Nevada Exploration Inc

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED APRIL 30, 2022 AND 2021

TSXV: NGE
OTCQB: NVDEF

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nevada Exploration Inc.

Opinion

We have audited the consolidated financial statements of Nevada Exploration Inc. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022 and 2021 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $3,936,559 during the year ended April 30, 2022 and that further funds will be required to fund activities for the upcoming year. As stated in Note 1, these events or conditions, along with other matters that are set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
August 26, 2022
Toronto, Ontario

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	April 30, 2022	April 30, 2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 501,371	$ 1,026,796
Other receivables (Note 3)	14,398	19,254
Prepaid expenses (Note 4)	1,793,290	288,037
Short term investments (Note 5)	25,831	40,119
Total current assets	2,334,890	1,374,206
Non-current assets		
Equipment and intangible assets (Note 7)	158,723	202,903
Deposits and bonds (Note 9)	75,460	72,925
Total non-current assets	234,183	275,828
Total assets	$ 2,569,073	$ 1,650,034
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 and 10)	$ 422,081	$ 502,576
Total liabilities	422,081	502,576
Equity		
Capital stock (Note 11)	35,327,467	31,767,966
Reserves (Note 11)	6,395,546	5,117,687
Deficit	(39,576,021)	(35,738,195)
Total equity	2,146,992	1,147,458
Total liabilities and equity	$ 2,569,073	$ 1,650,034

Nature of operations, continuance of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent events (Note 11 and 18)

Approved and authorized on behalf of the Board on: August 26, 2022

"James Buskard" Director *"Darcy Higgs"* Director

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

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended April 30, 2022	Year ended April 30, 2021
EXPENSES		
Amortization (Note 7)	$ 102,338	$ 91,395
Equipment and vehicles	18,415	62
Exploration and evaluation expenditures (Note 8)	2,108,095	1,430,084
Filing fees	84,209	70,066
Foreign exchange	10,950	30,633
Interest and bank charges	2,474	5,472
Investor relations	340,394	239,666
Office expenses and other	129,098	70,470
Professional fees and consultants (Note 6)	249,730	256,087
Rent	161,195	137,678
Salaries (Note 6)	365,718	355,734
Software	123,129	40,900
Share-based payments (Note 6 and 11)	389,960	640,751
Travel	19,441	8,527
Total operating expenses	(4,105,146)	(3,377,525)
OTHER INCOME (EXPENSE)		
Gain (loss) on disposal of equipment	182,841	(1,793)
Interest income	34	103
Unrealized gain (loss) on short term investments (Note 5)	(14,288)	31,616
Total other items	168,587	29,926
Net loss for the year	(3,936,559)	(3,347,599)
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that may be reclassified to profit or loss:		
Currency translation adjustment	45,490	(17,924)
Total comprehensive loss for the year	$ (3,891,069)	$ (3,365,523)
Basic and diluted loss per common share	$ (0.03)	$ (0.03)
Weighted average number of common shares Outstanding	145,339,105	113,327,264

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

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					
	Shares (Note 11)	Amount (Note 11)	Options (Note 11)	Warrants (Note 11)	Currency Translation	Total Reserves	Deficit	Total Equity
Balance, May 1, 2020	101,874,816	$ 29,626,721	$ 1,807,808	$ 1,615,982	$ (25,385)	$ 3,398,405	$ (32,892,546)	$ 132,580
Private placements	28,948,000	3,806,000	-	-	-	-	-	3,806,000
Relative fair value of unit warrants issued	-	(1,337,668)	-	1,337,668	-	1,337,668	-	-
Finder’s shares	639,744	79,968	-	-	-	-	-	79,968
Finder`s warrants	-	(115,669)	-	115,669	-	115,669	-	-
Options exercised	300,000	89,900	(44,900)	-	-	(44,900)	-	45,000
Share issuance costs	-	(191,318)	-	-	-	-	-	(191,318)
Share-based payments	-	-	640,751	-	-	640,751	-	640,751
Options expired/forfeited	-	-	(501,950)	-	-	(501,950)	501,950	-
Warrants expired	-	35,105	-	(35,105)	-	(35,105)	-	-
Revaluation of warrants on extension	-	(225,073)	-	225,073	-	225,073	-	-
Currency translation adjustment	-	-	-	-	(17,924)	(17,924)	-	(17,924)
Net loss for the year	-	-	-	-	-	-	(3,347,599)	(3,347,599)
Balance, April 30, 2021	131,762,560	$ 31,767,966	$ 1,901,709	$ 3,259,287	$ (43,309)	$ 5,117,687	$ (35,738,195)	$ 1,147,458
Balance, May 1, 2021	131,762,560	$ 31,767,966	$ 1,901,709	$ 3,259,287	$ (43,309)	$ 5,117,687	$ (35,738,195)	$ 1,147,458
Private placements	36,538,460	4,750,000	-	-	-	-	-	4,750,000
Relative fair value of unit warrants issued	-	(1,616,517)	-	1,616,517	-	1,616,517	-	-
Finder’s shares	320,600	41,678	-	-	-	-	-	41,678
Finder`s warrants	-	(157,073)	-	157,073	-	157,073	-	-
Warrants expired	-	980,972	-	(980,972)	-	(980,972)	-	-
Revaluation of warrants on extension	-	(148,524)	-	148,524	-	148,524	-	-
Share issuance costs	-	(291,035)	-	-	-	-	-	(291,035)
Share-based payments	-	-	389,960	-	-	389,960	-	389,960
Options expired/forfeited	-	-	(98,733)	-	-	(98,733)	98,733	-
Currency translation adjustment	-	-	-	-	45,490	45,490	-	45,490
Net loss for the year	-	-	-	-	-	-	(3,936,559)	(3,936,559)
Balance, April 30, 2022	168,621,620	$ 35,327,467	$ 2,192,936	$ 4,200,429	$ 2,181	$ 6,395,546	$ (39,576,021)	$ 2,146,992

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

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended April 30, 2022	Year ended April 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (3,936,559)	$ (3,347,599)
Items not affecting cash:		
Amortization	102,338	91,395
Share-based payments	389,960	640,751
(Gain)/loss on sale of equipment	(182,841)	1,793
Unrealized (gain)/loss on short term investments	14,288	(31,616)
Changes in non-cash working capital items:		
Accounts receivable	4,856	89,909
Prepaid expenses	(1,505,253)	(278,688)
Deposits and bonds	-	17,250
Accounts payable and accrued liabilities	(80,495)	186,647
Net cash used in operating activities	(5,193,706)	(2,630,158)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment and intangible assets	(60,720)	(169,530)
Proceeds on sale of equipment	189,910	31,497
Net cash provided by (used in) investing activities	129,190	(138,033)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	4,750,000	3,806,000
Share issuance costs	(249,357)	(111,350)
Proceeds from options exercised	-	45,000
Net cash provided by financing activities	4,500,643	3,739,650
Effect of foreign exchange	38,448	6,163
Change in cash and cash equivalents for the year	(525,425)	977,622
Cash and equivalents, beginning of year	1,026,796	49,174
Cash and equivalents, end of year	$ 501,371	$ 1,026,796
Supplemental cash flow information		
Issuance of shares for settlement of finders’ fees	$ 41,678	$ 79,968

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

1. NATURE OF OPERATIONS, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Nevada Exploration Inc. (the "Company" or "NGE") was incorporated on April 6, 2006 under the Canada Business Corporations Act and is in the business of acquiring and exploring mineral properties.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "NGE" and on the OTCQB marketplace under the trading symbol "NVDEF". The Company's head office is located at Suite 1400 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company's registered and records office is located at 25th Floor, 700 West Georgia St., Vancouver, BC V7Y 1B3.

These consolidated financial statements are authorized for issue on behalf of the Board of Directors on August 26, 2022.

Continuance of operations and going concern

These consolidated financial statements have been prepared on a going-concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business. These consolidated financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material. The business of mining and exploring 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 Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company has not produced revenues from its exploration activities and does not have a regular source of cash flow, and incurred losses for the year of $3,936,559 (2021 – $3,347,599). The Company also has working capital of $1,912,809 at April 30, 2022 (April 30, 3021 - $871,630). The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so there is no assurance it will be able to do so in the future. The Company estimates that it will need additional capital to operate for the upcoming year. Refer to Note 18, Subsequent Events. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. During the year ended April 30, 2022, the Company received gross proceeds of $4,750,000 from the issuance of 36,538,460 common shares of the Company.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on our financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. The Company has taken measures to contain the spread of COVID-19 and is proceeding with its exploration activities, as long as the work environment remains safe.

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 unregistered prior agreements, unregistered claims and noncompliance with regulatory and environmental requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance (cont'd…)

The significant accounting policies below have been applied consistently to all periods. These periods are based on IFRS effective as of April 30, 2022.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Pediment Gold LLC. The financial statements of the Company's subsidiary have been consolidated from the date that control commenced. All inter-company balances and transactions, and income and expenses have been eliminated upon consolidation.

The consolidated financial statements include the financial statements of Nevada Exploration Inc. and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Functional Currency	Ownership Interest	Principal Activity
Pediment Gold LLC	USA	US dollar	100%	Exploration company

Use of judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

i) the estimated useful lives of equipment and intangible assets and the related amortization;
ii) impairment of equipment;
iii) valuation of share-based payments and warrants;
iv) estimated amounts for environmental rehabilitation provisions; and
v) going concern.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency of the Company's wholly-owned subsidiary Pediment Gold LLC is the US dollar.

Share issuance costs

Professional fees, consulting fees and other costs that are directly attributable to financing transactions are charged to capital stock when the related shares are issued. If the financing is not completed share issue costs are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Cash and cash equivalents

Cash and cash equivalents consist of cash held with banks and highly liquid short-term investments in high interest saving accounts which can be withdrawn at any time, which, in the opinion of management, is subject to an insignificant risk of changes in value. As at April 30, 2022, the Company held cash and Guaranteed Investment Certificates ("GIC").

Equipment and intangible assets

Equipment and intangible assets are recorded at historical cost less accumulated amortization and impairment charges. Equipment and intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Exploration equipment	5 years
Vehicles	5 years
Computer equipment	3 years
Software	3 years

The cost of replacing a piece of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

Intangible assets acquired separately are measured on initial recognition at cost. Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized if the Company can demonstrate each of the following criteria: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) its intention to complete the intangible asset and use or sell it; (iii) its ability to use or sell the intangible asset; (iv) how the intangible asset will generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development; otherwise, they are expensed as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Resource properties – exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Impairment

At the end of each reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment (cont'd…)

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units ("CGU's") for impairment purposes. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit and loss for the period.

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

Income taxes

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

Deferred taxes are recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that do not affect either accounting or taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize that excess.

Provision for environmental rehabilitation

The Company recognizes the fair value of a liability for the provision for environmental rehabilitation in the year in which it is incurred when a reliable estimate of fair value can be made.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the consolidated statement of comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability. As at April 30, 2022 and 2021, the Company has not recorded any provision for environmental rehabilitation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to capital stock and the relative fair value of the warrant component is credited to warrants reserve. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in warrants reserve is recorded as an increase to capital stock. Upon expiration of warrants, the amount applicable to warrants expired is recorded as an increase to capital stock.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of employee stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be reliably measured, they are measured at the fair value of the share-based payment consideration. Consideration paid for the shares on the exercise of stock options together with the fair value of the stock options previously recognized is credited to capital stock. When vested options are not exercised by the expiry date, the amount previously recognized in share-based payment is transferred to deficit. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

Basic and diluted loss per common share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders by the weighted average number of common shares outstanding for the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. As at April 30, 2022 and 2021, all warrants and options outstanding are anti-dilutive.

Receivables

Receivables are recorded at face value less any provisions for uncollectible amounts considered necessary.

Revenue recognition

Interest income and costs are recognized as they accrue in the statement of operations, using the effective interest rate.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At period end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate, and non-monetary assets and liabilities, at the historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at different rates from those at which they are translated on initial recognition during the period or in previous consolidated financial statements are recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Foreign currencies (Cont'd…)

For the purpose of presenting consolidated financial statements, the assets and liabilities of Pediment Gold LLC are expressed in Canadian dollars using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income and reported as currency translation reserve in equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form a part of the net investment in the foreign operation, are recognized in foreign currency translation in the currency translation reserve.

Financial instruments

The following table summarizes the Company's classification and measurement of financial assets and financial liabilities:

Financial Assets:	**Classification Under IFRS 9**
Cash and cash equivalents	Amortized cost
Receivables (excluding GST receivable)	Amortized cost
Short-term investments	Fair value through profit or loss
Deposits and bonds	Amortized cost
Financial Liabilities:	
Accounts payable and accrued liabilities	Amortized cost

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

<u>Financial assets</u>

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

a) Fair value through profit or loss – financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Changes in fair value are recognized in the statement of income (loss).

b) Amortized cost – financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flow represents solely payments of principal and interest.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

c) Fair value through other comprehensive income – A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

The Company classifies all financial liabilities at amortized cost, except for financial liabilities at fair value through profit or loss or financial liabilities that have been designated fair value through profit or loss on initial recognition.

Initial recognition

A financial asset or financial liability classified as amortized cost is initially recognized by the Company at its fair value less transaction costs that are directly attributable to the acquisition of issuance of the financial asset or financial liability. Transaction costs on financial assets or liabilities designated as fair value through profit or loss are expensed.

Subsequent measurement

The Company will subsequently measure a financial instrument based on its classification. Financial assets and financial liabilities classified as subsequently measured at amortized cost will be measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. The amortization of the effective interest is recognized in profit or loss. Financial assets at fair value through other comprehensive income will have subsequently measured changes in fair value recognized in other comprehensive income. Gains and losses of financial assets and financial liabilities classified as subsequently measured at fair value through profit or loss are recognized in net profit and loss.

Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial assets expire, or the Company has transferred its contractual rights to receive cash flows from the financial asset or assumes an obligation to pay the cash flows in full without material delay to a third party and has transferred substantially all of the risks and rewards of the asset, or has neither transferred or retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized with it is extinguished, that is when the obligation is discharged, cancelled, or expires. A financial liability is extinguished when the debtor discharges the liability by paying in cash other financial assets, goods or services, or is legally released from the liability.

Impairment of a financial asset

The Company assesses at the end of each reporting period whether there is any objective evidence of impairment of a financial asset or group of financial assets.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses. As at April 30, 2022 and 2021, no provisions were recorded.

New Pronouncements

IAS 1 – Presentation of Financial Statements

The IASB has issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date. The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

3. OTHER RECEIVABLES

The other receivables for the Company are as follows:

	April 30, 2022	April 30, 2021
GST receivable	$ 14,398	$ 19,254

4. PREPAID EXPENSES

The prepaid expenses for the Company are as follows:

	April 30, 2022	April 30, 2021
Security deposit for rental of premises	$ 7,772	$ 7,225
Prepaid drilling services[(1)]	1,731,718	-
Other prepaid services	53,800	280,812
	$ 1,793,290	$ 288,037

[(1)] Prepaid drilling services relates to a deposit paid for a strategic drilling partnership to provide core drilling services at the South Grass Valley Property.

(Expressed in Canadian Dollars)

5. SHORT TERM INVESTMENTS

						April 30, 2022		April 30, 2021
	Number		**Cost**			**Carrying Value**		**Carrying Value**
Spruce Ridge Resources Ltd. - Shares	170,068	$	25,000	$		13,605	$	28,911
Canada Nickel Company - Shares	5,557	$	-	$		12,226	$	11,208
		$	25,000	$		25,831	$	40,119

During the year ended April 30, 2022, the Company received a dividend-in-kind from Spruce Ridge Resources of 2,391 shares of Canada Nickel Company (April 30, 2021 – 3,166 shares received), which is listed on the TSX Venture Exchange.

During the year ended April 30, 2022, the Company revalued the shares based on the market price at April 30, 2022, resulting in an unrealized loss of $14,288 (April 30, 2021 – gain of $31,616).

6. RELATED PARTY TRANSACTIONS

During the year ended April 30, 2022, the Company:

i) paid or accrued $90,000 in consulting fees to a corporation of which the Chief Financial Officer is an employee.

ii) paid or accrued $120,000 in consulting fees to a company controlled by a director of the Company and to a director.

iii) recorded share-based payments of $243,993 related to the fair value of stock options vesting through the period to officers, directors, and a company controlled by a director.

During the year ended April 30, 2021, the Company:

i) paid or accrued $78,000 in consulting fees to a corporation of which the Chief Financial Officer is an employee.

ii) paid or accrued $120,000 in consulting fees to a company controlled by a director of the Company and to a director.

iii) recorded share-based payments of $494,869 related to the fair value of stock options vesting through the period to officers, directors, and a company controlled by a director.

iv) Entered into an agreement with Austin American Corporation, a company with common directors (see Note 8).

The amounts included in accounts payable and accrued liabilities which are due to related parties are as follows:

		April 30, 2022		April 30, 2021
Due to corporation of which the Chief Financial Officer is an employee	$	7,875	$	6,825
Due to key management		12,075		-
Due to officers, directors, and a company controlled by a director		10,640		10,500
	$	30,590	$	17,325

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (cont'd)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's President, Chief Executive Officer and Chief Discovery Officer. Salaries and share-based payments to key management is as follows:

	Year Ended April 30, 2022	Year Ended April 30, 2021
Salaries	$ 265,995	$ 302,992
Share-based payments	85,366	204,990
	$ 351,361	$ 507,982

7. EQUIPMENT AND INTANGIBLE ASSETS

	Vehicles	Exploration Equipment	Computer Equipment	Software	Total
Cost					
Balance – April 30, 2020	$ 111,698	$ 407,893	$ 14,912	-	$ 534,503
Disposals	(39,687)	-	-	-	(39,687)
Additions	-	109,530	-	60,000	169,530
Effect of translation	(10,240)	(50,856)	(979)	-	(62,075)
Balance – April 30, 2021	$ 61,771	$ 466,567	$ 13,933	$ 60,000	$ 602,271
Disposals	-	(302,596)	(13,933)	-	(316,529)
Additions	-	60,723	-	-	60,723
Effect of translation	498	16,466	-	-	16,964
Balance – April 30, 2022	$ 62,269	$ 241,160	$ -	$ 60,000	$ 363,429
Accumulated amortization					
Balance – April 30, 2020	$ 72,726	$ 272,859	$ 14,912	$ -	$ 360,497
Disposal	(6,396)	-	-	-	(6,396)
Amortization	3,823	83,572	-	4,000	91,395
Effect of translation	(8,382)	(36,767)	(979)	-	(46,128)
Balance – April 30, 2021	$ 61,771	$ 319,664	$ 13,933	$ 4,000	$ 399,368
Disposal	-	(295,524)	(13,933)	-	(309,457)
Amortization	-	82,338	-	20,000	102,338
Effect of translation	498	11,959	-	-	12,457
Balance – April 30, 2022	$ 62,269	$ 118,437	$ -	$ 24,000	$ 204,706
Carrying amounts					
As at April 30, 2021	$ -	$ 146,903	$ -	$ 56,000	$ 202,903
As at April 30, 2022	$ -	$ 122,723	$ -	$ 36,000	$ 158,723

During the year ended April 30, 2022, the Company recognized a gain on the sale of certain exploration equipment of $182,841.

During the year ended April 30, 2021, the Company sold a vehicle for $31,497, resulting in a loss of $1,793.

(Expressed in Canadian Dollars)

8. RESOURCE PROPERTIES

Resource properties expenditures for the year ended April 30,	2022	2021
South Grass Valley	$ 1,830,850	$ 1,033,262
Grass Valley	94,151	96,038
Kelly Creek	-	(1,025)
Awakening	117,738	163,666
Other	65,356	138,143
	$ 2,108,095	$ 1,430,084

The majority of the property rights that constitute the Company's resource properties consist of unpatented mining claims for which the Company is required to pay annual claim fees on or before September 1, 2022, to the U.S. Bureau of Land Management ("BLM"). The Company's exploration partner at its Kelly Creek project, Austin American Corporation, is responsible for paying the annual BLM claim fees at Kelly Creek. The total cost to pay the annual BLM claim fees to maintain 100% of the Company's claims at its other projects totals approximately USD$300,000. Refer to Note 18, Subsequent Events.

South Grass Valley (SGV)

As at April 30, 2022, the Company's South Grass Valley Project consists of unpatented mining claims held directly by the Company.

Grass Valley Project (GV)

As at April 30, 2022, the Company's Grass Valley Project consists of unpatented mining claims held directly by the Company.

Kelly Creek (KC)

The Company has combined its former Hot Pot Project into its Kelly Creek Project, the combination of which is now together referred to as the Kelly Creek Project.

As of April 30, 2022, the Company's Kelly Creek Project consists of:

- unpatented mining claims held directly by the Company;
- unpatented mining claims leased by the Company from Genesis Gold Corporation (Genesis") through a Mining Lease and Option to Purchase Agreement (the "Genesis Agreement); and
- private land leased by the Company under a Mining Lease Agreement (the "Hot Pot Lease").

(Expressed in Canadian Dollars)

8. RESOURCE PROPERTIES (cont'd…)

Kelly Creek (KC) (cont'd…)

The Company entered into the Genesis Agreement on October 1, 2009 and as amended on December 29, 2014, August 25, 2015 and July 25, 2019, to acquire a 100% interest in the Genesis's Hot Pot claims. Under the Genesis Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 100,000 common shares (issued) and USD$1,500,000, subject to a 1.5% Net Smelter Return Royalty ("Royalty"), and the following advance royalty payments which have been paid on time:

1st anniversary (October 1, 2010)	$	5,000 USD	(paid)
2nd anniversary (October 1, 2011)		10,000 USD	(paid)
3rd anniversary (October 1, 2012)		10,000 USD	(paid)
4th anniversary (October 1, 2013)		10,000 USD	(paid)
5th to 8th anniversary (October 1, 2014 to October 1, 2017)		10,000 USD	i) & ii)
9th anniversary (October 1, 2018)		50,000 USD	(paid)
10th anniversary (October 1, 2019)		Nil	iii)
11th to 13th anniversaries (October 1, 2020 – October 1, 2022)		20,000 USD	iii) (paid by Austin as detailed below)
14th and subsequent anniversaries (October 1st annually)		50,000 USD	(as adjusted for inflation)

i) During the year ended April 30, 2015, the Company issued 80,000 Common shares, plus agreed to pay $10,000 USD to satisfy the October 1, 2014 payment (paid).

ii) On August 25, 2015, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payments due on October 1, 2015 (paid); October 1, 2016 (paid); and October 1, 2017 (paid), from $50,000 USD to $10,000 USD, subject to each party's rights under the Genesis Agreement.

iii) On July 25, 2019, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payment due on October 1, 2019 from $50,000 USD to $Nil. Additionally, the annual payments due October 1, 2020 to October 1, 2022 have been reduced from $50,000 USD to $20,000 USD, whereby the Company may elect to deliver up to half of this payment in common shares of the Company. The payments due October 1, 2020 and October 1, 2021 were paid by Austin.

The Company entered into the Hot Pot Lease on September 16, 2004, for an initial term of 10 years, as amended on May 29, 2009, September 2, 2011, February 25, 2016, February 16, 2017, and June 8, 2020. Any mineral production on the project is subject to a 3% Net Smelter Return Royalty (the "NSR") to the property owner, subject to the Company's right to reduce the Royalty from 3% to 2% for $2,000,000 USD. Under the February 25, 2016, amendment, the term of the Hot Pot Lease was extended to 20 years, until September 16, 2024. Under the February 16, 2017, amendment, additional lands were added to the Hot Pot Lease, subject to the following payments:

Amendment Date (February 16, 2017)	$	5,000 USD	(paid)
September 16, 2017	$	25,000 USD	(paid)
October 8, 2018	$	30,000 USD	(paid)
September 16, 2019	$	30,000 USD	(paid)
September 16, 2020	$	30,000 USD	(paid by Austin as detailed below)
September 16, 2021	$	30,000 USD	(paid by Austin as detailed below)
Subsequent Anniversaries (September 16th annually)	$	30,000 USD	

On July 8, 2020, the Company entered into an Exploration and Option to Enter Joint Venture Agreement (the "Agreement") with Austin American Corporation ("Austin"), for an earn in and joint venture agreement on its district-scale Kelly Creek Project (the "Project") within the Kelly Creek Basin in north-central Nevada. Under the Agreement, Austin has the right to earn a 51% interest in the joint venture by spending $5,000,000 over four years, with the election to then earn an additional 19% by delivering a prefeasibility study. Due to delays and ongoing uncertainty surrounding Covid-19, the Company and Austin agreed to extend all deadlines under the Agreement by 12 months and to reduce the exploration expenditures required during the first year of the Agreement by 25%, which effectively reduces the exploration expenditures required to earn a 51% interest in the Project from $5,000,000 to $4,750,000.

.8. RESOURCE PROPERTIES (cont'd…)

Kelly Creek (KC) (cont'd…)

Under the amended Agreement, to earn a 51% joint venture interest in the Project, Austin must spend $4,750,000 in exploration expenditures, as follows (the "Earn In"):

- $750,000 in aggregate by September 1, 2022, which represents a firm commitment,
- $1,750,000 in aggregate by June 1, 2023,
- $3,250,000 in aggregate by June 1, 2024, and
- $4,750,000 in aggregate by June 1, 2025.

During the Earn In, Austin will be the operator of the Project. Upon completing the Earn In, Austin has a one-time option to elect to earn an additional 19% interest in the joint venture, for a total of 70% (the "Additional Option"), by spending $1,500,000 per year during the first three years of the Additional Option, and by delivering a prefeasibility study prior to June 1, 2029. At the Company's election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Austin will be obligated to provide the Company's portion of any debt financing or arrange for third party financing of the Company's portion of any debt financing required to construct a mine on the Project described in the feasibility study in consideration for the transfer by the Company to Austin of a 5% interest in the joint venture. If a party is diluted to a 10% interest in the joint venture, its interest will be converted to a 10% net profits interest.

Additionally, Austin is responsible for the payment of all annual claim maintenance fees as well as annual Hot Pot and Genesis lease payments as detailed above, as long as the Agreement is maintained.

The majority of the Company's mineral interests at Kelly Creek are subject to a 1.25% NSR to Royal Gold, Inc.

Awakening (AW)

As at April 30, 2022, the Company's Awakening Project consists of:

- unpatented mining claims held directly by the Company; and
- unpatented mining claims leased by the Company from a private third party under an Exploration and Option to Purchase Agreement (the "North Sleeper Agreement).

The Company entered into the North Sleeper Agreement on February 7, 2022 (as amended on July 5, 2022, and August 10, 2022) to acquire a 100% interest in 38 unpatented mining claims. Under the North Sleeper Agreement, the Company is the Operator and has the option to purchase 100% of the North Sleeper claims, subject to a 2% Net Smelter Return Royalty, for payments totaling USD$800,000 over nine years. If the Company does not terminate the North Sleeper Agreement prior to February 7, 2023, a work commitment of 600 metres of drilling before February 7, 2024 becomes a firm commitment, after which if the Company elects to proceed, an additional 1,000 metres of core drilling is required to be completed prior to February 7, 2025.

(Expressed in Canadian Dollars)

.8. RESOURCE PROPERTIES (cont'd…)

Awakening (cont'd…)

Summary of payments:

Upon execution	$30,000	(paid)
First anniversary of Effective Date (February 7, 2023)	$30,000	
Second anniversary of Effective Date (February 7, 2024)	$40,000	
Third anniversary of Effective Date (February 7, 2025)	$50,000	
Fourth anniversary of Effective Date (February 7, 2026)	$50,000	
Fifth anniversary of Effective Date (February 7, 2027)	$100,000	
Sixth anniversary of Effective Date (February 7, 2028)	$100,000	
Seventh anniversary of Effective Date (February 7, 2029)	$100,000	
Eighth anniversary of Effective Date (February 7, 2030)	$150,000	
Ninth anniversary of Effective Date (February 7, 2031)	$150,000	

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9. DEPOSITS AND BONDS

	April 30, 2022	April 30, 2021
Security deposits [(1)]	$ 11,500	$ 11,500
Reclamation bond deposits [(2)]	63,960	61,425
	$ 75,460	$ 72,925

(1) Security deposits consisted of $11,500 guaranteed investment certificate ("GIC") and bearing interest at prime less 2% to a minimum of 0%. The GIC was used to secure the credit limit on a credit card.

(2) Reclamation bond deposits are required by the U.S. Bureau of Land Management ("BLM") to ensure that any reclamation and clean-up work required on the Company's properties will be completed to the satisfaction of the BLM.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	April 30, 2022	April 30, 2021
Trade payables	$ 59,483	$ 457,251
Due to related parties (Note 6)	30,590	17,325
Accrued liabilities	332,008	28,000
Total	$ 422,081	$ 502,576

11. CAPITAL STOCK

a) Authorized share capital:

As at April 30, 2022, the authorized share capital of the Company was:
Unlimited number of common shares without par value;
Unlimited number of preferred shares without par value; and
All issued shares are fully paid

b) Issued share capital:

During the year ended April 30, 2022, the Company:

- Completed a private placement on June 17, 2021 of 36,538,460 units at a price of $0.13 for total gross proceeds of $4,750,000. Each unit consists of one common share and one non-transferrable share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $0.20 per share for 30 months. The securities issued at closing of the private placement were subject to a four month plus one day hold period, which expired on October 18, 2021.

- In connection with the private placement closed on June 17, 2021, the Company paid finders' fees totaling 320,600 shares, $208,441 in cash, and 1,923,221 finder's warrants. The finders' warrants have an exercise price of $0.13 per common share for 30 months and were subject to a four month plus one day hold period, which expired on October 18, 2021. The finder's warrants granted were estimated to have a fair value of $157,073 and were accounted for as a share issuance cost.

During the year ended April 30, 2021, the Company:

- Completed a private placement on December 24, 2020 of 26,448,000 units at a price of $0.125 for total gross proceeds of $3,306,000. Each unit consists of one common share and one non-transferrable share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $0.18 per share for 30 months. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than $0.25 for 10 consecutive trading days, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Warrant holders of such acceleration. The securities issued at closing of the private placement were subject to a four month plus one day hold period, which expired on April 25, 2021.

- In connection with the private placement closed on December 24, 2020, the Company paid finders fees in cash totalling $72,848 and issued 639,744 finder's shares and 1,222,524 finder's warrants. The warrants have the same terms as the warrants issued as part of the units described above. The finder's shares granted were estimated to have a fair value of $79,968. The finder's warrants granted were estimated to have a fair value of $115,669 and were accounted for as a share issuance cost.

- Completed a private placement on July 8, 2020 of 2,500,000 units at a price of $0.20 for total gross proceeds of $500,000. Each unit consists of one common share and one-half non-transferrable share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $0.50 per share for 30 months. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than $0.90 for 10 consecutive trading days, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Warrant holders of such acceleration. The securities issued at closing of the private placement were subject to a four month plus one day hold period, which expired on November 8, 2020.

11. CAPITAL STOCK (cont'd…)

c) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

In the absence of a reliable measurement of the services received from the consultants, the following stock option grants have been measured at the fair value of the stock options granted.

During the year ended April 30, 2022, the Company:

Granted 250,000 stock options on June 7, 2021 to an employee of the Company. The options are exercisable at $0.18 per share for a period of ten years from the date of grant, expiring June 7, 2031. The options vest 50% after 12 months and 50% after 24 months. The total value recorded for options vested throughout the year is $22,108.

Granted 1,050,000 stock options on December 9, 2021 to certain directors of the Company. The options are exercisable at $0.10 per share for a period of ten years from the date of grant, expiring December 9, 2031. The options vest 1/3 upon grant, 1/3 after 12 months and 1/3 after 24 months. The total value recorded for options vested throughout the year is $45,996.

Granted 2,000,000 stock options on March 11, 2022 to a consultant of the Company. The options are exercisable at $0.10 per share for a period of five years from the date of grant, expiring March 11, 2027. The options vest ¼ after three months, ¼ after six months, ¼ after 9 months, and ¼ after 12 months. The total value recorded for options vested throughout the year is $28,135.

During the year ended April 30, 2021, the Company:

Granted 1,525,000 stock options on October 20, 2020 to officers, directors and consultants of the Company. The options are exercisable at $0.185 per share for a period of ten years from the date of grant, expiring October 20, 2030. The options vest 100% upon grant and the total value recorded for options is $230,587.

Granted 250,000 stock options on December 23, 2020 to a consultant of the Company. The options are exercisable at $0.13 per share for a period of ten years from the date of grant, expiring December 23, 2030. The options vest 50% upon grant and 50% after 1 year. The total value recorded for options vested throughout the year is $10,435 (2021 - $21,433).

Granted 3,460,500 stock options on March 31, 2021 to certain officers, directors, consultants and employees of the Company. The options are exercisable at $0.18 per share for a period of ten years from the date of grant, expiring March 31, 2031. The options vest 1/3 upon grant and 1/3 after 1 year, and 1/3 after 2 years. The total value recorded for options vested throughout the year is $283,286 (2021 - $224,439).

Granted 570,000 stock options on March 31, 2021 to a consultant of the Company. The options are exercisable at $0.18 per share for a period of ten years from the date of grant, expiring March 31, 2031. The options vest 100% upon grant. The total value recorded for options is $98,733. During the year ended April 30, 2022, these options expired without exercise.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (cont'd…)

c) Options (cont'd…)

A Continuity of share purchase options for the period April 30, 2022 is as follows:

Expiry date	Exercise price	April 30, 2021	Granted	Exercised	Expired/ Forfeited/ Exercised	April 30, 2022	Exercisable
August 3, 2026	0.47	1,250,000	-	-	-	1,250,000	1,250,000
March 11, 2027	0.10	-	2,000,000	-	-	2,000,000	-
November 27, 2027	0.40	350,000	-	-	-	350,000	350,000
October 1, 2028	0.26	2,125,000	-	-	-	2,125,000	2,125,000
October 26, 2028	0.35	150,000	-	-	-	150,000	150,000
February 21, 2029	0.30	250,000	-	-	-	250,000	250,000
May 30, 2029	0.23	50,000	-	-	-	50,000	50,000
October 31, 2029	0.18	200,000	-	-	-	200,000	200,000
October 20, 2030	0.185	1,525,000	-	-	-	1,525,000	1,525,000
December 23, 2030	0.13	250,000	-	-	-	250,000	250,000
March 31, 2031	0.18	4,030,500	-	-	(570,000)	3,460,500	2,307,000
June 7, 2031	0.18	-	250,000	-	-	250,000	-
December 9, 2031	0.10	-	1,050,000	-	-	1,050,000	350,000
Total		10,180,500	3,300,000	-	(570,000)	12,910,500	8,807,000
Weighted average exercise price		$ 0.25	$ 0.11	$ -	$ 0.18	$ 0.21	$ 0.25

A continuity of share purchase options for the year April 30, 2021 is as follows:

Expiry date	Exercise price	April 30, 2020	Granted	Exercised	Expired/ Forfeited/ Exercised	April 30, 2021	Exercisable
October 19, 2020	0.185	1,625,000	-	-	(1,625,000)	-	-
December 31, 2020	0.315	125,000	-	-	(125,000)	-	-
August 3, 2026	0.47	1,470,000	-	-	(220,000)	1,250,000	1,250,000
November 27, 2027	0.40	350,000	-	-	-	350,000	350,000
July 4, 2028	0.15	300,000	-	(300,000)	-	-	-
October 1, 2028	0.26	2,555,000	-	-	(430,000)	2,125,000	2,125,000
October 26, 2028	0.35	150,000	-	-	-	150,000	150,000
February 21, 2029	0.30	250,000	-	-	-	250,000	250,000
May 30, 2029	0.23	83,333	-	-	(33,333)	50,000	33,334
October 31, 2029	0.18	250,000	-	-	(50,000)	200,000	200,000
October 20, 2030	0.185	-	1,525,000	-	-	1,525,000	1,525,000
December 23, 2030	0.13	-	250,000	-	-	250,000	125,000
March 31, 2031	0.18	-	4,030,500	-	-	4,030,500	1,723,500
Total		7,158,333	5,805,500	(300,000)	(2,483,333)	10,180,500	7,731,834
Weighted average exercise price		$ 0.29	$ 0.18	$ 0.15	$ 0.23	$ 0.25	$ 0.27

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (cont'd…)

c) Options (cont'd)

The following weighted average inputs and assumptions were used for the Black-Scholes valuation of the options granted.

	April 30, 2022	April 30, 2021
Share price	$0.08	$0.17
Risk-free interest rate	1.68%	1.27%
Expected life of options	6.97 years	9.98 years
Annualized volatility based on historical volatility	118.04%	143.55%
Forfeiture rate	0.00%	0.00%
Dividend rate	0.00%	0.00%
Fair value per options	$0.107	$0.16

d) Warrants

During the year ended April 30, 2022, the Company issued a total of 38,461,681 common share purchase warrants in connection to private placements and associated brokers warrants.

During the year ended April 30, 2021, the Company issued a total of 28,920,524 common share purchase warrants in connection to private placements and associated brokers warrants.

A continuity of share purchase warrants for the period ended April 30, 2022 is as follows:

Expiry date		Exercise Price	April 30, 2021	Issued	Exercised	Expired	April 30, 2022	Exercisable
February 28, 2022	$	0.30	5,156,000	-	-	(5,156,000)	-	-
March 6, 2022		0.30	2,814,000	-	-	(2,814,000)	-	-
July 13, 2022 [a]		0.45	1,351,945	-	-	(35,945)	1,316,000	1,316,000
October 9, 2022 [b]		0.50	4,036,750	-	-	(160,428)	3,876,322	3,876,322
March 11, 2022		0.50	887,144	-	-	(887,144)	-	-
June 4, 2022		0.50	2,920,825	-	-	-	2,920,825	2,920,825
July 1, 2022		0.50	928,500	-	-	-	928,500	928,500
February 25, 2022		0.40	2,560,917	-	-	(2,560,917)	-	-
January 7, 2023		0.50	1,250,000	-	-	-	1,250,000	1,250,000
June 23, 2023		0.18	27,670,524	-	-	-	27,670,524	27,670,524
December 16, 2023		0.13	-	1,923,221	-	-	1,923,221	1,923,221
December 16, 2023		0.20	-	36,538,460	-	-	36,538,460	36,538,460
Total			49,576,605	38,461,681	-	(11,614,434)	76,423,852	76,423,852
Weighted average exercise price			$ 0.28	$ 0.19	$ -	$ 0.18	$ 0.23	$ 0.23

a) On July 15, 2021, the Company received TSX Venture Exchange acceptance to extend the expiry date of 1,316,000 warrants to July 13, 2022 from July 13, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 0.995 years, expected volatility of 89.32%, risk-free interest rate of 0.44%, and expected dividend of $Nil. The difference of $31,380 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.

b) On July 15, 2021 the Company received TSX Venture Exchange acceptance to extend the expiry date of 3,876,322 warrants to October 9, 2022 from October 9, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 1.24 years, expected volatility of 89.68%, risk-free interest rate of 0.44%, and expected dividend of $Nil. The difference of $117,144 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (cont'd…)

d) Warrants (cont'd)

A continuity of share purchase warrants for the year ended April 30, 2021 is as follows:

Expiry date	Exercise Price	April 30, 2020	Issued	Exercised	Expired	April 30, 2021	Exercisable
February 28, 2022 [b]	$ 0.30	5,235,450	-	-	(79,450)	5,156,000	5,156,000
March 6, 2022 [c]	0.30	2,959,600	-	-	(145,600)	2,814,000	2,814,000
July 13, 2021 [d]	0.45	1,351,945	-	-	-	1,351,945	1,351,945
October 9, 2021 [e]	0.50	4,036,750	-	-	-	4,036,750	4,036,750
March 11, 2022	0.50	887,144	-	-	-	887,144	887,144
June 4, 2022	0.50	2,920,825	-	-	-	2,920,825	2,920,825
July 1, 2022	0.50	928,500	-	-	-	928,500	928,500
February 25, 2022	0.40	2,560,917	-	-	-	2,560,917	2,560,917
January 7, 2023	0.50	-	1,250,000 [a]	-	-	1,250,000	1,250,000
June 23, 2023	0.18		27,670,524 [a]			27,670,524	27,670,524
Total		20,881,131	28,920,524	-	(225,050)	49,576,605	49,576,605
Weighted average exercise price		$ 0.41	$ 0.19	$ -	$ 0.30	$ 0.28	$ 0.28

a) Warrants granted are subject to the acceleration features discussed in Note 11(b).
b) On February 18, 2021, the Company received TSX Venture Exchange acceptance to extend the expiry date of 5,156,000 warrants to February 28, 2022 from February 28, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 1.03 years, expected volatility of 107.50%, risk-free interest rate of 0.22%, and expected dividend of $Nil. The difference of $150,642 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.
c) On February 18, 2021 the Company received TSX Venture Exchange acceptance to extend the expiry date of 2,814,000 warrants to March 6, 2022 from March 6, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 1.04 years, expected volatility of 107.57%, risk-free interest rate of 0.22%, and expected dividend of $Nil. The difference of $74,432 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.
d) On July 15, 2021, the Company received TSX Venture acceptance to extend the expiry date of 1,316,000 warrants to July 13, 2022 from July 13, 2021.
e) On July 15, 2021, the Company received TSX Venture acceptance to extend the expiry date of 3,876,322 warrants to October 9, 2022 from October 9, 2021.

The following weighted average inputs and assumptions were used for the Black-Scholes valuation of the warrants granted.

	April 30, 2022	April 30, 2021
Share price	$0.135	$0.15
Risk-free interest rate	0.48%	0.25%
Expected life of warrants	2.5 years	2.5 years
Annualized volatility based on historical volatility	105.33%	115.03%
Dividend rate	0.00%	0.00%
Fair value per warrant	$0.07	$0.09

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration, and development of resource properties. Geographic information is as follows:

	April 30, 2022	April 30, 2021
Current assets:		
United States	$ 1,819,235	$ 283,396
Canada	515,655	1,090,810
	$ 2,334,890	$ 1,374,206
Non-current assets:		
United States		
Equipment and intangible assets	$ 122,723	$ 146,903
Deposits and bonds	63,960	61,425
Canada		
Deposits and bonds	11,500	11,500
Equipment and intangible assets	36,000	56,000
	$ 234,183	$ 275,828

	Year Ended April 30, 2022	Year Ended April 30, 2021
Income:		
Interest income	$ 34	$ -
Expenses:		
United States		
Exploration and evaluation expenditures	(2,108,095)	(1,430,084)
Other expenses	(496,620)	(542,516)
Canada		
Other expenses	(1,331,878)	(1,374,999)
Net loss	$ (3,936,559)	$ (3,347,599)

13. COMMITMENTS

As April 30, 2022, the Company has total office lease commitments of $120,246 as follows:

a) Total office lease payments of $26,321 ending December 31, 2022.
b) Total office lease payments of $25,060 ending February 28, 2023.
c) Total office lease payments of $66,627 ending March 31, 2023.
d) Total office lease payments of $2,238 ending May 31, 2023.

14. FINANCIAL RISK MANAGEMENT

Fair value

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.

Short term investments are measured at level 1 of the fair value hierarchy. The fair value of short term investments is measured at the market price of the common shares held at the measurement date. The carrying value of cash and cash equivalents, other receivables, deposits and bonds, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The fair value of long-term deposits and bonds is measured at amortized cost and the carrying value approximates it fair value.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and deposits and bonds. Management believes that the credit risk concentration with respect to cash and cash equivalents, deposits and bonds is remote as it maintains accounts with highly-rated financial institutions.

Accounts receivable as of April 30, 2022 of $14,398 (2021 - $19,254) are in good standing. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at April 30, 2022, the Company had a cash and cash equivalent balance of $501,371 (2021 - $1,026,796) to settle current liabilities of $422,081 (2021 - $502,576). As disclosed in Note 1, the Company will need to raise additional funds to meet its obligations as they come due.

14. FINANCIAL RISK MANAGEMENT (cont'd…)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and cash equivalents, deposits and bonds are not considered significant.

(b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Net assets denominated in foreign currency and the Canadian dollar equivalents as at April 30, 2022 are as follows:

	USD	CDN
Current assets	$ 1,422,166	$ 1,819,235
Non-current assets	145,937	186,683
Current liabilities	(258,076)	(330,131)
	$ 1,310,027	$ 1,675,787

Based on the above net exposures as at April 30, 2022, and assuming all other variables remain constant, a 10% change in the value of the US dollar against the Canadian dollar would result in an increase/decrease of $131,003 in comprehensive loss.

15. CAPITAL MANAGEMENT

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 and share purchase warrants. In the management of capital, the Company includes the components of equity.

The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest any excess cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has insufficient capital to fund its exploration programs and is reliant on completing equity financings to fund further exploration (Note 1). The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year ended April 30, 2022.

16. INCOME TAXES

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

		2022		2021
Loss before income taxes	$	(3,936,559)	$	(3,347,599)
Expected income tax recovery at average statutory rate of 27.00% for 2022 (2021 – 27.00%)	$	(1,062,871)	$	(903,852)
Share-based payment and other non-deductible expenses		105,522		173,224
Share issuance cost incurred		(67,326)		(82,886)
Difference in statutory rates and other		173,149		145,262
Effect of foreign exchange differences		(181,474)		530,252
Tax benefits not recognized		1,033,000		138,000
Total income taxes	$	-	$	-

The deferred income tax balance is comprised of the following temporary differences:

		2022		2021
Deferred tax assets:				
Non-capital loss carry-forwards	$	4,911,000	$	4,413,000
Share issue costs and other		104,000		130,000
Resource properties		3,175,000		2,614,000
Deferred tax assets not recognized		(8,190,000)		(7,157,000)
Net deferred tax assets	$	-	$	-

The Company has available for deduction against future taxable income non-capital losses of approximately $9,791,000 and US net operating losses of approximately $10,793,000 (expressed in Canadian dollars) expiring as follows:

		CDN		US
2025	$	2,000	$	-
2026		203,000		-
2027		858,000		-
2028		569,000		-
2029		549,000		-
2030		81,000		-
2031		357,000		700,000
2032		591,000		362,000
2033		391,000		466,000
2034		331,000		3,699,000
2035		224,000		1,823,000
2036		658,000		1,000
2037		472,000		597,000
2038		770,000		716,000
2039		777,000		737,000
2040		945,000		603,000
2041		919,000		492,000
2042		1,094,000		597,000
	$	9,791,000	$	10,793,000

16. INCOME TAXES (cont'd…)

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable income will be available against which the Company can utilize the benefits.

17. COMPARATIVE FIGURES

Certain of the 2021 comparative figures have been reclassified to conform to current presentation.

18. SUBSEQUENT EVENTS

Subsequent to year end, 500,000 stock options were exercised for total proceeds of $50,000.

Subsequent to April 30, 2022, the Company commenced a process whereby it is seeking expressions of interest in the form of equity-based financing, sales of royalty streaming rights, joint venture, option, and other project-based earn-in agreements, and other proposals. In the absence of securing additional funding, the Company will not be able to pay the upcoming September 1, 2022 claim maintenance fees for a significant portion of its claim holdings, which would result in their forfeiture.