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## **EMP METALS CORP.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2022 AND 2021  
(Unaudited – Expressed in Canadian Dollars)

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### **NOTICE TO READER**

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

The accompanying unaudited condensed interim consolidated financial statements 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 condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**EMP METALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Expressed in Canadian Dollars)

	Note	January 31, 2022 \$	April 30, 2021 \$
<b>ASSETS</b>			
Current assets			
Cash		922,423	265,865
GST recoverable		43,600	122,309
Prepaid expenses		45,900	34,167
		1,011,923	422,341
Performance bonds		71,872	75,920
Exploration and evaluation assets	5	15,516,446	91,682
<b>Total assets</b>		<b>16,600,241</b>	<b>589,943</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	8	59,873	45,142
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	13,114,194	4,155,983
Contributed surplus	7	4,506,973	207,850
Accumulated other comprehensive income		4,719	1,293
Deficit		(5,634,595)	(3,820,325)
Total equity attributable to shareholders of the Company		11,991,291	544,801
Attributable to non-controlling interest		4,549,077	-
		16,540,368	544,801
<b>Total liabilities and shareholders' equity</b>		<b>16,600,241</b>	<b>589,943</b>

Nature of operations and going concern (Note 1)

**Approved and authorized on behalf of the Board of Directors on March 29, 2022**

\_\_\_\_\_"Robin Gamley"\_\_\_\_\_  
Director

\_\_\_\_\_"Greg Bronson"\_\_\_\_\_  
Director

**EMP METALS CORP.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
For the three and nine months ended January 31, 2022 and 2021  
(Unaudited – Expressed in Canadian Dollars)

	Notes	Three months ended		Nine months ended	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Expenses</b>					
Consulting fees	8	76,888	80,225	281,001	227,808
Corporate development		-	5,000	-	155,000
Filing fees		8,107	5,390	24,396	33,861
Interest and bank charges		-	516	400,000	78,243
Marketing		310,861	136,613	380,861	661,994
Office expenses		1,194	1,711	11,481	3,042
Professional fees	8	53,452	35,341	155,610	99,465
Share based payment	8	208,256	-	559,915	185,751
<b>Loss before other items</b>		<b>(658,758)</b>	<b>(264,796)</b>	<b>(1,813,264)</b>	<b>(1,445,165)</b>
<b>Other items</b>					
Write-off of exploration and evaluation assets		-	(417,401)	-	(417,401)
Interest income		37	-	150	-
Foreign exchange loss		(9,495)	-	(14,617)	-
		<b>(9,458)</b>	<b>-</b>	<b>(14,467)</b>	<b>-</b>
<b>Net loss for the period</b>		<b>(668,216)</b>	<b>(682,197)</b>	<b>(1,827,731)</b>	<b>(1,862,565)</b>
<b>Items that may be reclassified subsequently to loss</b>					
Exchange difference on translating foreign operations		2,569	1,886	3,426	1,886
<b>Comprehensive loss for the period</b>		<b>(665,647)</b>	<b>(680,311)</b>	<b>(1,824,305)</b>	<b>(1,860,679)</b>
<b>Net loss attributable to:</b>					
Shareholders of the Company		(660,207)	(682,197)	(1,814,270)	(1,862,565)
Non-controlling interest		(8,009)	-	(13,461)	-
		<b>(668,216)</b>	<b>(682,197)</b>	<b>(1,827,731)</b>	<b>(1,862,565)</b>
<b>Comprehensive loss attributable to:</b>					
Shareholders of the Company		(657,638)	(680,311)	(1,810,844)	(1,860,679)
Non-controlling interest		(8,009)	-	(13,461)	-
		<b>(665,647)</b>	<b>(680,311)</b>	<b>(1,824,305)</b>	<b>(1,860,679)</b>
<b>Basic and diluted loss per share</b>		<b>(0.02)</b>	<b>(0.07)</b>	<b>(0.07)</b>	<b>(0.25)</b>
<b>Weighted average number of shares outstanding</b>		<b>38,069,077</b>	<b>9,339,943</b>	<b>25,716,997</b>	<b>7,540,673</b>

**EMP METALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares #	Share Capital \$	Share Issue Costs \$	Contributed Surplus \$	Accumulated Other Comprehensive Income \$	Deficit \$	Non- controlling Interest \$	Total \$
<b>Balance, April 30, 2020</b>	<b>6,183,333</b>	<b>865,000</b>	<b>(129,409)</b>	<b>26,833</b>	-	<b>(147,227)</b>	-	<b>615,197</b>
Shares issued for acquisition of exploration and evaluation assets	831,667	1,632,750	-	-	-	-	-	1,632,750
Shares issued for financing fees	70,176	73,684	-	-	-	-	-	73,684
Shares issued pursuant to private placement	1,333,333	1,500,000	(72,750)	-	-	-	-	1,427,250
Shares issued for option and warrant exercises	939,912	286,708	-	(4,734)	-	-	-	281,974
Share based compensation	-	-	-	185,751	-	-	-	185,751
Net loss and comprehensive loss	-	-	-	-	1,886	(1,862,565)	-	(1,860,679)
<b>Balance – January 31, 2021</b>	<b>9,358,421</b>	<b>4,358,142</b>	<b>(202,159)</b>	<b>207,850</b>	<b>1,886</b>	<b>(2,009,792)</b>	-	<b>2,355,927</b>
Net loss and comprehensive loss	-	-	-	-	(593)	(1,810,533)	-	(1,811,126)
<b>Balance, April 30, 2021</b>	<b>9,358,421</b>	<b>4,358,142</b>	<b>(202,159)</b>	<b>207,850</b>	<b>1,293</b>	<b>(3,820,325)</b>	-	<b>544,801</b>
Shares issued pursuant to private placement	11,764,705	2,000,000	(190,050)	100,812	-	-	-	1,910,762
Shares issued pursuant to acquisition of HCM	14,070,000	5,416,950	-	4,738,376	-	-	4,562,538	14,717,864
Shares issued for financing fees	1,000,000	400,000	-	-	-	-	-	400,000
Warrant exercise	3,325,250	1,331,311	-	(1,099,980)	-	-	-	231,331
Share based compensation	-	-	-	559,915	-	-	-	554,766
Net and comprehensive loss for the period	-	-	-	-	3,426	(1,814,270)	(13,461)	(1,805,694)
<b>Balance, January 31, 2022</b>	<b>39,518,376</b>	<b>13,506,403</b>	<b>(392,209)</b>	<b>4,506,973</b>	<b>4,719</b>	<b>(5,634,595)</b>	<b>4,549,077</b>	<b>16,540,368</b>

**EMP METALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the nine months ended January 31, 2022 and 2021  
(Unaudited – Expressed in Canadian Dollars)

	2022 \$	2021 \$
<b>Operating activities:</b>		
Net loss for the period	(1,827,731)	(1,862,565)
Items not involving cash:		
Interest expense	400,000	73,684
Write-off of exploration and evaluation assets	-	417,401
Share based payment	559,915	185,751
Changes in non-cash working capital related to operations:		
GST recoverable	81,398	(107,498)
Prepaid expenses	(11,733)	(50,000)
Accounts payable and accrued liabilities	9,720	106,808
<b>Net cash used in operating activities</b>	<b>(788,431)</b>	<b>(1,236,419)</b>
<b>Investing activities:</b>		
Acquisition and exploration costs on exploration and evaluation assets	(478,439)	(182,366)
Cash acquired on acquisition of HCM	518,973	-
<b>Net cash provided by (used in) investing activities</b>	<b>40,534</b>	<b>(182,366)</b>
<b>Financing activities:</b>		
Issuance of common shares	2,142,093	1,709,224
Proceeds from loans payable	-	200,000
Repayment of loans payable	(600,000)	(200,000)
Funds provided to HCM prior to the acquisition	(150,000)	-
<b>Net cash provided by financing activities</b>	<b>1,392,093</b>	<b>1,709,224</b>
Decrease in cash during the period	644,196	290,439
Effect of exchange rate changes on cash	12,362	1,886
Cash – beginning of the period	265,865	324,860
<b>Cash – end of the period</b>	<b>922,423</b>	<b>617,185</b>
<b>Supplemental cash flow information:</b>		
Income taxes paid	-	-
Interest paid	-	3,507
Fair value of shares and warrants issued for acquisition of exploration and evaluation assets	10,155,326	1,632,750

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

EMP Metals Corp. (previously Sentinel Resources Corp.) (“the Company” or “EMP”) was incorporated under the Business Corporations Act of British Columbia on August 3, 2018. The Company is engaged in the exploration and evaluation of mineral properties. The Company’s head office is located at 204 - 998 Harbourside Drive, North Vancouver, BC V7P 3T2. Effective November 16, 2021, the Company changed its name from Sentinel Resources Corp. to EMP Metals Corp. The Company’s common shares are listed for trading on the Canadian Securities Exchange (the “Exchange”) under the trading symbol “EMPS” and on the OTC under the symbol “SNLRF”.

On May 13, 2021, the Company consolidated its issued and outstanding common shares at a ratio of 3 pre-consolidated shares to one post-consolidation share (the “Consolidation”). All references to share and per share amounts in these condensed interim consolidated financial statements have been retroactively restated to reflect the Consolidation.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At January 31, 2022, the Company had accumulated losses of \$5,634,595 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and could have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These events and conditions indicate a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These condensed interim consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

**a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the year ended April 30, 2021. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited financial statements for the year ended April 30, 2021.

**b) Basis of presentation**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

**c) Consolidation**

These condensed interim consolidated financial statements include the financial statements of the Company, its wholly-owned and controlled subsidiary, Sentinel Resources (Australia) Pty Ltd., incorporated in New South Wales, Australia on August 24, 2020, and Hub City Minerals Corp. (“HCM”), incorporated in British Columbia on April 19, 2021. The Company has acquired 67% of the issued and outstanding shares and share purchase warrants of HCM. HCM owns 75% of the outstanding common shares of Hub City Lithium Corp. (“HCL”), incorporated in British Columbia on April 19, 2021.

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

**d) Foreign currencies**

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.



**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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These condensed interim consolidated financial statements are presented in Canadian dollars. The functional currency of EMP Metals Corp., HCM and HCL is the Canadian dollar and the functional currency of Sentinel Resources (Australia) Pty Ltd. is the Australian dollar. Subsidiaries whose functional currencies differ from that of the parent company (“foreign operations”) are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive loss as cumulative translation differences.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive loss related to the foreign operation are reclassified to profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive loss related to the subsidiary are reallocated between controlling and non-controlling interests.

**e) Critical judgments and estimates**

*Going concern assumption*

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company’s ability to fund future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, the reported revenue and expenses and the consolidated statement of financial position classifications used.

*Impairment of exploration and evaluation assets*

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

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*Shares issued for exploration and evaluation assets*

Management makes judgments in determining the share price attributed to issuances of shares for exploration and evaluation assets. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value could be materially different.

*Share-based payments*

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and compensation warrants granted, modified or settled. Under this method, compensation cost attributable to options granted is measured at fair value, using the Black-Scholes option pricing model, at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

*Asset acquisition*

The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisition of HCM, judgment was required to determine if the acquisition represented a business combination or an asset acquisition. More specifically, management concluded that HCM did not represent a business as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the transaction (Note 4) represented the acquisition of assets, there was no goodwill recognized and the transactions costs were capitalized to the assets purchased rather than expensed.

**3. RECENT ACCOUNTING PRONOUNCEMENTS**

*Future accounting standards issued but not yet effective*

In January 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* to clarify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual periods beginning on or after January 1, 2022. Adoption thereof is not expected to have a material impact on the presentation of the Company's financial statements.

**4. ACQUISITION OF HUB CITY MINERALS CORP.**

On August 27, 2021, the Company entered into a share purchase agreement (the "Acquisition Agreement") with HCM, whereby the Company has acquired 67% of the issued and outstanding shares and share purchase warrants of HCM (the "Transaction").

Under the terms of the Acquisition Agreement, the Company acquired 14,070,000 Hub City Units (the "Hub City Units") in exchange for the issuance of 14,070,000 EMP units (each, "EMP Unit") to the shareholders of the Hub City Units. Each EMP Unit consists of one common share of EMP and one share purchase warrant,

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

with each share purchase warrant entitling the holder to acquire one additional common share of EMP under the existing terms of the outstanding share purchase warrants of HCM.

The Transaction closed on September 2, 2021, at which time EMP became the ultimate parent company of HCM.

The Transaction did not meet the definition of a business combination and therefore, has been accounted for as an asset purchase of exploration and evaluation assets with the Company acquiring 67% of HCM on September 2, 2021. The consideration for the acquisition of HCM has been allocated at fair value of the assets acquired and liabilities assumed, based on management’s best estimate and taking into account all available information at the time of acquisition. The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

<b>Purchase price</b>	<b>\$</b>
14,070,000 common shares of the Company at \$0.39 per share	5,416,950
Fair value of 14,070,000 warrants	4,738,376
	<u>10,155,326</u>
<b>Net assets acquired</b>	<b>\$</b>
Cash	518,973
Receivables	2,689
Exploration and evaluation assets	14,951,213
Accounts payable and accrued liabilities	(5,011)
Funds from the Company prior to the acquisition	(150,000)
Loans payable	(600,000)
Non-controlling interest	(4,562,538)
	<u>10,155,326</u>

The fair value of the 14,070,000 warrants (\$4,738,376) was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: risk-free rate – 0.52%; expected life – 3 years; expected volatility – 100%; expected forfeitures – nil%; and expected dividends – \$nil.

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2022 and 2021  
(Unaudited – Expressed in Canadian Dollars)

**5. EXPLORATION AND EVALUATION ASSETS**

	Pass	Litter Bear	Waterloo	Salama	Gold and Silver Projects	Li-Brine Properties	Total
	\$	\$	\$	\$	\$		\$
<b>April 30, 2020</b>	<b>310,000</b>	-	-	-	-	-	<b>310,000</b>
Acquisition costs – cash	15,000	25,000	30,000	26,200	-	-	96,200
Acquisition costs – shares issued	7,500	-	155,250	1,470,000	-	-	1,632,750
Assaying and sampling	9,675	-	4,645	-	-	-	14,320
Claim fees	-	-	-	3,512	18,979	-	22,491
Consulting	9,281	-	21,620	-	74,473	-	105,374
Equipment	4,173	-	-	-	-	-	4,173
Geologists	27,019	-	-	-	480	-	27,499
Travel	9,753	-	-	-	-	-	9,753
Foreign exchange	-	-	-	-	(2,250)	-	(2,250)
	82,401	25,000	211,515	1,499,712	91,682	-	1,910,310
Write-down	(392,401)	(25,000)	(211,515)	(1,499,712)	-	-	(2,128,628)
<b>April 30, 2021</b>	-	-	-	-	<b>91,682</b>	-	<b>91,682</b>
HCM asset acquisition	-	-	-	-	-	14,951,213	14,951,213
Acquisition costs – cash	-	-	-	-	-	478,439	478,439
Foreign exchange	-	-	-	-	(4,888)	-	(4,888)
<b>January 31, 2022</b>	-	-	-	-	<b>86,794</b>	<b>15,429,652</b>	<b>15,516,446</b>

**Pass Property**

On September 30, 2018, the Company entered into an assignment agreement (the “Assignment Agreement”) with Madjak Management Ltd. (“Madjak”), which was amended and restated on August 28, 2019 (the “Amended and Restated Assignment Agreement”), to acquire a 100% interest in the North Pass and Anjuli Rose Claims as well as an option (the “Option Agreement”) to acquire a 100% interest in the Pass Claim (collectively the “Pass Property”). The Pass Property is located in the Nelson Mining Division in the Province of British Columbia.

Under the terms of the Assignment Agreement, the Company paid \$100,000 and issued 1,666,667 units (at fair value of \$100,000) of the Company during the year ended April 30, 2019. Each unit consisted of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional share of the Company at a price of \$0.30 per share for a period of three years from the date of issue. On August 28, 2019, the Company cancelled the 1,666,667 units previously issued under the Assignment Agreement. In addition, the Company paid a total of \$200,000 during the year ended April 30, 2020.

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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As a result of closing the Amended and Restated Assignment Agreement, the Company assumed all of Madjak's rights and obligations under the Option Agreement. In order to exercise the option, the Company was required to:

(a) pay the Optionor \$5,000 and issue 16,666 common shares upon acceptance by the Exchange of the Pass Claim being acquired or optioned by the Company (paid and issued shares during the year ended April 30, 2020);

(b) pay the Optionor \$15,000 and issue 16,667 common shares, no later than three months after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company (paid \$15,000 and issued shares at fair value of \$7,500 during the year ended April 30, 2021);

(c) pay the Optionor \$15,000, no later than one year after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company; and

(d) pay the Optionor \$35,000, no later than two years after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company.

The Optionor would also retain a 2% net smelter return royalty (the "NSR"). The Company had the option to purchase 1% of the NSR by paying the Optionor a total of \$500,000.

During the year ended April 30, 2021, the Company decided to drop the Pass Property, as the Company had determined that the claims were no longer a good fit in the Company's portfolio of properties. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge, calculated in accordance with level 3 of the fair value hierarchy, of \$392,401 for the year ended April 30, 2021.

**Little Bear Project**

The Company entered into an option agreement (the "Little Bear Option Agreement") to acquire a mineral exploration project in British Columbia. Pursuant to the Little Bear Option Agreement, the Company could earn a 100% interest in two mineral claims, known as the Little Bear 1 and Little Bear 2 claims, located on Vancouver Island, British Columbia, by making a one-time cash payment of \$25,000 (paid in May 2020) and completing a \$50,000 work program.

During the year ended April 30, 2021, the Company decided to drop the Little Bear Property just before the claims were about to expire. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge, calculated in accordance with level 3 of the fair value hierarchy, of \$25,000 for the year ended April 30, 2021.

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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**Waterloo Property**

In September 2020, the Company entered into an option agreement with RebelEX Resources Corp. (“RebelEx”), to acquire up to a 100% interest in the historic Waterloo silver-gold property, located near Vernon, British Columbia. Terms of the option agreement were as follows:

1. Making cash payments to RebelEX of an aggregate of \$200,000, including: (i) \$30,000 within 10 business days of the effective date of the agreement (“Effective Date”) (paid during the year ended April 30, 2021); (ii) \$30,000 on or before the date that is 12 months following the Effective Date; (iii) \$40,000 on or before the date that is 24 months following the Effective Date; (iv) \$40,000 on or before the date that is 36 months following the Effective Date; and (v) \$60,000 on or before the date that is 48 months following the Effective Date;
2. Issuing to RebelEX the aggregate amount of 1,333,333 common shares of the Company as follows: (i) 100,000 common shares within 10 business days following the Effective Date (issued at fair value of \$126,000 during the year ended April 30, 2021); (ii) 200,000 common shares on or before the date that is 12 months following the Effective Date; (iii) 233,333 common shares on or before the date that is 24 months following the Effective Date; (iv) 266,667 common shares on or before the date that is 36 months following the Effective Date; (v) 533,333 common shares on or before the date that is 48 months following the Effective Date;
3. Funding aggregate expenditures on the property of \$1,200,000 as follows: (i) \$200,000 on or before the date that is 12 months following the Effective Date; (ii) \$250,000 on or before the date that is 24 months following the Effective Date; (iii) \$250,000 on or before the date that is 36 months following the Effective Date; and (iv) \$500,000 on or before the date that is 48 months following the Effective Date.

After the Company has earned the 100% Interest, the Company would pay to RebelEX a royalty being equal to 2% of NSR. The Company may purchase 1% of the NSR for \$1,000,000.

In connection with the transaction, the Company was to issue 145,000 common shares to an arm's length finder over the term of the option agreement. On October 7, 2020, 15,000 of these finder's shares were issued at a fair value of \$29,250.

The Company decided to relinquish the Company's option to acquire the Waterloo Property. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge of \$211,515, calculated in accordance with level 3 of the fair value hierarchy, for the year ended April 30, 2021.

**Salama Gold Project**

In October 2020, the Company acquired the Salama Gold Project, consisting of four gold focused mining concessions totaling approximately 2,700 hectares, located in western Peru. The Company entered into an assignment agreement with a third party whereby it assumed all of the right, title and interest in and to a

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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purchase agreement with the holders of the Salama Gold Project. Under the terms of the various agreements, the Company acquired a 100% interest in the Salama Gold Project, royalty free, by making a cash payment of \$26,200 (US\$20,000) and issuing a total of 700,000 common shares (issued at a fair value of \$1,470,000 during the year ended April 30, 2021). During the year ended April 30, 2021, the Company decided to drop the Salama Gold Project. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge of \$1,499,712, calculated in accordance with level 3 of the fair value hierarchy, for the year ended April 30, 2021.

### **Gold Projects**

In October 2020, the Company has acquired, by staking, 8 gold-focused exploration concessions totaling approximately 94,500 hectares located in New South Wales, Australia. The concessions are known as Star of Hope, Golden Bar, Alliance Reef, Stanleys, Lady Mary, Waddery West, Wittagoona Reef and Toolom South (collectively, the "Gold Projects"). The Company is required to post a refundable performance bond of \$9,723 (AUD\$10,000) per concession and spend exploration and associated expenses on each concession of \$24,308 (AUD\$25,000) in Year One and \$48,615 (AUD\$50,000) in Year Two.

### **Silver Projects**

In October 2020, the Company has acquired, by staking, 7 silver-focused exploration concessions totaling approximately 38,600 hectares located in New South Wales, Australia. The concessions are known as; Wallah Wallah, Stony Creek, Carrington, Dartmoor, Glens Skarn, Broken Hill West and Goongong (collectively, the "Silver Projects"). The Company is required to post a refundable performance bond of \$9,723 (AUD\$10,000) per concession and spend exploration and associated expenses on each concession of \$24,308 (AUD\$25,000) in Year One and \$48,615 (AUD\$50,000) in Year Two.

### **Li-Brine Properties**

On September 2, 2021, the Company acquired the Li-Brine Properties as a result of the acquisition of HCM. HCM holds 48,457 hectares (119,739 acres) of Subsurface Crown Mineral Dispositions in Saskatchewan, with the focus on potential lithium resource prospects. On January 24, 2022, the Company announced the acquisition of an additional 37,593 hectares (92,894 acres) of Subsurface Crown Mineral Dispositions located in Saskatchewan.

## **6. LOANS PAYABLE**

On August 25, 2020, the Company entered into loan agreements with several lenders in the total amount of \$200,000. \$50,000 of the loans were from the CEO of the Company. The loans bore an interest rate of 10% per annum and were to be due and payable on August 25, 2021. In addition, the Company issued 70,176 common shares of the Company at a fair value of \$73,684 to the lenders. The loans have been fully repaid during the year ended April 30, 2021.

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

As a result of the acquisition of HCM, the Company assumed loans payable with a principal balance of \$600,000, which bore no interest, were unsecured and was to mature on November 16, 2021. In consideration for the loans, the Company has issued 500,000 common shares to each of the lenders for a total of 1,000,000 common shares. The loans have been fully repaid during the nine months ended January 31, 2022.

	\$
Balance, April 30, 2020	-
Proceeds	200,000
Interest	3,507
Repayment	(203,507)
<b>Balance, April 30, 2021</b>	-
Assumed on acquisition of HCM	600,000
Repayment	(600,000)
<b>Balance, January 31, 2022</b>	-

**7. SHARE CAPITAL**

a) **Authorized** – Unlimited common shares without par value.

b) **Issued and outstanding** – 39,518,376 common shares

c) **Consolidation**

On May 13, 2021, the Company consolidated its issued and outstanding common shares at a ratio of 3 pre-consolidated shares to one post-consolidation share. All references to share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect the Consolidation.

d) **Issuances**

On June 2, 2020, the Company issued 16,667 shares at a fair value of \$7,500 for the acquisition of the Pass Property. Refer to Note 5.

On August 26, 2020, the Company issued 70,176 shares at a fair value of \$73,684 to the lenders of the loan agreements. Refer to Note 6.

On September 3, 2020, the Company issued 100,000 shares at a fair value of \$126,000 for the acquisition of the Waterloo Property. Refer to Note 5.



**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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On September 21, 2020, the Company closed a non-brokered private placement financing of 666,667 units at a price of \$0.75 per unit for gross proceeds of \$500,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for \$1.20 for a period of one year from the date of issuance. The Company assigned \$nil to the warrants. The Company paid finders fees totalling \$15,750.

On October 6, 2020, the Company issued 700,000 shares at a fair value of \$1,470,000 for the acquisition of the Salama Gold Project. Refer to Note 5.

On October 7, 2020, the Company issued 15,000 finders shares at a fair value of \$29,250 for the acquisition of the Waterloo Property. Refer to Note 5.

On October 22, 2020, the Company closed a non-brokered private placement financing of 666,666 units at a price of \$1.65 per unit for gross proceeds of \$1,000,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for \$3.00 for a period of one year from the date of issuance. The Company assigned \$nil to the warrants. The Company paid finders fees totalling \$57,000.

During the year ended April 30, 2021, the Company issued 903,333 common shares pursuant to exercise of warrants for total gross proceeds of \$271,000. The weighted average share price at dates the warrants were exercised was \$2.03.

During the year ended April 30, 2021, the Company issued 8,333 common shares pursuant to exercise of stock options for total gross proceeds of \$2,500. A value of \$251 was transferred from contributed surplus to share capital as a result. The weighted average share price at dates the stock options were exercised was \$1.20.

During the year ended April 30, 2021, the Company issued 28,246 common shares pursuant to exercise of agent's options for total gross proceeds of \$8,474. A value of \$4,483 was transferred from contributed surplus to share capital as a result. The weighted average share price at dates the agent's options were exercised was \$1.50.

On August 5, 2021, the Company closed a non-brokered private placement financing by issuing 11,764,705 units at a price of \$0.17 per unit for proceeds of \$2,000,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.23 per share for a period of one year from the date of issue. The Company assigned \$nil to the warrants. The Company paid finders fees totaling \$89,238 and issued 512,262 brokers warrants. The Company has the right to accelerate the expiry date of the warrants if, at any time, the average closing price of the Company's common shares is equal to or greater than \$0.50 for 10 consecutive trading days. In the event of acceleration, the expiry date will be accelerated to a date that is 10 business days after the Company issues a news release announcing that it has elected to exercise this acceleration right.

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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The fair value of the 512,262 broker warrants was determined to be \$100,812 and estimated on the date of issue using the Black-Scholes option valuation model with the following assumptions: dividend yield of \$nil, risk free interest rate of 0.42%, expected life of 1 year and expected volatility of 100%.

On September 2, 2021, the Company issued 14,070,000 units pursuant to the acquisition of HCM. Each unit comprises one common share of the Company and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one common share under the existing terms of the outstanding share purchase warrants of HCM. Refer to Note 4.

On October 2, 2021, in consideration for the loans assumed as a result of the acquisition of HCM, the Company has issued 500,000 common shares to each of the lenders for a total of 1,000,000 common shares at a fair value of \$400,000. Refer to Note 6.

During the nine months ended January 31, 2022, the Company issued 3,325,250 common shares pursuant to exercise of warrants for total gross proceeds of \$231,331. A value of \$1,099,980 was transferred from contributed surplus to share capital as a result. The weighted average share price at dates the warrants were exercised was \$0.21.

**e) Escrowed Shares**

As at January 31, 2022, 150,000 common shares are held in escrow (April 30, 2021 – 200,000) to be released pro-rata to the shareholders as to 10% on the listing date with the remaining escrow shares being released in six equal tranches of 15% every six months as to 50,000 common shares on each of February 27, 2022, August 27, 2022 and February 27, 2023. These escrow shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

**f) Stock Options**

On March 15, 2019, the Company adopted a stock option plan (the “Stock Option Plan”), which provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company’s common shares issued and outstanding at the time such options are granted. Options may be granted under the Stock Option Plan to the directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The Stock Option Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director, officer, employee or consultant, or 1% of the issued common shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability.

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

On August 21, 2020, the Company granted 100,000 options to consultants of the Company. The stock options have an exercise price of \$0.84 per share and expire on August 21, 2025. The options vested immediately upon grant. The fair value of the options granted was \$0.63.

On October 1, 2020, the Company granted 83,333 options to a director and a consultant of the Company. The stock options have an exercise price of \$2.01 per share and expire on October 1, 2025. The options vested immediately upon grant. The fair value of the options granted was \$1.47 per share.

On August 13, 2021, the Company granted a total of 1,800,000 stock options to its directors, officers, employees, consultants and advisors. The stock options have an exercise price of \$0.37 per share and expire on August 13, 2025. 50% of the options vest 3 months after the grant date and the remaining 50% of the options vest 6 months after the grant date. The fair value of the options granted was \$0.25 per share.

On September 28, 2021, the Company granted 500,000 stock options to a consultant of the Company. The stock options have an exercise price of \$0.35 per share and expire on September 28, 2025. 50% of the options vest 3 months after the grant date and the remaining 50% of the options vest 6 months after the grant date. The fair value of the options granted was \$0.24 per share.

On January 24, 2022, the Company granted a total of 1,050,000 stock options to its directors, officers, employees, consultants and advisors. The stock options have an exercise price of \$0.40 per share and expire on January 24, 2027. 550,000 stock options will vest quarterly over 12 months from the date of issuance. 500,000 stock options vest on the basis of 50,000 per month after the grant date. The fair value of the options granted was \$0.11 per share.

The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	<b>2022</b>	<b>2021</b>
Risk free interest rate	1.06%	0.33%
Expected life	4.32 years	5 years
Expected volatility	100%	100%
Expected forfeiture	Nil	Nil
Expected dividends	Nil	Nil

The expected volatility assumption was based on the estimated volatility of comparable companies trading on the Exchange.

The changes in the stock options for the year ended April 30, 2021 and nine months ended January 31, 2022 are as follows:

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, April 30, 2020	91,667	\$0.30	4.71
Granted	183,333	\$1.38	-
Exercised	(8,333)	\$0.30	-
Balance and exercisable, April 30, 2021	266,667	\$1.05	3.91
Granted	3,350,000	\$0.38	-
Balance and exercisable, January 31, 2022	3,616,667	\$0.43	3.96

The balance of options outstanding as at January 31, 2022 was as follows:

Expiry date	Exercise price	Remaining Life (years)	Options Outstanding	Unvested	Vested
January 14, 2025	\$0.30	2.96	83,334	-	83,334
August 21, 2025	\$0.84	3.56	100,000	-	100,000
October 1, 2025	\$2.01	3.67	83,333	-	83,333
August 13, 2025	\$0.37	3.53	1,800,000	900,000	900,000
September 28, 2025	\$0.35	3.66	500,000	250,000	250,000
January 24, 2027	\$0.40	4.98	1,050,000	-	1,050,000
	\$0.43	3.96	3,616,667	1,150,000	2,466,667

**g) Warrants**

Details of warrants activity for the year ended April 30, 2021 and nine months ended January 31, 2022 are as follows:

	Number of Warrants #	Weighted Average Exercise Price \$
Balance, April 30, 2020	4,000,000	0.30
Issued	1,333,333	2.10
Exercised	(903,333)	0.30
Balance, April 30, 2021	4,430,000	0.29
Expired	(4,430,000)	0.70
Issued	25,834,705	0.47
Exercised	(3,325,250)	0.07
Balance, January 31, 2022	22,509,455	0.15

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and nine months ended January 31, 2022 and 2021  
(Unaudited – Expressed in Canadian Dollars)

The balance of warrants outstanding as at January 31, 2022 is as follows:

<b>Expiry Date</b>	<b>Exercise Price \$</b>	<b>Remaining Life (Years)</b>	<b>Warrants Outstanding #</b>
August 5, 2022	0.23	0.51	11,705,705
September 2, 2024	0.067	2.59	10,803,750
		1.51	22,509,455

**h) Agent's Options**

The changes in the Agent's options for the year ended April 30, 2021 and nine months ended January 31, 2022 are as follows:

	<b>Number of Agent's options</b>	<b>Weighted average exercise price (per share)</b>	<b>Weighted average remaining life (years)</b>
Balance, April 30, 2020	151,667	\$0.30	1.83
Exercised	(28,246)	\$0.30	-
Balance, April 30, 2021	123,421	\$0.30	0.33
Issued	512,262	\$0.23	
Balance, January 31, 2022	635,683	\$0.24	0.43

The balance of Agent's options outstanding as at January 31, 2022 was as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Remaining life (years)</b>	<b>Options Outstanding</b>	<b>Unvested</b>	<b>Vested</b>
February 28, 2022	\$0.30	0.08	123,421	-	123,421
August 5, 2022	\$0.23	0.51	512,262	-	512,262
	\$0.24	0.43	635,683	-	635,683

**EMP METALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended January 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

**8. RELATED PARTY TRANSACTIONS**

The Company incurred charges from directors and officers, or to companies associated with these individuals during the three and nine months ended January 31, 2022 and 2021 as follows:

	Three months ended		Nine months ended	
	January 31,		January 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Accounting fees	13,027	6,083	38,818	14,739
Consulting fees	22,500	43,692	76,631	63,692
Share-based payment	61,199	-	184,116	74,224
	96,726	49,775	299,565	152,665

Accounts payable and accrued liabilities at January 31, 2022 includes \$25,550 (April 30, 2021 – \$13,640) due to the CEO and a company in which the CFO is an owner. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the CEO, the CFO and the Directors. During the three and nine months ended January 31, 2022, compensation paid to key management consisted of accounting fees of \$13,027 and \$38,818 (2021 – \$6,083 and \$14,739) paid to a company in which the CFO is an owner, consulting fees of \$22,500 and \$67,500 (2021 – \$22,500 and \$42,500) paid to the CEO, and consulting fees of \$nil and \$9,131 (2021 – \$nil and \$nil) paid to a company controlled by a director of the Company.

**9. COMMITMENT**

On August 1, 2020, the Company entered into a consulting agreement with an individual for public company finance and administration support at a rate of \$7,500 per month (\$90,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the consultant of 24 months (\$180,000) is required.