Canada

On October 26, 2021, ISM Resources was incorporated by Ameriwest as a wholly-owned subsidiary pursuant to the Business Corporations Act of the Province of British Columbia.

GC's corporate office and principal place of business is located at Suite 306, 1110 Hamilton Street, Vancouver, BC, Canada, V6B 2S2.

The continued exploration and development of the GC and the recoverability of amounts shown for exploration and evaluation assets is dependent upon completion of the above-described POA, the GC's ability to obtain the necessary financing to complete the exploration and development of its property interests, and ultimately upon the existence of economically recoverable reserves and future profitable production therefrom or alternatively upon the disposal of some or all of the GC's property interests on an advantageous basis. The amounts shown as exploration and evaluation assets represent net costs to date and do not necessarily represent present or future values.

#### **2. BASIS OF PREPARATION**

These Carve-Out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the guidance of the International Financial Reporting Interpretations Committee, as approved and issued by the International Accounting Standards Board.

The policies applied in these Carve-Out statements are based on IFRS issued as at May 12, 2022, the date the Board of Directors of ISM Resources approved these Carve-Out financial statements.

##### **a) Basis of measurement**

These Carve-Out financial statements have been prepared from the books and records of Ameriwest and purport to represent the historical results of operations, financial position and cash flows of the GC as if it had existed as a stand-alone entity for the periods presented under the management of Ameriwest. Upon the completion of the POA, ISM Resources will cease to be a wholly owned subsidiary of Ameriwest, pursuant to the transactions contemplated by the agreement relating to the POA.

The following basis of preparation for the Carve-Out financial statements has been applied:

- All assets and liabilities directly related to the GC have been attributed herein. These statements do not include assets or liabilities that are not specifically identifiable with the GC;
- Expenses directly related to the GC have been entirely attributed herein;
- During all periods presented herein, the GC received services and support functions from Ameriwest, and the operations of the GC were dependent on Ameriwest's ability to perform these services and support functions. These overhead and administrative expenses have been allocated to the GC based on its proportionate share of total exploration spending for a particular period.
- These Carve-Out financial statements prepared in connection with the POA, present the historical carve-out financial position, results of operations, changes in net investment and cash flows of the GC. These carve-out financial statements have been derived from the accounting records of Ameriwest on a carve-out basis and should be read in conjunction with Ameriwest's annual financial statements and the accompanying notes for the years ended April 30, 2021 and 2020 and the unaudited interim financial statements for the nine-month period ending January 31, 2022.

## **AMERIWEST GOLD COLLECTIVE**

### **NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

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## **2. BASIS OF PREPARATION (continued)**

Management believes the assumptions and allocations underlying the Carve-Out financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by management of Ameriwest to be a reasonable reflection of the utilization of services provided to or the benefit received by the GC during the periods presented. However, the historical results of operations, financial position, and cash flows of the GC may not be indicative of what they might actually have been had the business of the GC been carried out as a separate stand-alone entity, nor are they indicative of what the GS' results of operations, financial position and cash flows may be in the future.

### **a) Presentation and functional currency**

The functional currency of the GC is the Canadian dollar. These Carve-Out financial statements are presented in Canadian dollars.

## **3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of these Carve-Out financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The most significant judgements and estimates in applying the GC's accounting policies include the classification/allocation of expenditures as exploration and evaluation assets or operating expenditures, the determination of impairment of exploration and evaluation assets and any related provisions for their future abandonment, and the allocation of general and administrative expenses as outlined in Note 2. Actual past and future results could differ as a result of imprecision relating to these estimates and judgements.

The determination of the composition of the GC itself, in respect to financial statement reporting, is subject to considerable judgment inclusive of the arbitrarily chosen inception date of April 30, 2019. Under this approach, any otherwise-applicable assets and liabilities in previous years, but not at and subsequent to that date, are explicitly excluded from presentation herein.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Exploration and Evaluation Assets**

The GC's exploration and evaluation assets consist of mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are at the exploration and evaluation stage.

No amortization charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development assets in property, plant and equipment upon the commencement of mine development.



## AMERIWEST GOLD COLLECTIVE

### NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### a) Exploration and Evaluation Assets (continued)

Exploration and evaluation expenditures in the relevant area of interest are comprised of costs which are directly attributable to:

- Acquisition;
- Assays, Staking, and Mapping;
- Consulting & Professional;
- Drilling;
- Field Work;
- Geological & Geophysical; and
- Travel & Accommodation.

Exploration and evaluation expenditures related to an area of interest where the GC has tenure are capitalized as intangible assets and are initially recorded at cost less impairment.

Exploration and evaluation expenditures also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Where the GC has entered into option agreements to acquire interests in mineral properties that require periodic share issuances, amounts un-issued are not recorded as liabilities since they are issuable entirely at the GC's option. Option payments are recorded as mineral property costs when the payments are made and share issuances are recorded as mineral property costs using the fair market value of the GC's common shares at the date of the issuance.

All capitalized exploration and evaluation expenditures are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The following circumstances indicate that an entity should test exploration and evaluation assets for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the GC has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

## AMERIWEST GOLD COLLECTIVE

### NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Mineral Exploration Tax Credit ("METC")

The GC recognizes METC amounts when the GC's METC application is approved by Canada Revenue Agency or when the amount to be received can be reasonably estimated and collection is reasonably assured.

c) Income Taxes

The GC is not a legal entity and accordingly has not filed income tax returns. After the incorporation of ISM Resources and the execution of the transactions outlined related to Ameriwest's POA, the final tax basis of ISM Resources' assets and liabilities will be established. It is expected that GC will then, within ISM Resources, use the balance sheet method of accounting for income taxes.

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

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the GC intends to settle its current tax assets and liabilities on a net basis.

As the tax basis of the GC's assets and liabilities, within ISM Resources, was not applicable at January 31, 2022 or April 30, 2021 nor yet determined subsequently, the calculation of any deferred tax liabilities herein is not yet possible but will continue to be considered on a go-forward basis.

**AMERIWEST GOLD COLLECTIVE****NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

**5. EXPLORATION AND EVALUATION ASSETS**

	<b>Koster Dam, Canada</b>	<b>Quet &amp; Fire, Canada</b>	<b>ESN, USA</b>	<b>Total</b>
<b><u>Acquisition Costs</u></b>				
<b>Balance – April 30, 2019</b>	\$ 2,189	\$ 48,000	\$ -	\$ 50,189
Additions	-	-	-	-
<b>Balance – April 30, 2020</b>	2,189	48,000	-	50,189
Additions	500	-	447,048	447,548
<b>Balance – April 30, 2021</b>	<b>2,689</b>	<b>48,000</b>	<b>447,048</b>	<b>497,737</b>
<b><u>Exploration &amp; Evaluation Expenditures</u></b>				
<b>Balance – April 30, 2019</b>	67,257	-	-	67,257
Assays	399	-	-	399
Consulting & professional	9,495	-	-	9,495
Field work	375	-	-	375
Travel and accommodation	286	-	-	286
Cost Recoveries	(9,686)	-	-	(9,686)
<b>Balance – April 30, 2020</b>	68,126	-	-	68,126
Consulting & professional	4,425	-	30,192	34,617
Field work	11,733	-	-	11,733
Geological & geophysical	15,550	-	-	15,550
Travel and accommodation	938	-	-	938
Cost Recoveries	(9,770)	-	-	(9,770)
<b>Balance – April 30, 2021</b>	<b>91,002</b>	<b>-</b>	<b>30,192</b>	<b>121,194</b>
<b><u>Exploration &amp; Evaluation Assets</u></b>				
<b>Balance – April 30, 2020</b>	\$ 70,315	\$ 48,000	\$ -	\$ 118,315
<b>Balance – April 30, 2021</b>	<b>\$ 93,691</b>	<b>\$ 48,000</b>	<b>\$ 477,240</b>	<b>\$ 618,931</b>

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mining properties. The GC has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing. The exploration and evaluation assets in which the GC has committed to earn an interest are located in Canada and the USA.

**AMERIWEST GOLD COLLECTIVE****NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

**5. EXPLORATION AND EVALUATION ASSETS (Continued)**

	<b>Koster Dam, Canada</b>	<b>Quet &amp; Fire, Canada</b>	<b>ESN, USA</b>	<b>Total</b>
<b><u>Acquisition Costs</u></b>				
<b>Balance – April 30, 2020</b>	\$ 2,189	\$ 48,000	\$ -	\$ 50,189
Additions	500	-	447,048	447,548
<b>Balance – April 30, 2021</b>	2,689	48,000	447,048	497,737
Additions	-	500	26,401	26,901
<b>Balance – January 31, 2022</b>	<b>2,689</b>	<b>48,500</b>	<b>473,449</b>	<b>524,638</b>
<b><u>Exploration &amp; Evaluation Expenditures</u></b>				
<b>Balance – April 30, 2020</b>	68,126	-	-	68,126
Consulting & professional	4,425	-	30,192	34,617
Field work	11,733	-	-	11,733
Geological & geophysical	15,550	-	-	15,550
Travel and accommodation	938	-	-	938
Cost Recoveries	(9,770)	-	-	(9,770)
<b>Balance – April 30, 2021</b>	91,002	-	30,192	121,194
Consulting & professional	2,700	-	12,452	15,152
Field work	-	-	-	-
Geological & geophysical	50,329	-	32,207	82,536
Travel and accommodation	-	-	-	-
Cost Recoveries	-	-	-	-
<b>Balance – January 31, 2022</b>	<b>144,031</b>	<b>-</b>	<b>74,851</b>	<b>218,882</b>
<b><u>Exploration &amp; Evaluation Assets</u></b>				
<b>Balance – April 30, 2021</b>	\$ 93,691	\$ 48,000	\$ 477,240	\$ 618,931
<b>Balance – January 31, 2022</b>	<b>\$ 146,720</b>	<b>\$ 48,500</b>	<b>\$ 548,300</b>	<b>\$ 743,520</b>

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mining properties. The GC has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing. The exploration and evaluation assets in which the GC has committed to earn an interest are located in Canada and the USA.

## AMERIWEST GOLD COLLECTIVE

### NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

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#### 5. EXPLORATION AND EVALUATION ASSETS (continued)

##### **Koster Dam Property, Canada**

On June 30, 2017, Ameriwest entered into an option and joint venture agreement (the “Agreement”) with a third party whereby Ameriwest was granted the option to acquire up to a 100% interest in six (6) mineral claims located in the Clinton Mining Division of British Columbia (the “Property”). Pursuant to the Agreement, Ameriwest was granted the sole and exclusive right and option (the “Initial Option”) to acquire a 50% right, title and interest in the Property by incurring a total of \$110,495 of expenditures on the Property within 12 months (extended to 15 months on April 18, 2018). Upon completing the Initial Option, Ameriwest has the sole and exclusive irrevocable right and option (the “Call Option”) to acquire the remaining 50% right, title and interest in the Property by paying \$400,000 in cash. Concurrently with the Call Option, the third party has the option (the “Put Option”) to dispose of the remaining 50% interest in the Property to Ameriwest. Ameriwest has the right to terminate the Agreement at any time up to the date of exercise of the Initial Option. In the event the Initial Option is completed but neither of the Call Option nor the Put Option are exercised, a joint venture will be formed in accordance with the terms and conditions of the Agreement.

On October 26, 2018, the Agreement was amended and replaced by an amended and restated option and joint venture agreement (the “Amended Agreement”) whereby Ameriwest was granted the option to acquire up to a 50% interest in 10 mineral claims. Pursuant to the Amended Agreement, Ameriwest was granted the sole and exclusive right and option (the “Initial Option”) to acquire a 45% right, title and interest in the Property by incurring a total of \$110,495 of expenditures on the Property within 24 months from June 30, 2017 and the sole and exclusive right and option (the “Second Option”) to acquire an additional 5% right, title and interest in the Property by paying \$50,000 in cash within 30 days of exercising the Initial Option. At any time after June 30, 2018, Ameriwest has the right to exclude any portion of the Property from the Amended Agreement. Ameriwest has the right to terminate the Amended Agreement at any time up to the date of exercise of the Initial Option. In the event that the Initial Option is exercised, and regardless of whether or not the Second Option is exercised, a joint venture will be formed in accordance with the terms and conditions of the Amended Agreement.

On June 29, 2020, an amendment to the Amended Agreement was entered into whereby the due date for completion of the Initial Option was extended to October 1, 2020.

If, during the term of the Amended Agreement and so long as the joint venture agreement is still in force, either party or any of its affiliates stakes any interest in mineral claims or any other form of mineral tenure (the “AOI Tenure”) within two kilometers around the perimeter boundaries of the Property or any part thereof (the Area of Interest or “AOI”) located wholly or partly within the AOI, the acquiring party must give notice to the other party of such staking. If staking occurs prior to the formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property. If a non-acquiring party so elects and if the AOI Tenure was staked by Ameriwest or any of its affiliates, the staking or acquisition costs shall constitute expenditures. If a non-acquiring party so elects and if the AOI Tenure was staked by the third party or any of its affiliates, Ameriwest shall reimburse the third party for the staking or acquisition costs and these costs will also constitute expenditures. If such staking occurs after formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property provided that it then holds a participating interest, excluding any interest in any royalty, in the Property. If the AOI Tenure becomes part of the Property, the acquiring party shall be reimbursed its staking costs in proportion to its participating interest and such reimbursement shall be deemed a cost of the joint venture.

On September 30, 2020, Ameriwest notified the third party that it had completed the minimum expenditure required to exercise the Initial Option and thereby acquired a 45% interest in the Koster Dam property.

On December 28, 2021, ISM Resources, as transferee, entered into an Assignment and Novation Agreement (the “Koster Dam ANA”) with Ameriwest, the transferor, and the third party, the Obligee. Pursuant to the Koster Dam ANA, Ameriwest assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Agreement and the Amended Agreement and all rights, benefits, privileges and advantages of Ameriwest to be derived therefrom, to have and to hold the same unto ISM Resources for its sole use and benefit in the same manner and to the same extent as if ISM Resources had been originally named as a party thereto instead of Ameriwest.

## **AMERIWEST GOLD COLLECTIVE**

### **NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

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## **5. EXPLORATION AND EVALUATION ASSETS (continued)**

### **Koster Dam Property, Canada (continued)**

On December 29, 2021, the third party and ISM Resources (the “Participants”) entered into a Joint Venture Agreement (the “JV Agreement”). Pursuant to the terms of the JV Agreement, each of the Participants will be liable for their share of costs associated with the exploration, development or operation of the property, with each Participant’s share of costs being equal to their interest in the property. At inception of the JV Agreement, ISM Resources has a 45% interest in the joint venture.

Each Participant’s respective interest will not change so long as each Participant contributes its respective share of costs. At any time after a Participant has elected not to contribute its share of costs, or loses its right to contribute its share of costs, then that Participant’s interest will be reduced in accordance with the terms of the JV Agreement. If the interest of one of the Participants is reduced to 10% or less, their remaining interest will be transferred to the other Participant, and the diluted Participant’s interest will be converted to a royalty interest, being 3.0% of net profits.

Per the terms of the JV Agreement, the Participants will establish a Management Committee consisting of two members, and two alternate members, representing each Participant. One member of the two members appointed by each Participant will be appointed as a voting member, with their number of votes being equal to the interest held by that Participant.

Pursuant to the JV Agreement, the third party will act as the initial managing operator of the joint venture.

### **Quet & Fire Property, Canada**

On May 19, 2017, Ameriwest entered into an agreement with an officer and director of Ameriwest whereby Ameriwest purchased the right, title, estate and interest in six (6) claims known as the Quet & Fire Property for a total consideration of \$48,000, consisting of \$41,750 in cash payments and the issuance of 1,250,000 common shares (issued at a fair value of \$6,250).

On December 2, 2021, Ameriwest and ISM Resources entered into an Asset Transfer Agreement whereby ISM purchased from Ameriwest a 100% interest in the claims comprising the Quet & Fire Property for a nominal amount.

### **ESN Property, USA**

On November 11, 2020, Ameriwest, as transferee, entered into an Assignment and Novation Agreement (the “ANA”) with two companies in the State of Nevada, USA, Emigrant Springs Gold Corporation (“ESGC”), the transferor, and Trend Resources L.L.C. (“Trend”), the Oblige. ESGC and Trend are the original parties to a Mining and Lease Option Purchase Agreement dated August 3, 2020, as amended by an Amendment To Mining Lease Option Agreement dated October 31, 2020 (collectively, called the “Subject Agreement”) pursuant to which Trend granted an option to ESGC to acquire a 100% undivided interest in and to certain mineral claims comprising the Emigrant Springs Project (collectively, the “Property”). Pursuant to the ANA, ESGC assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Subject Agreement and all rights, benefits, privileges and advantages of ESGC to be derived therefrom, to have and to hold the same unto Ameriwest for its sole use and benefit in the same manner and to the same extent as if Ameriwest had been originally named as a party thereto instead of ESGC. Ameriwest agreed to pay the following compensation:

- Issued an aggregate of three million common shares of Ameriwest (the “Assignment Fee”) with the shares vesting as follows – 1 million on November 20, 2020, 1 million on May 10, 2021 and 1 million on August 10, 2021;
- On completion of the acquisition of the Property by Ameriwest in accordance with the terms of the Subject Agreement, grant to ESGC a production royalty based on the Net Smelter Returns (“NSR”) from the production or sale of minerals from the Property, at the rate of 2% of the NSR, with Ameriwest having the right to repurchase each 1% of the royalty at the rate of US\$1 million for each 1% within five years after the date of the acquisition;

## AMERIWEST GOLD COLLECTIVE

### NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS (continued)

### ESN Property, USA (continued)

- Complete exploration expenditures of at least \$300,000 or such other amount as is required to complete a first phase exploration program on any interests comprising the Property which is supported by a technical report in the form required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (the “Minimum Exploration Expenditures”) by November 11, 2022; and
- On completing the Minimum Exploration Expenditures and acquiring a 100% undivided interest in and to the property from Trend, subject only to the royalties specified in the Subject Agreement, issue an additional 2 million common shares of Ameriwest.

Pursuant to the Subject Agreement, Trend granted ESGC the sole and exclusive right and option to purchase the Property, which includes 17 unpatented mining claims and 16 additional unperfected claims, by paying an aggregate of \$125,000 in cash (\$15,000 of which was paid by ESGC) on or before August 3, 2025 and incurring an aggregate of \$300,000 in exploration expenditures on or in relation to the Property on or before October 31, 2022. ESGC may in its sole discretion at any time accelerate the payment of the cash payment amounts in order to exercise the option and acquire the Property. ESGC will pay Trend a production royalty based on the NSR from the production or sale of all minerals from the Property, including any additions to the Property resulting from the parties’ location of unpatented mining claims located in the Area of Interest (as defined). The royalty percentage is 2% of the NSR, with ESGC having the right to repurchase 1% of the NSR for \$1 million with Trend retaining the remaining 1%. During the term of the Subject Agreement, ESGC is responsible for paying all required real property taxes and federal mining claim maintenance fees in respect of the Property and performing all required annual claim maintenance assessment work on the Property to satisfy the annual assessment work requirements. The Subject Agreement can be terminated by Trend in the event of an unresolved default and by ESGC by giving 30 days written notice.

On December 1, 2021, ISM Resources, as transferee, entered into an Assignment and Novation Agreement (the “2021 ANA”) with Ameriwest, as transferor, as well as Trend and ESGC. Pursuant to the 2021 ANA, Ameriwest assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Subject Agreement and the ANA and all rights, benefits, privileges and advantages of Ameriwest to be derived therefrom, to have and to hold the same unto ISM Resources for its sole use and benefit in the same manner and to the same extent as if ISM Resources had been originally named as a party thereto instead of Ameriwest.

On February 4, 2022, Trend, ESGC and ISM Resources entered into an Amending Agreement whereby the parties agreed to amend the Subject Agreement as follows:

- a) The cost of exercising the option to acquire a 100% undivided interest in the ESN property was increased from US\$125,000 to US\$225,000, of which US\$45,000 had previously been paid, leaving a remaining balance of US\$180,000; and
- b) The requirement to incur an aggregate of \$300,000 in exploration expenditures on or in relation to the Property on or before October 31, 2022 was removed.

On February 7, 2022, ISM Resources’ option to acquire a 100% undivided interest in the ESN property was exercised by paying the remaining amount of US\$180,000 (paid by Ameriwest) and issuing 2,000,000 common shares of Ameriwest.

### Reclamation Deposit

On September 30, 2020, Ameriwest paid half of the \$5,500 deposited to the Ministry of Energy and Mines for the reclamation permit of Koster Dam property.

## **AMERIWEST GOLD COLLECTIVE**

### **NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS**

For the nine-month interim periods ended January 31, 2022 and 2021 (unaudited), and for the years ended April 30, 2021 and 2020 (audited)

(Expressed in Canadian Dollars)

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#### **6. TRADE PAYABLES**

A third-party vendor had agreed to postpone the payment due date of \$33,286 until August 24, 2021. This amount was classified as non-current liability on the statement of financial position as at April 30, 2020, and was paid in full on August 5, 2020.

#### **7. RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the GC, and include both executive and non-executive directors, and entities controlled by such persons. The GC considers all directors and officers of the GC to be key management personnel.

As at January 31, 2022, April 30, 2021 and April 30, 2020, there were no amounts included within trade payables that are owing to related parties.

During the year ended April 30, 2021, the Company had the following transactions with related parties:

- \$2,400 (2020 - \$nil) to Glenn Collick for management services; and
- \$12,500 (2020 - \$nil) to Sam Eskandari, an officer of the Company, for management services.

During nine-month period ended January 31, 2022, the Company had the following transactions with related parties:

- \$5,760 (2021 - \$800) to Glenn Collick for management services; and
- \$nil (2021 - \$12,500) to Sam Eskandari, an officer of the Company, for management services.

#### **8. SUPPLEMENTAL CASH FLOW DISCLOSURE**

As at April 30, 2021, the GC had \$15,175 (2020 - \$55,508) of Exploration and evaluation assets included in Trade payables.

As at January 31, 2022, the GC had \$7,583 (2021 - \$17,931) of Exploration and evaluation assets included in Trade payables

#### **9. SUBSEQUENT EVENT**

Ameriwest and ISM Resources entered into an Arrangement Agreement dated March 31, 2022. Subject to shareholder approval and regulatory consents, Ameriwest will spin out the GC to its current shareholders on the basis of one ISM Resources share distributed for every four shares of Ameriwest owned, pursuant to the POA. ISM Resources is expected in this manner to achieve a public distribution of its shares, similar to that of Ameriwest, sufficient to allow the subsequent listing of said shares on the TSX-V.



**SCHEDULE “D”  
MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE GOLD COLLECTIVE AS OF  
JANUARY 31, 2022 AND APRIL 30, 2021**

[See Attached]

## **Ameriwest Gold Collective**

### **Management's Discussion and Analysis of Results of Operations and Financial Condition**

For the nine months ended January 31, 2022 and the year ended April 30, 2021

(Expressed in Canadian Dollars)

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#### Introduction

This Management Discussion and Analysis (this "MD&A") of Ameriwest Gold Collective (the "Company" or "GC") has been prepared by management in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of July 25, 2022 and should be read in conjunction with the unaudited interim financial statements for the period ended January 31, 2022, the audited financial statements for the year ended April 30, 2021, and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

#### Overview

The Gold Collective ("GC") is anticipated to be acquired by ISM Resources Corp. ("ISM Resources") pursuant to a Plan of Arrangement ("POA") with Ameriwest Lithium Inc. ("Ameriwest"). The GC is comprised of mineral exploration-stage gold projects located in Nevada, USA and British Columbia, Canada

On October 26, 2021, ISM Resources was incorporated by Ameriwest as a wholly-owned subsidiary pursuant to the Business Corporations Act of the Province of British Columbia.

GC's corporate office and principal place of business is located at Suite 306, 1110 Hamilton Street, Vancouver, BC, Canada, V6B 2S2.

#### Significant Events

##### Spin-out of Gold Properties

On March 31, 2022, Ameriwest entered into an Arrangement Agreement with its 100% owned subsidiary, ISM Resources, whereby Ameriwest intends to spin off its existing non-lithium assets, being the Koster Dam, ESN, and Quet and Fire gold prospects into ISM Resources.

The transaction will be carried out by way of statutory plan of arrangement (the "Spin-Out") pursuant to the Business Corporations Act (British Columbia). Through the Spin-Out, shareholders of Ameriwest will exchange all of the existing issued and outstanding common shares (the "Old Ameriwest Shares") for one new common share of Ameriwest (each, a "New Ameriwest Share") (having identical terms as the existing common shares) and one-quarter of one common share in the capital of ISM Resources ("ISM Shares") for each Old Ameriwest Share. There will be no change in Ameriwest's shareholders' holdings in Ameriwest as a result of the Spin-Out. Holders of options to purchase Ameriwest Shares ("Ameriwest

Options") will receive for each Ameriwest Option held one option to purchase from Ameriwest one New Ameriwest Share and one-quarter of one option of ISM Resources (an "ISM Option"), with each whole ISM Option entitling the holder thereof to purchase from ISM Resources one ISM Share.

Holders of warrants to purchase Ameriwest Shares ("Ameriwest Warrants") will receive for each Ameriwest Warrant held one warrant to purchase from Ameriwest one New Ameriwest Share and one-quarter of one warrant of ISM Resources (an "ISM Warrant"), with each whole ISM Warrant entitling the holder thereof to purchase from ISM Resources one ISM Share.

In connection with the Spin-Out, ISM Resources intends to complete a non-brokered private placement of up to 10,550,000 units of ISM Resources ("Units") at a price of \$0.10 per Unit for aggregate gross proceeds of up to \$1,055,000. Each Unit will be comprised of one ISM Share and one common share purchase warrant of ISM Resources (each warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one ISM Share at an exercise price of \$0.20 for a period of 24 months from the date of issuance.

The proposed Spin-Out will be subject to the terms of the Arrangement Agreement and approval of Ameriwest shareholders at an annual general and special meeting of shareholders. The Spin-Out will also require the approval of the Superior Court of British Columbia and the Canadian Securities Exchange (the "CSE"). Upon successful completion of the Spin-Out, ISM Resources intends to apply to the TSX-V for listing of the ISM shares on the TSX-V. Upon satisfaction of all the outstanding listing requirements of the of the TSX-V, management of ISM Resources anticipates that ISM Resources will be a publicly traded junior mineral exploration company with a portfolio of exploration properties in the United States and Canada and in the view of its management, capitalization sufficient to achieve its business objectives in the near term.

#### Exploration and Evaluation Assets

	ESN, USA	Koster Dam, Canada	Quet & Fire, Canada	Total
<b><u>Acquisition Costs</u></b>				
<b>Balance – January 31, 2022</b>	<b>\$ 548,300</b>	<b>\$ 146,720</b>	<b>\$ 48,500</b>	<b>\$ 743,520</b>

*The exploration and evaluation assets to be acquired from Ameriwest were measured at fair value, with the amount due to Ameriwest expected to be converted to equity upon completion of the Arrangement Agreement. As the fair value of the Company's equity ultimately issued in connection with the Arrangement Agreement was not readily determinable, and given that there had been no substantive change in the ownership of the assets on their acquisition, fair value was based on their current carrying amounts in the accounts of Ameriwest.*

#### **Koster Dam Property, Canada**

On June 30, 2017, and later amended on October 26, 2018 and June 29, 2020, Ameriwest entered into an option and joint venture agreement, later replaced by an amended and restated option and joint venture agreement (the "Amended Agreement"), whereby Ameriwest was granted the option to acquire up to a 50% interest in 10 mineral claims in the Clinton Mining Division of British Columbia (the "Property"). Pursuant to the Amended Agreement, Ameriwest was granted the sole and exclusive right and option (the "Initial Option") to acquire a 45% right, title and interest in the Property by incurring a total of \$110,495 of expenditures on the Property by October 1, 2020 and the sole and exclusive right and option (the "Second Option") to acquire an additional 5% right, title and interest in the Property by paying \$50,000 in cash within 30 days of exercising the Initial Option.

If, during the term of the Amended Agreement and so long as the joint venture agreement is still in force, either party or any of its affiliates stakes any interest in mineral claims or any other form of mineral tenure (the "AOI Tenure") within two kilometers around the perimeter boundaries of the Property or any part thereof (the Area of Interest or "AOI") located wholly or partly within the AOI, the acquiring party must give notice to the other party of such staking. If staking occurs prior to the formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property. If a non-acquiring party so elects and if the AOI Tenure was staked by Ameriwest or any of its affiliates, the staking or acquisition costs shall constitute expenditures. If a non-acquiring party so elects and if the AOI Tenure was staked by the third party or any of its affiliates, Ameriwest shall reimburse the third party for the staking or acquisition costs and these costs will also constitute expenditures. If such staking occurs after formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property provided that it then holds a participating interest, excluding any interest in any royalty, in the Property. If the AOI Tenure becomes part of the Property, the acquiring party shall be reimbursed its staking costs in proportion to its participating interest and such reimbursement shall be deemed a cost of the joint venture.

On September 30, 2020, Ameriwest notified the third party that it had completed the minimum expenditure required to exercise the Initial Option and thereby acquired a 45% interest in the Koster Dam property.

In May 2021, Cariboo Rose Resources Ltd announced the Koster Dam Joint Venture (55% Cariboo Rose and 45% Ameriwest Lithium Inc.) commissioned an airborne geophysical survey on the Koster Dam Project. The survey will be completed by Axiom Exploration Group and will include high resolution magnetics and high precision LiDAR.

In June 2021, Cariboo Rose Resources Ltd announced the Koster Dam Joint Venture (55% Cariboo Rose and 45% Ameriwest Lithium Inc.) had completed the helicopter borne triaxial magnetometer and Lidar survey conducted by Axiom Exploration Group. The information from the survey is currently being processed.

On December 28, 2021, ISM Resources, as transferee, entered into an Assignment and Novation Agreement (the "Koster Dam ANA") with Ameriwest, the transferor, and the third party, the Obligee. Pursuant to the Koster Dam ANA, Ameriwest assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Amended Agreement and all rights, benefits, privileges and advantages of Ameriwest to be derived therefrom, to have and to hold the same unto ISM Resources for its sole use and benefit in the same manner and to the same extent as if ISM Resources had been originally named as a party thereto instead of Ameriwest.

On December 29, 2021, the third party and ISM Resources (the "Participants") entered into a Joint Venture Agreement (the "JV Agreement"). Pursuant to the terms of the JV Agreement, each of the Participants will be liable for their share of costs associated with the exploration, development or operation of the property, with each Participant's share of costs being equal to their interest in the property. At inception of the JV Agreement, ISM Resources has a 45% interest in the joint venture.

Each Participant's respective interest will not change so long as each Participant contributes its respective share of costs. At any time after a Participant has elected not to contribute its share of costs, or loses its right to contribute its share of costs, then that Participant's interest will be reduced in accordance with the terms of the JV Agreement. If the interest of one of the Participants is reduced to 10% or less, their

remaining interest will be transferred to the other Participant, and the diluted Participant's interest will be converted to a royalty interest, being 3.0% of net profits.

Per the terms of the JV Agreement, the Participants will establish a Management Committee consisting of two members, and two alternate members, representing each Participant. One member of the two members appointed by each Participant will be appointed as a voting member, with their number of votes being equal to the interest held by that Participant.

Pursuant to the JV Agreement, the third party will act as the initial managing operator of the joint venture.

In February 2022, the Company engaged Geoffery Goodall to update the NI 43-101 report to include the analyses of the helicopter borne triaxial magnetometer and Lidar survey conducted by Axiom Exploration Group.

### **Quet & Fire Property, Canada**

On May 19, 2017, the Company entered into an agreement with an officer and director of the Company whereby the Company purchased the right, title, estate and interest in six (6) claims known as the Quet & Fire Property for a total consideration of \$48,000, consisting of \$41,750 in cash payments and the issuance of 1,250,000 common shares (issued at a fair value of \$6,250).

On December 2, 2021, Ameriwest and ISM Resources entered into an Asset Transfer Agreement whereby ISM Resources purchased from Ameriwest a 100% interest in the 8 claims comprising the Quet & Fire Property for a nominal amount.

On April 2, 2022, 6 of the claims comprising this property were consolidated into 3 claims. As a result, the property is comprised of a total of 5 claims.

### **ESN Property, USA**

On November 11, 2020, Ameriwest, as transferee, entered into an Assignment and Novation Agreement (the "ANA") with two companies in the State of Nevada, USA, Emigrant Springs Gold Corporation ("ESGC"), the transferor, and Trend Resources L.L.C. ("Trend"), the Obligee. ESGC and Trend are the original parties to a Mining and Lease Option Purchase Agreement dated August 3, 2020, as amended by an Amendment To Mining Lease Option Agreement dated October 31, 2020 (collectively, called the "Subject Agreement") pursuant to which Trend granted an option to ESGC to acquire a 100% undivided interest in and to certain mineral claims comprising the Emigrant Springs Project (collectively, the "Property"). Pursuant to the ANA, ESGC assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Subject Agreement and all rights, benefits, privileges and advantages of ESGC to be derived therefrom, to have and to hold the same unto Ameriwest for its sole use and benefit in the same manner and to the same extent as if Ameriwest had been originally named as a party thereto instead of ESGC. Ameriwest agreed to pay the following compensation:

- Issued an aggregate of three million common shares of Ameriwest (the "Assignment Fee") with the shares vesting as follows – 1 million on November 20, 2020, 1 million on May 10, 2021 and 1 million on August 10, 2021;

- On completion of the acquisition of the Property by Ameriwest in accordance with the terms of the Subject Agreement, grant to ESGC a production royalty based on the Net Smelter Returns ("NSR") from the production or sale of minerals from the Property, at the rate of 2% of the NSR, with Ameriwest having the right to repurchase each 1% of the royalty at the rate of US\$1 million for each 1% within five years after the date of the acquisition;
- Complete exploration expenditures of at least \$300,000 or such other amount as is required to complete a first phase exploration program on any interests comprising the Property which is supported by a technical report in the form required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (the "Minimum Exploration Expenditures") by November 11, 2022; and
- On completing the Minimum Exploration Expenditures and acquiring a 100% undivided interest in and to the property from Trend, subject only to the royalties specified in the Subject Agreement, issue an additional 2 million common shares of Ameriwest.

Pursuant to the Subject Agreement, Trend granted ESGC the sole and exclusive right and option to purchase the Property, which includes 17 unpatented mining claims and 16 additional unperfected claims, by paying an aggregate of \$125,000 in cash (\$15,000 of which was paid by ESGC) on or before August 3, 2025 and incurring an aggregate of \$300,000 in exploration expenditures on or in relation to the Property on or before October 31, 2022. ESGC may in its sole discretion at any time accelerate the payment of the cash payment amounts in order to exercise the option and acquire the Property. ESGC will pay Trend a production royalty based on the NSR from the production or sale of all minerals from the Property, including any additions to the Property resulting from the parties' location of unpatented mining claims located in the Area of Interest (as defined). The royalty percentage is 2% of the NSR, with ESGC having the right to repurchase 1% of the NSR for \$1 million with Trend retaining the remaining 1%. During the term of the Subject Agreement, ESGC is responsible for paying all required real property taxes and federal mining claim maintenance fees in respect of the Property and performing all required annual claim maintenance assessment work on the Property to satisfy the annual assessment work requirements. The Subject Agreement can be terminated by Trend in the event of an unresolved default and by ESGC by giving 30 days written notice.

On February 4, 2022, Trend, ESGC and Ameriwest entered into an Amending Agreement whereby the parties agreed to amend the Subject Agreement as follows:

- a) The cost of exercising the option to acquire a 100% undivided interest in the ESN property was increased from US\$125,000 to US\$225,000, of which US\$45,000 had previously been paid, leaving a remaining balance of US\$180,000; and
- b) The requirement to incur an aggregate of \$300,000 in exploration expenditures on or in relation to the Property on or before October 31, 2022 was removed.

On February 7, 2022, Ameriwest exercised its option to acquire a 100% undivided interest in the ESN property by paying the remaining amount of US\$180,000 and issuing 2,000,000 common shares.

On February 18, 2022, Ameriwest and ISM Resources entered into an Asset Transfer Agreement whereby ISM Resources purchased from Ameriwest a 100% interest in the 33 claims comprising the ESN Property for a nominal amount.

### **Selected Financial Information**

The following table sets forth selected financial information with respect to GC, which information has been derived from and should be read in conjunction with the unaudited financial statements of the GC for the nine-month period ending January 31, 2022 and the audited financial statements for the year ending April 30, 2021.

<b>Income Statement Data</b>	<b>9 Months ended January 31, 2022</b>	<b>Year ended April 30, 2021</b>
Total expenses	(\$15,513)	(\$94,217)
Net loss and comprehensive loss for the period	(\$15,513)	(\$91,045)

  

<b>Financial Position</b>	<b>January 31, 2022</b>	<b>April 30, 2021</b>
Current and total assets	\$746,270	\$621,681
Total liabilities	\$7,583	\$15,175
Owner's Net Investment	\$738,687	\$606,506

### **Discussion of Operations**

GC has had limited operations, has had no revenues, negligible expenses and has made no significant acquisitions or dispositions.

### **Liquidity and Capital Resources**

GC's operations have been funded by Ameriwest, its sole owner.

The GC had a working capital deficit of \$7,583 as at January 31, 2022 (April 30, 2021 - \$15,175).

### **Share Capital**

As this MD&A is based on carve-out financial statements, there is no share capital. Ameriwest owns each of the properties included in GC.

### **Off Balance Sheet Arrangements**

There are no off-balance sheet arrangements to which the Company is committed.

### **Transactions with Related Parties**

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the GC, and include both executive and non-executive directors, and entities controlled by such persons. The GC considers all directors and officers of the GC to be key management personnel.

As at January 31, 2022, April 30, 2021 and April 30, 2020, there were no amounts included within trade payables that are owing to related parties.

During the year ended April 30, 2021, the Company had the following transactions with related parties:

- \$2,400 (2020 - \$nil) to Glenn Collick for management services; and
- \$12,500 (2020 - \$nil) to Sam Eskandari, an officer of the Company, for management services.

During nine-month period ended January 31, 2022, the Company had the following transactions with related parties:

- \$5,760 (2021 - \$800) to Glenn Collick for management services; and
- \$nil (2021 - \$12,500) to Sam Eskandari, an officer of the Company, for management services.

### Proposed Transactions

#### *Arrangement*

ISM Resources will be party to the Arrangement Agreement signed on March 31, 2022 and all related transactions thereunder, pursuant to which it will acquire Ameriwest's interest in the Spin-out assets. As at the date of the MD&A, ISM Resources is Ameriwest's wholly-owned subsidiary and certain officers and directors are also officers and directors of Ameriwest.

### Critical Accounting Estimates and Significant Accounting Judgements

The preparation of the Carve-Out financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The most significant judgements and estimates in applying the GC's accounting policies include the classification/allocation of expenditures as exploration and evaluation assets or operating expenditures, the determination of impairment of exploration and evaluation assets and any related provisions for their future abandonment, and the allocation of general and administrative expenses as outlined in Note 2 of the financial statements. Actual past and future results could differ as a result of imprecision relating to these estimates and judgements.

The determination of the composition of the GC itself, in respect to financial statement reporting, is subject to considerable judgment inclusive of the arbitrarily chosen inception date of April 30, 2019. Under this approach, any otherwise-applicable assets and liabilities in previous years, but not at and subsequent to that date, are explicitly excluded from presentation herein.

### Financial Instruments

The GC's financial instruments consists of the reclamation deposit and trade payables, both of which are accounted for as subsequently measured at amortized cost.

### Contingencies

There are no contingent liabilities.



### Risks and Uncertainties

#### *Early stage – Need for additional funds*

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

#### *Competition*

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

#### *Economic Conditions*

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

#### *Dependence on Management*

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

#### *Conflicts of interest*

The Company's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.