GRID METALS CORP.
INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022

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Notice of no auditor review of interim financial statements:

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

The accompanying interim unaudited condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements.

GRID METALS CORP.
INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
(In Canadian dollars)

	March 31, 2022	December 31, 2021
ASSETS		
Current		
Cash	**$5,891,944**	$2,895,647
Marketable securities, (Note 5)	**26,647**	12,147
Amount receivable from a government	**169,996**	47,162
Prepaids	**415,533**	16,213
Total current assets	**6,504,120**	2,971,169
Capital assets (Notes 6 and 10)	**63,380**	30,359
Total assets	**$6,567,500**	$3,001,528
LIABILITIES		
Current		
Accounts payable and accrued liabilities, (Notes 9 and 13)	**$260,191**	$258,615
Lease obligations, (Note 10)	**12,893**	12,733
Exploraion program advances (Note 11)	**539,980**	-
Flow through share premium, (Note 8(a))	**167,090**	167,090
Total current liabilities	**980,154**	438,438
Non-current		
Term loan payable, (Note 12)	**60,000**	60,000
Long term lease obligations, (Note 10)	**14,712**	17,996
Total liabilities	**1,054,866**	516,434
SHAREHOLDERS' EQUITY		
Capital stock, (Note 7)	**56,894,568**	55,192,232
Contributed surplus	**9,704,280**	9,147,409
Deficit	**(61,086,214)**	(61,854,547)
Total shareholders' equity	**5,512,634**	2,485,094
Total liabilities and shareholders' equity	**$6,567,500**	$3,001,528

Going concern (Note 2)
Commitments and contingencies (Notes 8 and 9)

Approved on Behalf of the Board

'Thomas W. Meredith' Director

'Robin E. Dunbar' Director

GRID METALS CORP.

INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In Canadian dollars)

Three months ended March 31	2022	2021
Expenses		
Exploration and evaluation expenditures	**$ 2,997,298**	$ 932,954
Office, general and administrative	**148,050**	121,176
Professional and consulting fees	**88,330**	50,342
Management fees and directors fees (Note 13)	**66,250**	74,750
Public company costs	**61,056**	67,122
Share-based payments, (Note 7(b))	**550,969**	-
Amortization, (Note 6)	**4,464**	2,788
Flow-through share premium recovery (Note 7(a))	**-**	(519,761)
Loss from operations before the undernoted	**(3,916,417)**	(729,371)
Other income (expense)	**7,000**	9,044
Gain on joint venture transaction	**4,677,750**	-
Net income (loss) and comprehensive loss for the period	**$ 768,333**	$ (720,327)
Net income (loss) per share		
Basic and diluted	**$ 0.01**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**87,646,078**	77,940,388

GRID METALS CORP.

INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
(In Canadian dollars)

	Capital Stock		Contributed		
	# of shares	Amount	Surplus	Deficit	Total
Balance, December 31, 2020	**77,882,099**	**$52,606,067**	**$7,967,037**	**$(58,073,878)**	**$2,499,226**
Common shares issued in connection with unit private placements (Note 7(a))	9,588,363	2,109,440	-	-	2,109,440
Flow through common shares issued in connection with a private placment (Note 7(a))	5,562,240	1,390,560	-	-	1,390,560
Flow through share premium (Note 7(a))	-	(167,090)	-	-	(167,090)
Fair value assigned to warrants issued in connection with the private placement (Note 7(c))	-	(794,763)	794,763	-	-
Cash share issue costs (Note 7(a))	-	(244,365)	-	-	(244,365)
Shares issued for RSU vesting	100,000	25,000	(25,000)	-	-
Shares issued in satisfaction of a property acquisition(Note 7(a))	250,000	46,750		-	46,750
Stock-based compensation (Note 7(b))	-	-	527,840	-	527,840
Warrants expired (Note 7(c))	-	-	(72,000)	72,000	-
Warrants exercised (Note 7(c))	1,109,600	175,402	-	-	175,402
Original fair value of warrants exercised (Note 7(c))	-	45,231	(45,231)	-	-
Net loss for the year	-	-	-	(3,852,669)	(3,852,669)
Balance, December 31, 2021	**94,492,302**	**55,192,232**	**9,147,409**	**(61,854,547)**	**2,485,094**
Common shares issued in connection with unit private placements (Note 7(a))	13,962,404	1,650,356	-	-	1,650,356
Cash share issue costs (Note 7(a))	-	(9,400)	-	-	(9,400)
Shares issued in satisfaction of a property acquisition(Note 7(a))	558,000	61,380	5,902	-	67,282
Stock-based compensation (Note 7(b))	-	-	550,969	-	550,969
Net loss for the period	-	-	-	768,333	768,333
Balance, March 31, 2022	**109,012,706**	**$56,894,568**	**$9,704,280**	**$(61,086,214)**	**$5,512,634**

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

GRID METALS CORP.

INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(In Canadian dollars)

Three months ended March 31,		**2022**		2021
Cash flows used in operating activities				
Net income (loss) for the year	**$**	**768,333**	$	(720,327)
Adjustments not affecting cash				
Shares issued for property acquisition		**61,380**		
Amortization		**4,464**		2,788
Flow-through share premium recovery		**-**		(519,761)
Share based payments		**550,969**		-
Interest on lease obligations		**242**		-
(Gain) loss on marketable securities		**(7,000)**		(9,044)
Changes in non-cash working capital				
Amounts receivable		**(122,834)**		(61,120)
Unrealized loss (gain) on marketable securities		**-**		-
Prepaids		**(399,320)**		(172,553)
Lease obligations		**(3,124)**		-
Accounts payable and accrued liabilities		**1,576**		392,099
Advance on exploration		**539,980**		
Cash flows used in operating activities		**1,394,666**		(1,087,918)
Cash flows used in investing activities				
Additions to capital assets		**(34,232)**		-
Cash flows used in investing activities		**(34,232)**		-
Cash flows from financing activities				
Payment of lease obligations		**(3,495)**		(2,948)
Issuance of common shares and warrants		**1,650,356**		-
Share issue costs		**(9,400)**		-
Term loan proceeds		**-**		-
Warrants issued in satisfaction of a property acquisition		**5,902**		
Share received pursuant to property sale		**(7,500)**		-
Proceeds on sale of maretable securities		**-**		60,218
Proceeds on exercise of warrants		**-**		49,402
Cash flows provided by financing activities		**1,635,863**		106,672
Change in cash for the year		**2,996,297**		(981,246)
Cash, beginning of year		**2,895,647**		3,033,899
Cash, end of year	**$**	**5,891,944**	$	2,052,653

(In Canadian dollars)

1. GENERAL INFORMATION

Grid Metals Corp. (the "Company") was incorporated under the laws of Ontario on July 15, 1997 and is engaged in the business of exploring and developing base and precious metal mineral properties. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The principal business address of the Company is 3335 Yonge Street, Suite 304 Toronto, Ontario, M4N 2M1.

The consolidated financial statements of the Company for the periods ended March 31, 2022 and 2021 were authorized for issue in accordance with a resolution of the Board of Directors on May 30, 2022.

2. GOING CONCERN

The Company's ability to realize the costs it has incurred to date on its properties is dependent upon it being able to identify economically recoverable reserves; to finance their exploration and evaluation costs; to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the reserves; and to attain profitable operations.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the expenditures incurred on the exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, Aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, and political uncertainty.

The Company has cumulative operating losses at March 31, 2022. The Company expects to incur further losses in the exploration and development of its properties. The Company will have an ongoing need for equity financing for working capital and exploration and development of its properties.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations.

Details of deficit and working capital of the Company are as follows:

	March 31, 2022 $	March 31, 2021 $
Deficit	61,086,214	61,854,547
Working capital	5,523,966	2,532,731

3. BASIS OF PREPARATION

These interim unaudited condensed consolidated financial statements are presented in accordance with IFRS and in particular in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). IFRS represents standards and interpretations approved by the

IASB, and are comprised of IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC").

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

These consolidated financial statements include the accounts of the Company; its 72.56% owned Maskwa Nickel Chrome Mines Limited, a Manitoba corporation; its wholly-owned subsidiary, Global Nickel Inc., a Canadian federally incorporated company; and its wholly owned subsidiary1000078824 Ontario Inc., an Ontario corporation. The financial statements of the subsidiaries are consolidated from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated.

Basis of measurement

These consolidated financial statements have been prepared on a going concern basis, under the historical cost basis, except for those financial instruments recorded at Fair Value through Profit and Loss and have been prepared using the accrual basis of accounting except for cash flow information.

Exploration and evaluation assets – acquisition costs and exploration expenditures

All acquisition costs and exploration expenditures relating to properties are expensed as incurred.

Provisions and decommissioning liabilities

Provisions, which include decommissioning liabilities, are liabilities that are uncertain in timing or amount. The Company records a provision when:

(i) the Company has a present obligation, legal or constructive, as a result of a past event;
(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(iii) a reliable estimate can be made of the amount of the obligation.

Constructive obligations are obligations that derive from the Company's actions where:

(i) by an established pattern of past practice, published policies or a sufficiently specific current statement, the Company has indicated to other parties that it will accept certain responsibilities; and
(ii) as a result, the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Provisions are reviewed at the end of each reporting year and adjusted to reflect management's current best estimate of the expenditure required to settle the present obligation at the end of the reporting year. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Provisions are reduced by actual expenditures for which the provision was originally recognized. Where discounting has been used, the carrying amount of a provision increases in each year to reflect the passage of time. This increase (accretion expense) is included in finance costs in the consolidated statement of operations.

The Company did not have any material reclamation provisions or decommissioning liabilities as at March 31, 2022 and 2021.

Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated by assuming that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the year, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share. During the periods ended March 31, 2022 and 2021, all outstanding options, warrants, restricted share units and deferred share units were considered anti-dilutive and were therefore excluded from the diluted loss per share calculation.

Income taxes

Income tax expense comprises current and deferred income tax. Income tax is recognized in the consolidated statement of operations except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

Current income tax

Current income tax expense is based on the results for the year as adjusted for items that are not taxable and not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting year. Management at the end of each reporting year evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the financial statements and their corresponding tax bases used in the computation of taxable profit and are accounted for using the asset and liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Flow-through share financings

The Company periodically finances a portion of its exploration activities through the issue of flow-through shares, which transfers the tax deductibility of exploration expenditures to the investor (referred to as renunciation). Proceeds received on the issuance of such shares up to the value of similar non-flow through shares are credited to capital stock and any difference between that amount and the issue price is recognized as a flow-through share premium and recognized as a liability in the consolidated statement of financial position. Upon renunciation to the investor of the tax benefits associated with the related expenditures, a deferred income tax liability and corresponding deferred income tax expense is recognized, and the liability previously recorded as a flow through share premium is recorded to flow-through share premium income. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred income tax liability and record a recovery on the consolidated statement of operations. The related exploration costs are expensed as incurred.

Foreign currency translation

The Canadian dollar is the functional and reporting currency of the Company's operations. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at historical exchange rates. Revenues and expenses are translated at the rate at the time of the transaction. Any resulting gain or loss is recorded in the consolidated statement of operations.

Share-based payments

The Company applies the fair value method of accounting for share-based payments granted to employees and other individuals providing similar services. The fair value of options is determined using an option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate over the expected life of the option. Each tranche of an option that vests over time is considered a separate award and the fair value of each tranche is expensed over its vesting period with the corresponding credit to contributed surplus. The fair value of options granted is recorded in contributed surplus. Cash consideration received from employees on exercise of options is credited to share capital along with the original grant date fair value of the options exercised. The value of options forfeited before vesting is removed from the option reserve and credited to operations, while the value of options that expire after vesting is credited directly to deficit.

Share-based payments granted to non-employees are measured at the fair value of goods received unless that cannot be reasonably estimated in which case the estimated fair value of the share-based payments is used. The measurement date is generally the date the goods or services are received.

Deferred Share Units (‘‘DSU’’) and Restricted Share Units (“RSU”) where cash-settled, the fair value of the units awarded, representing the fair market value of the Company’s shares is recognized as share-based compensation expense at grant date with a corresponding amount recorded as a share-based liability. The fair value of the units is re-measured at the end of each reporting year and at the date of settlement, with changes in fair value recognized as share-based compensation expense in the year.

Where DSU and RSU are equity-settled, the fair value of the units at the date of grant is charged to the statement of loss over the vesting year. Equity settled units are not subsequently remeasured. Performance vesting conditions are taken into account by adjusting the number of units expected to vest at each reporting date so that, ultimately the cumulative amount recognized over the vesting year is based on the number of units that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the units granted.

Warrants
All warrants issued are valued on the date of grant using the Black-Scholes option pricing model, net of related issue costs and are recorded in contributed surplus. The value of warrants that expire is credited directly to deficit.

Property, equipment and right of use assets
Recognition and Measurement
Capital assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset. Right-of-use assets are measured at the present value of the related obligation discounted by the Company's incremental borrowing rate

Amortization
Equipment and automobile are depreciated annually on a straight-line basis using rates of 20% and 30% respectively. Right-of-use assets are amortized on a straight-line basis over the life of the related obligation.

Segmented information
The Company conducts all of its operations in Canada in one business segment.

Financial assets
Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either Fair Value through Profit or Loss (“FVPL”) or Fair Value through Other Comprehensive Income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of earnings (loss) when the right to receive payments is established.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of earnings (loss). The Company's marketable securities are classified as financial assets at FVPL.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities
Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable, accrued liabilities, term loan payable and lease obligations, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of operations.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

Leases
At inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. Right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Recent and future pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after January 1, 2022 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e., a full-cost approach. Such costs include both the incremental costs of the contract (i.e., costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g., contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of these consolidated financial statements in conformity with IFRS requires management to make 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 periods. Estimates and judgments 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. Actual outcomes can differ from these estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Income taxes and recoverability of potential deferred tax assets

The Company is subject to income, value added, withholding and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(In Canadian dollars)

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting year.

Share-based payments
Management determines the valuation of share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based share awards and warrants are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments may include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Mineral reserve estimates
The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

Contingencies
Refer to Notes 8 and 9.

5. MARKETABLE SECURITIES

The Company's marketable securities have been designated as FVPL and are reported at fair value based on quoted market prices as follows:

	March 31, 2022 $	December 31, 2021 $
Canadian Palladium Resources Inc.	25,000	10,500
Other	1,647	1,647
	26,647	12,147

(In Canadian dollars)

6. CAPITAL ASSETS

The Company's capital assets consist solely of its right of use asset.

	Right-of-Use Asset	Automobile	Total
Cost			
Balance December 31, 2020	$ 26,022	$ -	$ 26,022
Additions	39,033	-	39,033
Balance December 31, 2021	**65,055**	-	**65,055**
Additions	-	37,485	37,485
Balance March 31, 2022	**65,055**	**37,485**	**102,540**
Amortization			
Balance December 31, 2020	22,305	-	22,305
Amortization for the year	12,391	-	12,391
Balance December 31, 2021	**34,696**	-	**34,696**
Additions	3,253	1,211	4,464
Balance March 31, 2022	**37,949**	**1,211**	**39,160**
Net book value			
Balance December 31, 2020	3,717	-	3,717
Balance December 31, 2021	30,359	-	30,359
	$ 27,106	**$ 36,274**	**$ 63,380**

For more information on the Company's right of use asset refer to Note 10.

7. CAPITAL STOCK

(a) Common shares

Authorized

The authorized capital stock of the Company consists of an unlimited number of common shares.

During the period ended March 31, 2022 the following common share activity occurred:

(i) On January 12, 2022 the Company issued a private placement of 13,962,404 shares at $0.1182 each under a private placement for total gross proceeds of $1,650,356 as part of the Lithium Royalty Corp. ("LRC") transaction ;

(ii) On January 12, 2022 the Company issued 558,000 shares in connection with the acquisition via a buy out of the option on the Campus Creek property pursuant to the LRC transaction. The shares were valued at $61,680 being the quoted market value of the shares on the date they were issued.

During the year ended December 31, 2021 the following common share activity occurred:

(i) 100,000 shares were issued in connection with the vesting of restricted share unites ("RSUs"), the shares were valued at $25,000, the fair value of the RSUs on the grant date.

(In Canadian dollars)

(ii) 100,000 shares were issued in connection with the acquisition of the Campus Creek property. The shares were valued at $10,000 being the quoted market value of the shares on the date they were issued.

(iii) 1,109,600 shares were issued in connection with warrants exercised for $175,402. The original fair value of the warrants was $45,231 which amount was transferred from contributed surplus to capital stock.

(iv) 150,000 shares were issued for property payments. The shares were valued at $36,750 being the quoted market value of the shares on the date they were issued.

(v) On May 28, 2021, and June 8, 2021, the Company issued a total of 9,588,363 units at $0.22 each under a private placement for total gross proceeds of $2,109,440; each unit consisted of one common share and one-half warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.33 per share until May 28, 2023. The Company paid share issue costs of $144,620 and issued 435,540 broker warrants in connection with the private placement, of which 291,722 broker warrants expire on May 28, 2023 and 143,818 broker warrants expire on June 8, 2023. Each broker warrant entitles the holder to purchase a common share of the Company at a price of $0.22 until expiration.

(vi) On May 28, 2021, and June 8, 2021, the Company issued a total of 5,562,240 flow through units at $0.25 each under a private placement for total gross proceeds of $1,390,560 of which $167,090 was charged to flow through share premium. Each flow through unit consisted of one flow through common share and one-half warrant. The Company paid share issue costs of $97,745 and issued 386,400 flow through broker warrants in connection with the private placement of which 362,600 broker warrants expire on May 28, 2023 and 23,800 broker warrants expire on June 8, 2023. Each flow through broker warrant entitles the holder to purchase a common share of the Company at a price of $0.25 until expiration. A director of the Company subscribed to 17,240 flow through units.

(b) Stock option plan and stock-based compensation

The Company has a stock option plan to provide employees, directors, officers, and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares.

The following summarizes the employees, directors, officers, and consultants' stock options that have been granted, exercised, expired, vested, or cancelled during the periods ended March 31, 2022 and 2021.

	Number of options	Weighted average exercise price
Balance, December 31, 2020	**4,655,000**	**$ 0.28**
Options granted	1,275,000	0.22
Balance, December 31, 2021	**5,930,000**	**0.27**
Options granted	1,550,000	0.25
Balance, March 31, 2022	**7,480,000**	**$ 0.27**

On March 11, 2022, the Company approved the issuance of 1,550,000 incentive options at an exercise price of $0.25 that vest immediately. The options expire on March 11, 2027, and have been valued at $298,065 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	138%
Risk-free interest rate	1.80%
Expected average life	5 years
Share price	$0.22

(In Canadian dollars)

On October 25, 2021, the Company approved the issuance of 250,000 incentive options at an exercise price of $0.12 per share that vested 100,000 on the grant date, $50,000 on each three month anniversary of the grant date to July 25, 2022. The options expire on October 25, 2026, and have been valued at $28,350 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	170%
Risk-free interest rate	1.42%
Expected average life	5 years
Share price	$0.115

The following table summarizes information about stock options outstanding and exercisable at March 31, 2022:

Expiry date	Number of options	Exercisable	Exercise price
November 1, 2022	1,655,000	1,655,000	$ 0.35
August 21, 2024	100,000	100,000	$ 0.15
February 26, 2025	2,620,000	2,620,000	$ 0.25
June 17, 2025	280,000	280,000	$ 0.25
May 12, 2026	1,025,000	1,025,000	$ 0.25
October 19, 2026	250,000	100,000	$ 0.12
March 11, 2027	1,550,000	1,550,000	$ 0.25
	7,480,000	**7,330,000**	

On March 11, 2022, the Company issued 1,300,000 Deferred Stock Units ("DSU's") to directors of the Company. The DSU's vest immediately and are exercisable on retirement of the holder. There are no other performance criteria. The DSU's have been valued at the market price of the Company's common shares as of the date they were issued. The total charge to operations for the DSU's amounted to $242,000.

On October 19, 2021, the Company issued 100,000 Deferred Stock Units ("DSU's") to directors of the Company. The DSU's vest immediately and are exercisable on retirement of the holder. There are no other performance criteria. The DSU's have been valued at the market price of the Company's common shares as of the date they were issued. The total charge to operations for the DSU's amounted to $12,000.

On May 12, 2021, the Company issued 200,000 Restricted Stock Units ("RSU's") and 950,000 DSU's to officers, directors, and consultants of the Company. The RSU's vest quarterly commencing August 12, 2021; the DSU's vest immediately and are exercisable on retirement of the holder. There are no other performance criteria. Both the RSU's and DSU's have been valued at the market price of the Company's common shares as of the date they were issued. The total charge to operations for both the RSU's and DSU's amounted to $280,967 during the year ended December 31, 2021; the DSU's were valued at $237,500 and the RSU's are subject to graded valuation giving rise to a charge of $43,467 during the year ended December 31, 2021. During the year ended December 31, 2021, 100,000 RSUs vested that had an original estimated fair value of $25,000 which amount was transferred from contributed surplus to capital stock.

(c) Warrants

During the three months ended March 31, 2022 the Company had no warrant activity:

(i) On February 23, 2022, a finders' fee of 50,000 warrants were issued in connection with the acquisition of the Fox River and Thompson East exploration licences. Each warrant entitles the holder to purchase one common share at an exercise price of $0.175 per share until expiry. The warrant value has been estimated at $4,121 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%

(In Canadian dollars)

Expected annual volatility	113%
Risk-free interest rate	1.57%
Expected average life	2 years
Share price	$0.15

During the year ended December 31, 2021 the Company had the following warrant activity:

(i) 1,109,600 warrants were exercised for $175,402. The original fair value of the warrants in the amount of $45,231 was transferred from contributed surplus to share capital.

(ii) On November 29, 2021, 2,250,000 warrants expired that had an original estimated fair value of $72,000, which amount was transferred from contributed surplus to deficit.

(iii) On May 28, 2021, and June 8, 2021, the Company issued a total of 7,575,301 warrants in connection with a private placement, of which 6,536,908 warrants expire on May 28, 2023 and 1,218,393 warrants expire on June 8, 2023. Each warrant entitles the holder to purchase one common share at an exercise price of $0.33 per share until expiry. The warrant value has been estimated at $653,796 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	122%
Risk-free interest rate	0.32%
Expected average life	2 years
Share price	$0.18

(iv) On May 28, 2021, and June 8, 2021, the Company issued 435,540 broker warrants in connection with a private placement, of which 291,722 broker warrants expire on May 28, 2023 and 143,818 broker warrants expire on June 8, 2023. Each broker warrant is exercisable at $0.22 until expiration. The warrant value has been estimated at $75,521 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	122%
Risk-free interest rate	0.32%
Expected average life	2 years
Share price	$0.18

(v) On May 28, 2021, and June 8, 2021, the Company issued 386,400 broker warrants in connection with a private placement, of which 362,600 broker warrants expire on May 28, 2023 and 23,800 broker warrants expire on June 8, 2023. Each broker warrant is exercisable at $0.25 until expiration. The warrant value has been estimated at $65,428 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	122%
Risk-free interest rate	0.32%
Expected average life	2 years
Share price	$0.18

(In Canadian dollars)

A summary of warrant activity from December 31, 2020 to March 31, 2022 is as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2020	**20,312,040**	$ 0.21
Warrants issued under a private placement	7,575,301	$ 0.33
Warrants issued under a private placement	435,540	$ 0.22
Warrants issued under a private placement	386,400	$ 0.25
Warrants expired	(2,250,000)	$ 0.15
Warrants exercised	(1,109,600)	$ 0.16
Balance, December 31, 2021	**25,349,681**	**$ 0.25**
Finders' warrants issued	50,000	$ 0.175
Balance, March 31, 2022	**25,399,681**	**$ 0.25**

The 2,250,000 warrants that expired during the year ended December 31, 2021 had an original estimated fair value of $72,000 which amount was transferred from contributed surplus to deficit.

At March 31, 2022, the following common share purchase warrants were outstanding:

Expiration date	Number of warrants	Exercise price ($)
June 2, 2022	2,850,000	0.260
February 13, 2023	5,796,058	0.200
December 24, 2022	7,410,683	0.220
December 24, 2022	895,699	0.150
May 28, 2023	7,575,301	0.330
May 28, 2024	435,540	0.220
May 28, 2025	386,400	0.250
February 23, 2024	50,000	0.175
Balance, March 31, 2022	**25,399,681**	

8. EXPLORATION AND EVALUATION EXPENDITURES

For the three months ended March 31, 2022

$

	Makwa	Mayville	East Bull Lake	Mayville Lithium	Ferreira	Fox River	Campus Creek	Tanco	Bannockburn	Total
Geological	258,445	50,284	24,180	20,452	-	17,560	-	11,970	37,193	396,143.87
Drilling and related costs	2,219,604	-	-	-	-	-	-	-	-	2,219,604
Geophysics	-	-	5,070	-	-	-	1,464	-	-	6,534
Consulting	19,289	20,040	-	3,721	-	5,010	-	-	-	48,060
Assays	2,804	-	-	-	-	-	4,370	-	-	7,174
Acquisition	20,000	-	- 7,500	-	15,000	5,902	286,380	-	-	319,782
Total	2,520,142	70,324	21,750	24,173	15,000	28,472	292,214 -	11,970	37,193	2,997,298

(In Canadian dollars)

For the three months ended March 31, 2021										
	$									
	Makwa	Mayville	East Bull Lake	Mayville Lithium	Ferreira	Fox River	Campus Creek	Tanco	Bannockburn	Total
Geological	436	10,742	-	-	-	-	-	-	-	11,178
Drilling and related costs	-	-	224,191	-	-	-	-	-	-	224,191
Total	436	10,742	224,191	-	-	-	-	-	-	235,369

It is in the normal course of business for the Company to acquire and divest exploration and evaluation claims based on the results of exploration. Certain of the properties are subject to a net smelter return royalty ("NSR") payable on future mineral production.

MANITOBA

Makwa

The Makwa property is a nickel copper platinum group metal exploration project located near Lac du Bonnet, in southeast Manitoba. During 2004, the Company acquired a 100% interest by acquiring all of the shares of Global Nickel Inc., a federally incorporated company that holds the mineral rights to the Makwa Property. To acquire the shares the Company paid $500,000 cash and issued 6,679,000 common shares valued at $0.43 per share, representing the quoted share price of the Company at the time of the transaction.

The mineral rights of the Makwa Property consist of a mineral lease, a surface lease, and exploration and evaluation assets claims held by the Company. An annual payment of approximately $10,000 must be made to the province of Manitoba to keep the mineral lease and surface lease in good standing. There is a 1.0% NSR royalty on the Makwa property. The Company has the option to purchase 0.5% of the NSR royalty for $500,000.

Mayville

The Mayville property is a copper nickel platinum group metal exploration project located near Lac du Bonnet, in southeast Manitoba. The Company acquired a cumulative 89% interest in the property (consisting of mineral property claims) in 2005. A direct 60% interest was acquired from the vendor for consideration of $90,000 in cash, a note for $165,000 due 18 months from closing (which was paid during 2006), and 700,000 common shares of the Company (issued in 2005).

The additional 29% interest was acquired through the acquisition of a 72.56% interest in Maskwa Nickel Chrome Mines Limited ("MNCM"), a company which holds the remaining 40% interest in the Mayville property. The shares in MNCM were acquired through the issuance of 400,000 common shares of the Company and a cash payment of $120,000. A royalty payment in the amount of $210,000 will be due in five equal annual payments upon the commencement of commercial production on any portion of the MNCM property.

Tanco Property

On June 30, 2010, the Company entered into an option agreement with Tantalum Mining Corporation of Canada Limited ("Tanco") to acquire a 100% interest in the base and precious metal rights on six mining claims in the Mayville area. Pursuant to the terms of the option agreement, the Company made cash option payments totaling $45,000, and incurred expenditures of $312,600. The Company subsequently acquired the rights to lithium and rare metals on the property in 2017 in return for a retained right of Tanco, on normal commercial terms, to purchase products produced from the property. A 2% net smelter royalty is payable on production from the property under the terms of the option .

Donner Lake Lithium (formerly Mayville Lithium)

On January 12, 2021 the Company completed a transaction with Lithium Royalty Corp.("LRC") to create a lithium property in the Mayville/Donner Lake area and sell 25% of the designated property to LRC.A joint venture was formed and 25% of the mineral rights over 5,772 hectares covering lithium and related rare metals over 34 claims from the Mayville Property and the Tanco Property were sold to LRC for a price of US1,250,000. The sale included offtake rights for 25% of products subject to the prior rights of Tanco on the Tanco Property. A 2% gross overriding royalty on lithium and related metals on the entire Donner Lake Property was sold to LRC for an additional US$1.25 million. Grid is the project operator and has retained the base metal and precious metal mineral rights.

(In Canadian dollars)

Northern Manitoba
The Northern Manitoba properties consist of a 100% interest in certain mineral exploration licenses ("MELs") in the western one-third of the Fox River Belt ("Fox River") and the eastern flank of the Thompson Nickel Belt ("Thompson East"). The Company paid a deposit of $51,300 upon filing, equal to the first year cumulative spending requirement for the Fox River MELs. The Thompson East MELs are located approximately 30 km east of the city of Thompson. The Company paid a deposit of $5,250 upon filing, equal to 50% of the first year cumulative spending requirement for the Thompson East MELs. The spending commitments on the MELs are as follows:

	Fox River	Thompson East	
Upon Issue	$ 51,300	$ 5,250	(paid in full)
Year 1	$ -	$ 7,875	
Year 2	$ 51,300	$ 13,125	
Year 3	$ 51,300	$ 78,750	
Year 4	$ 51,300	*	
Year 5	$ 410,400	*	

* Spending commitments subject to renewal.

ONTARIO
East Bull Lake
The East Bull Lake property ("EBL") is a platinum group metals ("PGM") exploration project located in the Sudbury Mining Division, Ontario, Canada. Except for a property package at the east end of the property (the "Shib property") the Company has fulfilled its commitments to earn a 100% interest in the exploration and evaluation assets claims comprising the EBL property subject to an NSR of up to 3% to the underlying option holders.

On April 27, 2020, the Company entered into an option agreement to acquire the Shib property. The Shib property consists of certain boundary cell mining claim units. Under the terms of the Shib property option agreement the Company made an initial cash payment of $15,000 and issued 100,000 common shares of the Company. In order for the Company to earn a 100% interest in the Shib property it would need to make, at its option, additional cash payments and share issuance on each of the subsequent 3 anniversary dates as follows:
- Year 1 - $20,000 and 50,000 shares,
- Year 2 - $30,000 and 50,000 shares,
- Year 3 - $40,000.

The property is subject to a 2% NSR of which 1% can be purchased for $1,000,000; the Company has a right of first refusal on the remaining 1%.

Campus Creek Lithium Property
During the year ended December 31, 2021 the Company entered into an option agreement for the Campus Creek property ("Campus Creek"). Campus Creek consists of 281 mining clams comprising 11,240 hectares in the McNamara Lake area approximately 240 km northwest of Thunder Bay, Ontario. The option enabled the Company the right to earn a 100% interest in the mining claims subject to an 2% NSR interest by incurring annual work expenditures, making annual payments of cash, and issuing common shares as follows:
- On signing - $10,000 and 100,000 shares (paid and issued)
- Year 1 - $20,000, 125,000 shares and $50,000 of work commitments
- Year 2 - $40,000, 133,000 shares and $100,000 of work commitments
- Year 3 - $60,000, 150,000 shares and $200,000 of work commitments
- Year 4 - $80,000, 150,000 shares and $400,000 of work commitments

Pursuant to the deal with LRC the Company formed a joint venture with LRC covering the property and sold 25% of the property to LRC for US$250,000. The Company also sold a 2% gross overriding royalty on the property for

US$1,000,000. On closing of the LRC transaction the Company accelerated the option payments and stock issuances to the Vendor and the work requirements were cancelled.

Bannockburn

The Bannockburn property is a nickel exploration project located in the Sudbury Mining Division, Ontario, Canada. The property package consists of optioned exploration and evaluation assets claims and staked exploration and evaluation assets claims. The Company has completed its option commitments to earn a 100% interest in the core claims comprising the Bannockburn property. The property is subject to a 2% NSR.

9. COMMITMENTS AND CONTINGENCIES

See Notes 6 and 8 for details of other commitments and contingencies.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

During 2020 flow-through common shares were issued in the amount of $3,117,936, and as a result the Company must spend at least $3,117,936 on eligible exploration expenses before December 31, 2021. The Company met its flow-through spending obligations for fiscal 2021. During 2021 flow-through common shares were issued in the amount of $1,390,560, and as a result the Company must spend at least $1,390,560 on eligible exploration expenses before December 31, 2022.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

An employment contract between the Company and its President provides for the following:

a) Upon termination without cause the President is entitled to one month's severance for every year since 1998 to a maximum of twenty-four months, plus a prospective bonus equal to the greater of the last bonus paid to the president or 75% of his then annual salary. In this instance the estimated contingent liability would amount to approximately $481,000.
b) In the event of a change of control if the President is terminated, or constructively dismissed, within nine months of the change of control the President is entitled to two year's remuneration plus a prospective bonus equal to the greater of two times the average annual bonus paid to the president or one year's annual remuneration. In this instance the estimated contingent liability would amount to approximately $567,000

As a triggering event has not occurred, these contingent obligations have not been recorded in these financial statements.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

(In Canadian dollars)

10. LEASE OBLIGATIONS

The Company has a lease for office premises in the amount of $1,165 per month base rent, until April 30, 2024. The Company recognized a right-of-use asset and corresponding lease obligations related to the office premises, analyzed as follows:

	March 31, 2022	December 31, 2021
Balance, beginning of year	$ 30,729	$ 3,891
Additions	-	39,033
Interest	371	1,053
Payments	(3,495)	(13,248)
Balance, end of year	27,605	30,729
Current portion of lease obligations	(12,893)	(12,733)
Long-term portion of lease obligations	**$ 14,712**	**$ 17,996**

11. EXPLORATION PROGRAM ADVANCES

Pursuant to the Donner Lake and Campus Creek lithium exploration and development joint ventures with LRC described in Note 8 (each a "Joint Venture"), the Company is entitled to request cash calls from the minority participants in the Joint Ventures at the beginning of each quarter for their proportionate share of the estimated Exploration Costs, as adjusted pursuant to the Joint Venture Agreements. The following is continuity schedule of the exploration advances:

Balance, December 31, 2021 and 2020	**$ -**
Exploration costs advanced	549,982
Minority share of exploration expenses on lithium joint ventures during the period	(10,002)
Balance, March 31, 2022	**539,980**

12. TERM LOAN PAYABLE

The term loan payable of $60,000 was taken by the Company under the Canada Emergency Business Assistance program. As long as 75% of the principal amount of the loan is repaid on or prior to December 31, 2023, which the Company intends to do, the terms of the loan are as follows:

a. It is unsecured,
b. Non-interest bearing,
c. The remaining 25% will be forgiven. The forgiveness of the remaining 25% will not be recognized until the 75% has been repaid.

13. RELATED PARTY TRANSACTIONS

Director's fees, professional fees and other compensation of directors and key management personnel were as follows for the three months ended March 31, 2022:

	2022	2021
	$	$
Short-term compensation and benefits	**192,383**	145,873
Share-based payments (stock option, RSU and DSU grants)	**444,654**	-
Total key management compensation	**637,037**	145,873

Short-term compensation and benefits charged to exploration and evaluation expenditures amounted to $60,120 (2021 – $71,123).

Amounts due to key management personnel included in accounts payable amounted to $23,584 (2021 – $21,835).

Legal fees were charged by a legal firm during the period ended December 31, 2021, of which an officer of the Company is an employee, for legal and corporate secretarial services in the amount of $25,832 (2021 - $16,350). Accounts payable and accrued liabilities includes $nil owing to the legal firm (2021 – $4,171).

Amounts due to related parties included in accounts payable are unsecured, non-interest bearing and due on demand.

See also Notes 7(a), 7(b) and 9.

14. FINANCIAL INSTRUMENTS

The carrying amounts for cash, amounts receivable, accounts payable and accrued liabilities approximate their estimated fair value due to the short-term nature of these financial instruments.

Cash and amounts receivable are recorded at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Marketable securities are classified as FVPL, are measured at their fair value, and are classified as Level 1 within the fair value hierarchy. Changes in fair value are included in profit and loss.

Accounts payable and accrued liabilities, lease obligations and term loan payable are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

The Company's risk exposures and the impact on its financial investments, as summarized below, have not changed significantly for the periods ended March 31, 2022 and 2021.

Credit Risk
The Company’s credit risk is primarily attributable to amounts receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to the financial instruments included in accounts receivable is remote.

Liquidity Risk
The Company's main source of liquidity is derived from its common stock issuances. As at March 31, 2022, the Company had current assets of $6,504,120 (December 31, 2021 - $2,971,169) to settle current liabilities of $980,154 (December 31, 2021 - $438,438). Current liabilities include un-renounced flow through share premium, which will be a non-cash item on settlement, of $167,090 (2021 - $167,090). All of the Company's financial liabilities have contractual maturities that are subject to normal trade terms.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company monitors its cash balances and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

Market Risk
Foreign Currency Risk
The Company's functional and reporting currency is the Canadian dollar, and all expenditures are transacted in Canadian dollars. As a result, the Company’s exposure to foreign currency risk is minimal.

Price Risk
The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. As the Company's properties are in the exploration and evaluation stage and to date do not contain any identified mineral resources or reserves, the Company does not hedge against commodity price risk.

Sensitivity Analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:
(i) The Company receives low interest rates on its cash balances and, as such, the Company does not have significant interest rate risk.
(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

15. CAPITAL MANAGEMENT

Capital management is reflected by the manner in which the Company manages its capital stock. The Company's objectives when managing capital are:
a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stake-holders;
b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and
c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

There were no significant changes in the Company's approach to capital management during the periods ended March 31, 2022 and 2021.

As at March 31, 2022, the Company's capital stock was $56,894,568 (December 31, 2021 - $55,192,232). The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at March 31, 2022, the Company believes it is compliant with the policies of the TSXV.