



Consolidated Financial Statements

April 30, 2022  
and  
April 30, 2021

*(Expressed in Canadian Dollars)*

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
White Metal Resources Corp.:

### Opinion

We have audited the consolidated financial statements of White Metal Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year 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 its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### 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 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.

### Other matter

The consolidated financial statements of the Company for the year ended April 30, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on August 30, 2021.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had losses of \$1,066,909 as of April 30, 2022 as well as a deficit in the amount of \$2,995,570. As stated in Note 1, these events or conditions, along with other matters as 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:

- 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 identified above 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 financial statements in accordance with IFRSs, 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**

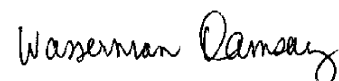
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 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 Kevin Ramsay.



Markham, Ontario  
June 28, 2022

Chartered Professional Accountants  
Licensed Public Accountants

# WHITE METAL RESOURCES CORP.

Consolidated Statements of Financial Position

As at April 30, 2022 and 2021

(Expressed in Canadian Dollars)

|                                                     | April 30,<br>2022 | April 30,<br>2021 |
|-----------------------------------------------------|-------------------|-------------------|
|                                                     | \$                | \$                |
| <b>Assets</b>                                       |                   |                   |
| <b>Current assets</b>                               |                   |                   |
| Cash                                                | 1,125,958         | 2,893,196         |
| Cash – restricted (Note 3)                          | 733,549           | 15,000            |
| Amounts receivable                                  | 84,026            | 122,214           |
| Prepaid expenses                                    | 14,465            | 24,363            |
| Marketable securities (Note 4)                      | 548,940           | 818,424           |
| Refundable security deposits (Note 12)              | 11,000            | 11,800            |
|                                                     | 2,517,938         | 3,884,997         |
| Property and equipment, net (Note 5)                | 18,323            | 8,607             |
| Exploration and evaluation assets (Note 6)          | 4,856,205         | 2,321,023         |
|                                                     | 7,392,466         | 6,214,627         |
| <b>Liabilities and Equity</b>                       |                   |                   |
| <b>Current liabilities</b>                          |                   |                   |
| Accounts payable and accrued liabilities (Note 8)   | 111,877           | 122,802           |
| Deferred premium on flow-through shares (Note 7(a)) | 71,855            | -                 |
|                                                     | 183,732           | 122,802           |
| <b>Equity</b>                                       |                   |                   |
| Share capital (Note 7)                              | 8,689,850         | 6,952,194         |
| Reserves                                            | 1,484,527         | 1,038,365         |
| Deficit                                             | (2,995,570)       | (1,927,569)       |
| Equity attributable to the owners of the Company    | 7,178,807         | 6,062,990         |
| Non-controlling interests                           | 29,927            | 28,835            |
|                                                     | 7,208,734         | 6,091,825         |
|                                                     | 7,392,466         | 6,214,627         |

*See accompanying notes to the consolidated financial statements*

Nature and continuance of operations (Note 1)

Subsequent Event (Note 14)

Approved by the Board of Directors and authorized for issue on June 28, 2022.

*"Scott Jobin-Bevans"*

Scott Jobin-Bevans, Director

*"Elliot Strashin"*

Elliot Strashin, Director

**WHITE METAL RESOURCES CORP.**

Consolidated Statements of Comprehensive Income (Loss)

For the years ended April 30, 2022 and 2021

(Expressed in Canadian Dollars)

|                                                                         | 2022        | 2021       |
|-------------------------------------------------------------------------|-------------|------------|
|                                                                         | \$          | \$         |
| <b>Operating costs and expenses</b>                                     |             |            |
| Advertising and promotion                                               | 166,840     | 33,539     |
| Bank charges and interest                                               | 9,334       | 4,988      |
| Consulting                                                              | 113,354     | 115,427    |
| Depreciation                                                            | 3,852       | 1,269      |
| General exploration                                                     | -           | 8,773      |
| Insurance                                                               | 12,692      | 11,977     |
| Legal and accounting                                                    | 129,635     | 103,971    |
| Share-based payments                                                    | 415,378     | 189,745    |
| Salaries and benefits                                                   | 62,475      | 44,135     |
| Office and miscellaneous                                                | 27,988      | 21,233     |
| Trust and filing fees                                                   | 22,080      | 27,092     |
| <b>Loss before other items</b>                                          | (963,628)   | (562,149)  |
| <b>Other items:</b>                                                     |             |            |
| Interest income                                                         | 2,439       | 1,144      |
| Gain on disposition of exploration and evaluation assets (Note 6)       | 188,852     | 202,681    |
| Gain on sale of marketable securities (Note 4)                          | 39,695      | 342,338    |
| Write-down of exploration and evaluation assets                         | (3,855)     | (3,760)    |
| Other income                                                            | 4,260       | 280        |
| Premium on flow-through shares (Note 7(a))                              | 93,145      | 188,462    |
| Unrealized gain (loss) on marketable securities                         | (427,817)   | 482,737    |
| <b>Net income (loss) and comprehensive income (loss) for the year</b>   | (1,066,909) | 651,733    |
| <b>Net income (loss) and comprehensive income (loss) attributed to:</b> |             |            |
| Shareholders of parent company                                          | (1,068,001) | 653,202    |
| Non-controlling interests                                               | 1,092       | (1,469)    |
|                                                                         | (1,066,909) | 651,733    |
| Weighted average number of common shares outstanding                    | 135,101,520 | 95,247,339 |
| Basic and diluted income (loss) per share                               | \$(0.01)    | 0.01       |

*See accompanying notes to the consolidated financial statements*

# WHITE METAL RESOURCES CORP.

## Consolidated Statements of Cash Flows

For the years ended April 30, 2022 and 2021

(Expressed in Canadian dollars)

|                                                                                                  | 2022        | 2021        |
|--------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                  | \$          | \$          |
| <b>Cash provided by (used for):</b>                                                              |             |             |
| <b>Operating activities</b>                                                                      |             |             |
| Net income (loss) for the year                                                                   | (1,066,909) | 651,733     |
| Items not involving cash:                                                                        |             |             |
| Premium on flow-through shares                                                                   | (93,145)    | (188,462)   |
| Share-based payments                                                                             | 415,378     | 189,745     |
| Depreciation                                                                                     | 3,852       | 1,269       |
| Gain on disposition of exploration and evaluation assets                                         | (188,852)   | (202,681)   |
| Gain on sale of marketable securities                                                            | (39,695)    | (342,338)   |
| Write-down of exploration and evaluation assets                                                  | 3,855       | 3,760       |
| Unrealized loss (gain) on marketable securities                                                  | 427,817     | (482,737)   |
| Changes in non-cash operating capital:                                                           |             |             |
| Amounts receivable                                                                               | 38,188      | (118,430)   |
| Prepaid expenses                                                                                 | 9,898       | (21,571)    |
| Accounts payable and accrued liabilities                                                         | (10,925)    | 46,866      |
|                                                                                                  | (500,538)   | (462,846)   |
| <b>Investing activities</b>                                                                      |             |             |
| Exploration and evaluation expenditures                                                          | (2,618,419) | (1,672,004) |
| Proceeds and expense recoveries on optioning or disposition of exploration and evaluation assets | 144,233     | 325,000     |
| Purchase of property and equipment                                                               | (13,567)    | (9,876)     |
| Proceeds on disposition of marketable securities                                                 | 106,362     | 494,176     |
| Refundable security deposits                                                                     | 800         | 8,750       |
|                                                                                                  | (2,380,591) | (853,954)   |
| <b>Financing activities</b>                                                                      |             |             |
| Cash from shares issued                                                                          | 1,909,990   | 4,001,750   |
| Share issue costs                                                                                | (77,550)    | (151,437)   |
|                                                                                                  | 1,832,440   | 3,850,313   |
| Increase (decrease) in cash for the year                                                         | (1,048,689) | 2,533,513   |
| Cash, beginning of the year                                                                      | 2,908,196   | 374,683     |
| Cash, end of the year                                                                            | 1,859,507   | 2,908,196   |
| Cash consists of the following:                                                                  |             |             |
| Cash                                                                                             | 1,125,958   | 2,893,196   |
| Cash - restricted                                                                                | 733,549     | 15,000      |
|                                                                                                  | 1,859,507   | 2,908,196   |
| <b>Supplemental information</b>                                                                  |             |             |
| Shares issued for exploration and evaluation assets                                              | 101,000     | 141,750     |
| Shares received for exploration and evaluation assets                                            | 225,000     | 332,812     |

See accompanying notes to the consolidated financial statements

# WHITE METAL RESOURCES CORP.

Consolidated Statements of Changes in Equity  
(Expressed in Canadian Dollars)

|                                                      | Number of<br>shares | Share<br>capital | Reserves  | Deficit     | Non-controlling<br>interests | Total<br>equity |
|------------------------------------------------------|---------------------|------------------|-----------|-------------|------------------------------|-----------------|
|                                                      |                     | \$               | \$        | \$          | \$                           | \$              |
| <b>April 30, 2020</b>                                | 73,439,640          | 3,224,218        | 772,995   | (2,580,771) | 30,304                       | 1,446,746       |
| Issued for cash:                                     |                     |                  |           |             |                              |                 |
| Private placements                                   | 46,565,110          | 3,498,250        | -         | -           | -                            | 3,498,250       |
| Warrant exercises                                    | 5,035,000           | 504,490          | (990)     | -           | -                            | 503,500         |
| Share issue costs – cash                             | -                   | (151,437)        | -         | -           | -                            | (151,437)       |
| Share issue costs – finder's warrants                | -                   | (76,615)         | 76,615    | -           | -                            | -               |
| Deferred premium on flow-through shares (Note 7(a))  | -                   | (188,462)        | -         | -           | -                            | (188,462)       |
| Issued in connection with property option agreements | 1,650,000           | 141,750          | -         | -           | -                            | 141,750         |
| Share-based payments                                 | -                   | -                | 189,745   | -           | -                            | 189,745         |
| Net income for the year                              | -                   | -                | -         | 653,202     | (1,469)                      | 651,733         |
| <b>April 30, 2021</b>                                | 126,689,750         | 6,952,194        | 1,038,365 | (1,927,569) | 28,835                       | 6,091,825       |
| Issued for cash:                                     |                     |                  |           |             |                              |                 |
| Private placements                                   | 17,611,000          | 1,749,990        | -         | -           | -                            | 1,749,990       |
| Warrant exercises                                    | 1,600,000           | 160,000          | -         | -           | -                            | 160,000         |
| Share issue costs – cash                             | -                   | (77,550)         | -         | -           | -                            | (77,550)        |
| Share issue costs – finders' warrants                | -                   | (30,784)         | 30,784    | -           | -                            | -               |
| Deferred premium on flow-through shares (Note 7(a))  | -                   | (165,000)        | -         | -           | -                            | (165,000)       |
| Issued in connection with property option agreements | 1,100,000           | 101,000          | -         | -           | -                            | 101,000         |
| Share-based payments                                 | -                   | -                | 415,378   | -           | -                            | 415,378         |
| Net loss for the year                                | -                   | -                | -         | (1,068,001) | 1,092                        | (1,066,909)     |
| <b>April 30, 2022</b>                                | 147,000,750         | 8,689,850        | 1,484,527 | (2,995,570) | 29,927                       | 7,208,734       |

See accompanying notes to the consolidated financial statements

# WHITE METAL RESOURCES CORP.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2022 and 2021  
(Expressed in Canadian Dollars)

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## 1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in British Columbia, Canada and has been primarily involved in the acquisition and exploration of mineral properties in the Provinces of Ontario and Newfoundland & Labrador, Canada as well as in Namibia, in southern Africa. The address of its corporate office and principal place of business is 684 Squier Street, Thunder Bay, Ontario, Canada, P7B 4A8. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V"), under the symbol WHM.

At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its properties. The ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property. Although the Company is unaware of any defects in its title to its mineral properties, no guarantee can be made that none exist.

These financial statements have been prepared on the basis of a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as going concern as described in the following paragraph. Accordingly, these financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

The Company has a need for financing for working capital, and the exploration and development of its properties. The ability of the Company to continue operations is dependent upon the continued financial support of its shareholders, other investors and lenders, and the successful development of the Company's interests in the mineral properties in which it holds interests. The Company has not determined whether any of the properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Since inception, the Company has incurred cumulative operating losses of \$2,995,570 and expects to incur further losses in the development of its business, and at April 30, 2022 has no source of operating revenue.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

These financial statements have been prepared 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").

### b) Basis of preparation

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar ("C\$"). These financial statements include the accounts of the Company and its wholly-owned subsidiary 1191557 Ontario Corp., as well as its 75%-owned subsidiary, Aloe Investments Two Hundred and Thirty Seven (Proprietary) Limited ("Aloe 237") and its 95%-owned subsidiary, Aloe Investments Two Hundred and Thirty Eight (Proprietary) Limited ("Aloe 238").

Non-controlling interests are reported based on the estimated fair values of these subsidiaries' issuances of shares to these parties, which in both cases were property vendors, plus income and less losses attributed to the non-controlling interests. Estimates of the fair values of subsidiaries' issuances of shares to non-controlling shareholders were determined with reference to the Company's other property acquisition costs incurred to obtain effective 95% interests at the time of acquisition.



# WHITE METAL RESOURCES CORP.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2022 and 2021  
(Expressed in Canadian Dollars)

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## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

For consolidated reporting purposes, non-controlling interests in the Company's subsidiaries are decreased to the extent of their proportionate share of any subsequent losses reported by those entities.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation. Amounts reported in the financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting principles adopted by the Company.

### c) Significant accounting judgments, estimates and assumptions

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

Critical judgements in applying accounting policies:

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

- The determination that the Company will continue as a going concern for the next year; and
- The determination that there have been no events or changes in circumstances that indicate that the carrying amounts of exploration and evaluation assets may not be recoverable.

### d) Exploration and evaluation assets

Once a permit to explore an area has been secured, exploration and evaluation expenditures are capitalized to exploration and evaluation assets and classified as a non-current asset.

Exploration expenditures relate to the initial search for mineral deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Exploration expenditure costs incurred are included in exploration and evaluation assets and these include any cash consideration and advance earn-in payments and the fair market value of shares issued, if any, related to the mineral property interests. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

The proceeds received related to any property options granted are recorded at fair value and offset the deferred costs applicable to these interests accordingly, with any amounts in excess of such balances reported in current income.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest, as described in note 2(g). To the extent that an expenditure is not expected to be recovered, it is charged to comprehensive income.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

# WHITE METAL RESOURCES CORP.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2022 and 2021  
(Expressed in Canadian Dollars)

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## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

### e) Investment income

The Company recognizes in operating income interest income as earned, dividends when declared, and marketable security gains and losses when realized. Interest income includes amortization of any premium or discount recognized at date of purchase. Realized gains and losses represent the difference between the amounts received through the sale of marketable securities and their respective cost base. Unrealized gains and losses on available-for-sale marketable securities are recorded in other comprehensive income and recognized in operations when realized.

Transaction costs are included in the acquisition cost of individual marketable securities and recognized as part of the realized gains or losses when they are sold or written down. Direct investment expenses such as external custodial and management fees, as well as internal investment management expenses, are netted against investment income.

### f) Marketable securities

Marketable securities, consisting of common shares of public companies, are classified as subsequently measured through profit and loss, and reported at market value. At the end of each reporting period, management determines if there has been a change in the market value of the security and records an adjustment to market value, with the offsetting debit or credit to change in fair value on marketable securities in the statements of comprehensive loss.

### g) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

### h) Share capital

The Company records in share capital proceeds from share issuances, net of issue costs and any tax effects. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the TSX-V on the date of the agreement to issue shares as determined by the Board of Directors. Stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model.

# WHITE METAL RESOURCES CORP.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2022 and 2021  
(Expressed in Canadian Dollars)

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## 2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

### i) Share-based payments

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to exploration and evaluation assets with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus amount is transferred to share capital.

### j) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource-related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### k) Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from the issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted market price of the shares and the amount the investor pays for the shares. A liability is recognized for this difference. The liability is reduced and this reduction is recorded in revenue as the eligible expenditures are incurred.

### l) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

### m) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii)

# WHITE METAL RESOURCES CORP.

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## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss and comprehensive loss.

The Company's financial instruments are classified and subsequently measured as follows:

| Account                                             | Classification |
|-----------------------------------------------------|----------------|
| Cash                                                | FVTPL          |
| Amounts receivable (excluding sales tax receivable) | Amortized cost |
| Marketable securities                               | FVTPL          |
| Reclamation bonds                                   | Amortized cost |
| Accounts payable and accrued liabilities            | Amortized cost |

### Impairment

The Company recognizes an allowance using the Expected Credit Loss ("ECL") model on financial assets classified as amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss. Refer also to (n) below

### n) Property and equipment

Purchased property and equipment are carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is recognized on a declining balance basis to write down the cost or valuation less estimated residual value of property and equipment. The depreciation rates generally applicable are:

|                    |     |
|--------------------|-----|
| Computer equipment | 45% |
| General equipment  | 20% |

# WHITE METAL RESOURCES CORP.

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## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### *IFRS 16, Leases*

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize right of use assets and liabilities for leases. The Company elected to apply IFRS 16 using a modified retrospective approach; therefore, the comparative information has not been restated and continues to be reported under IAS 17, Leases. The details of the new accounting policy and the impact of the policy change are described below.

At inception of a contract, the Company must assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company must assess whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if it has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

### *Right-of-use asset*

The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made and any initial direct costs incurred at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

### *Lease liability*

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee; the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless the Company is reasonably certain not to terminate early. The Company has not included non-lease components related to premises leases in the determination of the lease liability.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

The Company had no leases requiring recognition under IFRS 16.

# WHITE METAL RESOURCES CORP.

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## 3. RESTRICTION ON THE USE OF CASH

During the years ended April 30, 2022 and 2021, the Company issued common shares that were designated as being flow-through shares. One of the conditions of issuing flow-through shares is that the Company is required to retain the gross cash proceeds for the exclusive purpose of incurring qualified Canadian exploration expenditures, and not for other purposes.

|                                                              | April 31,<br>2022 | April 30,<br>2021 |
|--------------------------------------------------------------|-------------------|-------------------|
| Restricted cash, beginning of year                           | \$ 15,000         | \$ 15,000         |
| Gross proceeds received upon issuance of flow-through shares | 1,650,000         | 805,250           |
| Qualified exploration expenditures incurred with these funds | (931,451)         | (805,250)         |
| Restricted cash, end of year                                 | \$ 733,549        | \$ 15,000         |
| Consists of:                                                 |                   |                   |
| Cash restricted for qualified exploration expenditures       | \$ 718,549        | \$ -              |
| GIC held for credit card collateral                          | 15,000            | 15,000            |
|                                                              | \$ 733,549        | \$ 15,000         |

## 4. MARKETABLE SECURITIES

|                       | April 30, 2022      |              | April 30, 2021      |              |
|-----------------------|---------------------|--------------|---------------------|--------------|
|                       | Number of<br>Shares | Market Value | Number of<br>Shares | Market Value |
|                       |                     | \$           |                     | \$           |
| Benton Resources Inc. | 725,000             | 119,625      | 325,000             | 47,125       |
| Leocor Gold Inc.      | 300,000             | 114,000      | 133,333             | 66,667       |
| Noronex Ltd.          | 5,500,000           | 315,315      | 5,500,000           | 704,632      |
| Balance, end of year  |                     | 548,940      |                     | 818,424      |

All marketable securities are classified as FVTPL.

During the year ended April 30, 2022, the Company received an additional 400,000 shares of Benton Resources Inc. ("Benton") pursuant to the first anniversary option agreement on the Company's Far Lake property. The 725,000 shares the Company currently holds are valued at the April 30, 2022 closing price of \$0.165 (April 30, 2021 - \$0.145). See note 6(d).

During the year ended April 30, 2021, the Company disposed of all shares of Minfocus Exploration Corp. for gross proceeds of \$3,289 and recorded a gain on disposition of \$1,753.

During the year ended April 30, 2021, the Company disposed of all shares of Quadro Resources Ltd. for gross proceeds of \$262,925 and recorded a gain on disposition of \$132,925. See note 6(d).

During the year ended April 30, 2021, the Company received 133,333 shares of Leocor Gold Inc. ("Leocor") (CSE: LECR) pursuant to an option agreement on the Company's Startrek Gold-Antimony project in Newfoundland. During the year ended April 30, 2022, the Company disposed of 133,333 shares of Leocor for gross proceeds of \$106,362 and recorded a gain on disposition in the amount of \$39,695 in the current year. In addition during the year ended April 30, 2022, the Company received an additional 300,000 shares of Leocor pursuant to the first anniversary option payment on the Startrek property. The 300,000 shares that remain are valued at the April 30, 2022 closing price of \$0.38 (April 30, 2021 - \$0.50). See note 6(d).

# WHITE METAL RESOURCES CORP.

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## 4. MARKETABLE SECURITIES *(continued)*

During the year ended April 30, 2021, the Company received 5,500,000 shares of Noronex Ltd. ("Noronex") (ASX: NRX) pursuant to the Company's binding letter agreement with RZJ Capital Management executed during April 30, 2020 related to the Company's DorWit Copper-Silver property in Namibia held by the Company's 75%-owned Namibian subsidiary Aloe 237. The shares are valued at the April 30, 2022 closing price of \$0.063 AUD per share (April 30, 2021 - \$0.135 AUD) translated at the April 30, 2022 exchange rate of \$0.91 CAD (April 30, 2021 - \$0.9490 CAD).

During the year ended April 30, 2021, the Company disposed of its shares of Ardiden Limited for net proceeds of \$227,962 and recorded a gain on disposition in the 2021 fiscal year of \$207,660.

## 5. PROPERTY AND EQUIPMENT

|                    | April 30, 2022   |                             |               | April 30, 2021 |                             |              |
|--------------------|------------------|-----------------------------|---------------|----------------|-----------------------------|--------------|
|                    | Cost             | Accumulated<br>Amortization | Net           | Cost           | Accumulated<br>Amortization | Net          |
| General Equipment  | \$ 18,495        | \$ 3,222                    | \$ 15,273     | \$ 7,625       | \$ 762                      | \$ 6,863     |
| Computer Equipment | 4,949            | 1,899                       | 3,050         | 2,251          | 507                         | 1,744        |
|                    | <u>\$ 23,444</u> | <u>5,121</u>                | <u>18,323</u> | <u>9,876</u>   | <u>1,269</u>                | <u>8,607</u> |

# WHITE METAL RESOURCES CORP.

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## 6. EXPLORATION AND EVALUATION ASSETS

### For the year ended April 30, 2022

|                                                                     |    | <b>Tower<br/>Mountain<br/>(a)</b> | <b>DorWit<br/>(b)</b> | <b>Taranis<br/>(Okohongo)<br/>(c)</b> | <b>Other<br/>(d)</b> | <b>Total</b>     |
|---------------------------------------------------------------------|----|-----------------------------------|-----------------------|---------------------------------------|----------------------|------------------|
| <b>April 30, 2021 - Acquisition Costs</b>                           | \$ | 331,898                           | -                     | 207,262                               | 28,216               | 567,376          |
| Additions                                                           |    | 211,976                           | -                     | -                                     | 10,900               | 222,876          |
| Write-downs                                                         |    | -                                 | -                     | -                                     | -                    | -                |
| Recoveries/Earn-Ins                                                 |    | -                                 | -                     | -                                     | -                    | -                |
| <i>Subtotal</i>                                                     | \$ | 211,976                           | -                     | -                                     | 10,900               | 222,876          |
| <b>April 30, 2022- Acquisition Costs</b>                            | \$ | <b>543,874</b>                    | <b>-</b>              | <b>207,262</b>                        | <b>39,116</b>        | <b>790,252</b>   |
| <b>April 30, 2021 - Exploration<br/>and Evaluation Expenditures</b> | \$ | 1,063,579                         | -                     | 409,730                               | 280,338              | 1,753,647        |
| Assaying                                                            |    | 160,748                           | -                     | 20,067                                | -                    | 180,815          |
| Prospecting                                                         |    | 38,185                            | -                     | -                                     | -                    | 38,185           |
| Geology                                                             |    | 2,136                             | 715                   | 14,670                                | 3,482                | 21,003           |
| Geophysics                                                          |    | 18,396                            | -                     | 1,267                                 | -                    | 19,663           |
| Soil Sampling                                                       |    | 4,811                             | -                     | -                                     | -                    | 4,811            |
| Trenching                                                           |    | 86,434                            | -                     | 12,366                                | -                    | 98,800           |
| Drilling                                                            |    | 2,005,293                         | -                     | 16,301                                | 4,033                | 2,025,627        |
| Road Building/Maintenance                                           |    | 63,845                            | -                     | -                                     | -                    | 63,845           |
| Environmental                                                       |    | -                                 | -                     | 856                                   | -                    | 856              |
| NI 43-101                                                           |    | -                                 | -                     | 42,937                                | -                    | 42,937           |
| Miscellaneous                                                       |    | -                                 | -                     | -                                     | -                    | -                |
| Write-downs                                                         |    | -                                 | -                     | -                                     | (3,855)              | (3,855)          |
| Recoveries                                                          |    | -                                 | -                     | -                                     | (180,381)            | (180,381)        |
| <i>Subtotal</i>                                                     | \$ | 2,379,848                         | 715                   | 108,464                               | (176,271)            | 2,312,306        |
| <b>April 30, 2022 - Exploration<br/>and Evaluation Expenditures</b> | \$ | <b>3,443,427</b>                  | <b>715</b>            | <b>518,194</b>                        | <b>103,617</b>       | <b>4,065,953</b> |
| <b>April 30, 2022 - Total</b>                                       | \$ | <b>3,987,301</b>                  | <b>715</b>            | <b>725,456</b>                        | <b>142,733</b>       | <b>4,856,205</b> |



# WHITE METAL RESOURCES CORP.

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

### For the year ended April 30, 2021

|                                                                 |    | <b>Tower<br/>Mountain<br/>(a)</b> | <b>DorWit<br/>(b)</b> | <b>Taranis<br/>(Okohongo)<br/>(c)</b> | <b>Other<br/>(d)</b> | <b>Total</b>     |
|-----------------------------------------------------------------|----|-----------------------------------|-----------------------|---------------------------------------|----------------------|------------------|
| <b>April 30, 2020 - Acquisition Costs</b>                       | \$ | -                                 | 300,583               | 207,262                               | 84,529               | 592,374          |
| Additions                                                       |    | 331,898                           | -                     | -                                     | 50,450               | 382,348          |
| Write-downs                                                     |    | -                                 | -                     | -                                     | (2,500)              | (2,500)          |
| Recoveries/Earn-Ins                                             |    | -                                 | (300,583)             | -                                     | (104,263)            | (404,846)        |
| <i>Subtotal</i>                                                 | \$ | 331,898                           | (300,583)             | -                                     | (56,313)             | (24,998)         |
| <b>April 30, 2021- Acquisition Costs</b>                        | \$ | <b>331,898</b>                    | <b>-</b>              | <b>207,262</b>                        | <b>28,216</b>        | <b>567,376</b>   |
| <b>April 30, 2020 - Exploration and Evaluation Expenditures</b> | \$ | -                                 | 4,032                 | 6,621                                 | 315,233              | 325,886          |
| Assaying                                                        |    | 24,988                            | -                     | 21,767                                | 173                  | 46,928           |
| Prospecting                                                     |    | 26,443                            | -                     | -                                     | 3,380                | 29,823           |
| Geology                                                         |    | 42,832                            | -                     | 10,878                                | 6,511                | 60,221           |
| Geophysics                                                      |    | 264,143                           | -                     | 18,983                                | 718                  | 283,844          |
| Trenching                                                       |    | 5,556                             | -                     | -                                     | -                    | 5,556            |
| Drilling                                                        |    | 690,117                           | 215                   | 349,631                               | 923                  | 1,040,886        |
| Road Building/Maintenance                                       |    | 9,500                             | -                     | 1,088                                 | -                    | 10,588           |
| Environmental                                                   |    | -                                 | 633                   | -                                     | -                    | 633              |
| Miscellaneous                                                   |    | -                                 | -                     | 762                                   | 65                   | 827              |
| Write-downs                                                     |    | -                                 | -                     | -                                     | (1,261)              | (1,261)          |
| Recoveries                                                      |    | -                                 | (4,880)               | -                                     | (45,404)             | (50,284)         |
| <i>Subtotal</i>                                                 | \$ | 1,063,579                         | (4,032)               | 403,109                               | (34,895)             | 1,427,761        |
| <b>Apr. 30, 2021 - Exploration and Evaluation Expenditures</b>  | \$ | <b>1,063,579</b>                  | <b>-</b>              | <b>409,730</b>                        | <b>280,338</b>       | <b>1,753,647</b> |
| <b>Apr. 30, 2021 - Total</b>                                    | \$ | <b>1,395,477</b>                  | <b>-</b>              | <b>616,992</b>                        | <b>308,554</b>       | <b>2,321,023</b> |

### a) Tower Mountain Gold Project, Ontario

During the year ended April 30, 2021, the Company signed a binding letter of intent ("LOI") to enter into an option agreement to earn a 100% interest in the Tower Mountain Gold Project ("Tower Mountain"), located approximately 40 km northwest of the port city of Thunder Bay, Ontario. Pursuant to the terms of the LOI, to exercise the option the Company is required to make cash payments totaling \$150,000 and to issue 1,200,000 common shares to the optionor of the Property as follows:

- \$25,000 and 300,000 common shares upon receipt of regulatory approval (paid and issued);
- \$35,000 and 300,000 common shares on or before the first anniversary of the LOI (paid and issued);
- \$40,000 and 300,000 common shares on or before the second anniversary of the LOI; and
- \$50,000 and 300,000 common shares on or before the third anniversary of the LOI.

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

The optionor shall retain a 1% Net Smelter Return royalty ("NSR"), of which the Company may purchase half (0.5%) by paying the optionor \$1,000,000, over claims that the optionor is able to receive an NSR without being in breach of a purchase agreement between the optionor and a third party. The Company shall also grant the optionor a 2% NSR over claims the Company stakes within a 1.6-kilometre area of interest and make advance royalty payments of \$5,000 per year, payable in cash or shares, after the third year of the option agreement.

In addition, during the year ended April 30, 2021, the Company purchased a 100% ownership interest of a freehold patent (the "Lee Patent") located within the greater boundary of the Tower Mountain. In conjunction with the purchase of the Lee Patent, the Company paid a \$5,000 finder's fee.

Also during the year ended April 30, 2021, the Company entered into an agreement (the "Agreement") to purchase a 100% ownership interest in the mining rights to a patent (the "Anderson Patent") (the "Optionors"), located within the core area of the Property. The Company may exercise its option under the Agreement by providing the Optionors with the following:

- a non-refundable deposit of \$20,000 upon execution of the Agreement (completed);
- issuing to the Optionors 300,000 common shares upon receipt of TSX-V approval of the Option (issued);
- paying to the Optionors \$30,000 (paid) and issuing a further 400,000 shares (issued) to the Optionors on or before the first anniversary of the date of the Agreement;
- paying to the Optionors \$30,000 and issuing a further 400,000 shares to the Optionors on or before the second anniversary of the date of the Agreement; and
- paying to the Optionors \$70,000 and issuing a further 500,000 shares to the Optionors on or before the third anniversary of the date of the Agreement.

The Property will be subject to a 2.5% NSR in favour of the Optionors, of which one percent (1.0%) can be purchased by the Company for \$1,000,000 at any time (the "NSR Purchase Right"). The Optionors will, at any time, have the right to sell the 1.5% NSR not covered by the NSR Purchase Right subject to the Company having a right of first refusal to purchase such interest.

Finally, during the year ended April 30, 2021, the Company entered into an option agreement (the "Nichols Option") to purchase a 100% interest in a freehold patent (the "Nichols Patent") located to the southeast of the Property by completing the following:

- paying the optionors of the Nichols Patent a non-refundable deposit of \$20,000 upon execution of the Nichols Option (paid);
- issuing to the optionors of the Nichols Patent 300,000 common shares of the Company upon receipt of approval from the TSX Venture Exchange (received and issued);
- paying the optionors of the Nichols Patent \$30,000 (paid) and issuing a further 400,000 common shares (issued) of the Company on or before the first anniversary of the Nichols Option agreement;
- paying the optionors of the Nichols Patent \$30,000 and issuing a further 500,000 common shares of the Company on or before the second anniversary of the Nichols Option agreement; and
- paying the optionors of the Nichols Patent \$70,000 and issuing a further 900,000 common shares of the Company on or before the third anniversary of the Nichols Option agreement;

If the Company establishes a National Instrument 43-101 compliant economic resource of 750,000 ounces of gold or greater on the Nichols Patent, the Company will issue 1 million common shares to the optionors of the Nichols Patent.

The Nichols Patent will be subject to a 2% NSR in favour of the optionors of the Nichols Patent of which 1% can be purchased by the Company for \$1,000,000 at any time (the "NSR Purchase Right"). The optionors of the Nichols Patent

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

will, at any time, have the right to sell the 1% NSR not covered by the NSR Purchase Right subject to the Company having a right of first refusal to purchase such interest.

### **b) DorWit Copper-Silver Project, Namibia**

During the year ended April 30, 2020, the Company incorporated a wholly-owned Namibian subsidiary, Aloe Investments Two Hundred and Thirty Seven (Proprietary) Limited ("Aloe 237") and executed a binding letter of intent (the "DorWit LOI") whereby Aloe 237 would acquire a 100% interest in the DorWit Copper-Silver Property (the "Property"), located approximately 150 km from Windhoek, Namibia, from Altan Minerals and Investments CC ("Altan"), a private Namibian company. The DorWit Copper-Silver Property comprises three Exclusive Prospecting Licenses ("EPL"s), EPL7028, 7029 and 7030, encompassing approximately 78,865 hectares.

Pursuant to the DorWit LOI, White Metal committed to the following:

- Pay Altan USD\$75,000 upon closing (paid);
- Issue 7 million common shares of the Company to Altan upon closing (issued); and
- Issue a sufficient number of shares of Aloe 237 to provide Altan a 5% equity interest in Aloe 237, leaving the Company with a 95% interest in Aloe 237 (issued at a value of \$19,960).

EPL7028, 7029 and 7030 have no associated royalties.

In addition, during the year ended April 30, 2020, the Company and RZJ Capital Management ("RZJ") signed a binding letter of agreement ("LOA") pursuant to which RZJ obtained the option to purchase 70% of the common shares of Aloe 237. This option was subsequently assigned to Noronex Limited ("Noronex"), an Australian public company. The terms of the LOA are as follows:

- RZJ paid the Company a non-refundable \$100,000 deposit and had a three-month exclusive due diligence period from signing of the LOA;
- Upon completion of due diligence and to acquire an initial 10% of the common shares of Aloe 237, Noronex will pay the Company a total of \$500,000, with one-half of the payment being made in cash (received) and the remaining one-half in common shares (5.5 million Noronex shares received);
- Upon completion of payments above, Noronex and the Company will establish a Joint Technical Committee ("JTC") which will give equal vote with respect to exploration work and related expenditures on the Property (the Company will be the JTC Operator);
- To acquire a further 10% interest in Aloe 237, increasing its interest to 20%, and maintain its option, Noronex must spend a total of \$500,000 in approved mineral exploration expenditures (between the three licenses) by the first anniversary of the settlement date (completed);
- To acquire a further 10% interest in Aloe 237, increasing its interest to 30%, and maintain its option, Noronex must spend a total of \$1,000,000 in approved mineral exploration expenditures by the second anniversary of the settlement date (completed);
- To acquire a further 20% interest in Aloe 237, increasing its interest to 50%, and maintain its option, Noronex must spend a total of \$2,000,000 in approved mineral exploration expenditures by the third anniversary of the settlement date (completed). At this stage, Noronex will have the right to assume the role of operator;
- To acquire a further 20% interest in Aloe 237, increasing its interest to 70%, Noronex must spend a total of \$5,000,000 in approved mineral exploration expenditures by the fourth anniversary of the settlement date;
- Once a feasibility report has been completed, Noronex will be granted a 90-day Call Option to acquire the Company's remaining 25% to 26.5% interest in Aloe 237 (the interest will depend on the actions of Altan - see below), the price to be based on an independent valuation using the feasibility report and the prevailing market capitalization at the time; and,

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

- If the Call Option is not exercised, the companies will enter into a Joint Venture Agreement with a 70%/25%/5% funding split or a 73.5%/26.5% funding split, depending on the actions of Altan (see below).

The above-described payments made by Noronex have been accounted for herein as exploration and evaluation asset recoveries, and Noronex's exploration costs are similarly not incurred by, or recorded in the accounts of, Aloe 237. Only the relative ownership interests in Aloe 237 are impacted by these transactions, as indicated above.

During the year ended April 30, 2022, for practical and corporate management reasons, White Metal allowed Noronex (through its subsidiary Larchmont Investments Pty Ltd ("Larchmont")) to acquire 70% of the shareholding in Aloe 237 in anticipation of Larchmont achieving but prior to Larchmont having actually achieved the thresholds of the initial 50% and second 20% (70% in aggregate) option interests. Larchmont was issued 266 common shares of Aloe 237 so as to effect their 70% interest and equalization shares were issued to Altan so as to preserve their 5% equity interest in Aloe 237.

Altan is carried for exploration expenditures until an independent pre-feasibility report is completed and approved by the TSX-V. At such time, Altan must decide whether to contribute to future expenditures and maintain its interest or convert its interest to a 5% Net Profits Interest ("NPI"). This NPI may be purchased by the remaining partners at any time for USD\$1,000,000.

### c) Taranis (Okohongo) Copper-Silver Project, Namibia

During the year ended April 30, 2020, the Company incorporated a wholly-owned Namibian subsidiary, Aloe Investments Two Hundred and Thirty Eight (Proprietary) Limited ("Aloe 238") and executed a binding letter of intent (the "Okohongo LOI") to acquire a 100% interest in the Okohongo Copper-Silver Property (the "Property") located in the northwest part of Namibia from Taranis Resources and Investments CC ("Taranis"), a private Namibian company. The Okohongo Copper-Silver Property comprises one EPL, known as EPL7071, encompassing approximately 13,825 hectares.

Pursuant to the Okohongo LOI, White Metal committed to the following:

- Pay Taranis USD\$12,500 upon closing (paid);
- Issue 4.5 million common shares of the Company to Taranis upon closing (issued); and
- Issue a sufficient number of shares of Aloe 238 to provide Taranis a 5% equity interest in Aloe 238, leaving the Company with a 95% interest in Aloe 238 (issued at a value of \$10,344).

EPL7071 has no associated royalties. During the year ended April 30, 2022, the Company received a two-year renewal for EPL7071, setting the new expiry date to June 12, 2023. EPL7071 was reduced from its original size of 19,805 hectares to approximately 13,825 ha as part of the requirements for EPL renewal.

During the year ended April 30, 2022, the Company optioned its interest in the Property to Himba Metals (Pty) ("Himba"), a privately held company incorporated pursuant to the laws of Namibia, by way of letter of intent ("Himba LOI") among the Company, Himba and P&C Ventures Inc. ("P&C"). Pursuant to the Himba LOI, Himba or its assigns has the option to acquire the Company's 95% interest in Aloe 238 by completing the following:

- Pay to the Company \$50,000 USD as a non-refundable deposit upon execution of the Himba LOI (received \$61,915 CAD);
- Pay to the Company \$50,000 USD upon completion of a 45-day due diligence period in favour of Himba (subsequently received \$64,100 CAD);
- Pay to the Company \$400,000 USD on or before May 31, 2022;
- Cause a public company, which Himba intends on assigning its interest in the Option to ("Pubco"), to issue to the Company US\$1,000,000 worth of shares of Pubco (the "Pubco Shares") by May 31, 2022, subject to the Company consenting to an extension to that date if required by Himba or Pubco, such consent not to be unreasonably

# WHITE METAL RESOURCES CORP.

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

withheld but subject to the Company's right to require that exploration work be commenced on the Okohongo. In the event that the Pubco shares are not issued by August 31, 2022 (the "Outside Date"), P & C has agreed, pursuant to a limited guarantee, to pay to the Company US\$1 million in cash within 15 days of the Outside Date in lieu of the Pubco Shares. If, within 3 months of the Outside Date, Pubco is in a position to issue the Pubco Shares, the Company will have the option of exchanging the US\$1.0 million in cash for US\$1.0 million of shares of Pubco;

- Pay to the Company \$500,000 USD by November 30, 2022;
- Grant to the Company a 1.0% Net Smelter Return royalty ("NSR") over Himba's or its assign's interest in the Okohongo with the right of Himba or its assigns to purchase 0.25% of the NSR for US\$1.0 million; and
- Pay to the Company US\$1.0 million and cause Pubco to issue US\$1.0 million of shares if a NI 43-101 compliant mineral resource estimate is outlined on the Okohongo exceeding 50 million tonnes of copper at greater than or equal to 1.0% Cu equivalent.

### d) Other Properties

The Company also retains certain other early-stage mineral property interests and significant transactions involving them are noted here:

#### *Far Lake Copper-Silver Property, Ontario*

During the year ended April 30, 2018, the Company acquired by staking a 100% interest in the Far Lake Copper-Silver Property located approximately 80 km northwest of Thunder Bay, Ontario.

During the year ended April 30, 2021, the Company signed a letter of intent ("LOI") with Benton Resources Inc., ("Benton") for Benton to earn up to a 70% interest in the Far Lake Copper-Silver Project (the "Project"). Under the terms of the LOI, Benton would acquire from the Company in an initial option for a 60% interest in the Project (the "Initial Option"), followed by a second option to acquire an additional 10% interest (the "Second Option") in the Project.

Initial Option: It is contemplated that Benton may exercise the Initial Option by completing the following:

- Paying \$25,000 and issuing 300,000 common shares to the Company within three days of receipt of TSX-V approval for the LOI (received);
- Completing \$200,000 of exploration expenditures on the Project on or before the first anniversary of execution of the LOI (completed);
- Paying \$30,000 and issuing 400,000 common shares to the Company on or before the first anniversary of execution of the LOI (received);
- Completing an additional \$200,000 of exploration expenditures on the Project on or before the second anniversary of execution of the LOI;
- Paying \$50,000 and issuing 400,000 common shares to the Company on or before the second anniversary of execution of the LOI;
- Completing an additional \$300,000 of exploration expenditures on the Project on or before the third anniversary of execution of the LOI;
- Paying \$100,000 and issuing 500,000 common shares to the Company on or before the third anniversary of execution of the LOI; and
- Completing an additional \$300,000 of exploration expenditures on the Project on or before the fourth anniversary of execution of the LOI.

Second Option: Subject to exercising the Initial Option, Benton will have 90 days from the fourth anniversary of execution of the LOI to indicate its intention to exercise the Second Option by issuing 500,000 common shares to the Company and subsequently completing an additional \$1 million of exploration expenditures on the Project on or before the fifth anniversary of the LOI.

# WHITE METAL RESOURCES CORP.

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

### *Pickle Lake Gold Project royalty interests, Ontario*

The Pickle Lake gold properties consist of four claims packages in the Pickle Lake area, Ontario:

- Dorothy-Dobie Lake Property
- Kasagiminnis Lake Property
- South Limb Property
- Pickle Lake West Property

During fiscal 2019, the Company disposed of its previous ownership interests in these properties to Ardiden Limited ("Ardiden"), an Australian public company, for consideration which included certain royalty interests.

The Company maintains the right to purchase the existing 1% NSR held by Murchison Minerals Ltd. on certain claims within the Dorothy-Dobie and Kasagiminnis properties, pursuant to which 0.5% can be purchased for \$1,000,000 and the second 0.5% can be purchased for \$1,500,000. The Company holds a 1% NSR on certain other claims located within the Dorothy-Dobie claim group. The Company also retains a 2% NSR on the 100%-owned West Pickle and South Limb properties, of which 1% can be purchased by Ardiden for \$1,000,000. Ardiden will have a Right of First Refusal on the remaining 1% NSR.

### *Startrek Gold-Antimony Project, Newfoundland*

During the year ended April 30, 2019, the Company executed an option agreement with Sokoman Minerals Corp. ("Sokoman") to acquire a 100% interest in the Startrek Gold-Antimony Project located east of Benton in central Newfoundland. The property consists of 278 claim units (220 of which were staked by the Company) covering 69,270 hectares. Pursuant to the terms of the option agreement, as amended prior to the current Amending Agreement described below, the Company was required to issue up to 2,250,000 common shares to Sokoman in stages (1,000,000 shares issued).

Under the original option agreement, the Company's remaining obligations to acquire a 100% interest in the property immediately prior to an Amending Agreement entered into during the current year were to issue to Sokoman 500,000 Company common shares on or before December 18, 2020 and 500,000 common shares on or before December 18, 2021. As amended, to exercise the option and acquire the property, the Company issued 750,000 common shares to Sokoman upon execution of the Amending Agreement, and the Company has the right to acquire one-half (0.5%) of the 1% NSR that Sokoman holds on the Startrek property by paying Sokoman \$500,000. The Company also has the right to acquire the remaining 0.5% NSR from Sokoman by paying Sokoman \$175,000 and issuing that amount of shares equaling a value of \$250,000.

The property is also subject to a 2.0% NSR in favour of the original owner, of which the Company will have the right to exercise Sokoman's right to purchase half (1.0%) for \$1,000,000 at any time by paying Sokoman a further \$175,000 and issuing Company common shares with a value of \$250,000.

In addition, during the year ended April 30, 2021, the Company signed a binding LOI with 1259542 B.C. Ltd, to enter into an Option Agreement (the "Agreement") in respect of the property, with the parties subsequently entering into an assignment agreement whereby Leocor Gold Inc. (now the "Optionee") would assume all obligations under the Agreement.

Under the terms of the Agreement, the Optionee can earn up to a 70% interest in the Property by:

- Paying \$25,000 (received) and issuing 133,333 common shares (received) of the Optionee to White Metal within three days of receipt of TSX-V approval of the Option transaction (approved);

# WHITE METAL RESOURCES CORP.

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

- Completing \$150,000 of exploration expenditures on the Property on or before the first anniversary of execution of the Agreement (completed);
- Paying \$50,000 (received) and issuing 300,000 (received) common shares to White Metal on or before the first anniversary of execution of the Agreement;
- Completing an additional \$250,000 of exploration expenditures on the Property on or before the second anniversary of execution of the Agreement;
- Paying \$75,000 and issuing 433,333 common shares to White Metal on or before the second anniversary of execution of the Agreement; and
- Completing an additional \$500,000 of exploration expenditures on the Property on or before the third anniversary of execution of the Agreement.

### *Seagull/Disraeli Cu-Ni-PGE Project, Ontario*

The Seagull/Disraeli Cu-Ni-PGE Project was previously owned 40% by Canadian International Pharma Corp. (formerly Black Panther Mining Corp.), with the Company and Rainy Mountain Royalty Corp. ("Rainy Mountain") each owning 30% interests. The Seagull/Disraeli Property (the "Property") consists of 665 single cell mining claims totalling 14,035 hectares in the Anders Lake and Leckie Lake areas.

During the year ended April 30, 2019, the Company signed an agreement to acquire a 100% interest in the Seagull/Disraeli property from its partners. Pursuant to the purchase agreements, the Company completed the acquisition by issuing:

- 200,000 common shares to Canadian International Pharma Corp., and
- 150,000 common shares to Rainy Mountain.

The Company also has the right to purchase, for cash, certain of the outstanding NSR interests on the property, as follows:

- 0.4% of the NSR controlled by Canadian International Pharma Corp. for \$600,000;
- 0.3% of the NSR controlled by Rainy Mountain for \$450,000; and
- 1.4% of the aggregate 2.4% NSR held by a prior owner of the property for \$2,000,000.

During the year ended April 30, 2020, the Company signed a letter of intent ("LOI") with Quadro Resources Ltd. ("Quadro"), granting Quadro the option to earn a 70% interest in the Seagull Lake Project by paying \$275,000 cash, issuing 6,500,000 common shares and completing \$1,550,000 in exploration work.

During the year ended April 30, 2021, Quadro terminated the LOI and returned the property to the Company.

## 7. SHARE CAPITAL

- a) The authorized share capital of the Company consists of an unlimited number of common shares.

Details of the Company's share capital transactions during the years ended April 30, 2022 and 2021 are as follows:

- On July 10, 2020, the Company issued 300,000 shares valued at \$0.07 per share to complete the on-signing option payment on the Tower Mountain Gold Project detailed in note 6(a) above.

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## 7. SHARE CAPITAL (continued)

- On August 19, 2020, the Company closed a non-brokered private placement, issuing 2,753,571 flow-through units at a price of \$0.07 per flow-through unit for gross proceeds of \$192,750, and 20,650,000 non-flow-through units at a price of \$0.05 per unit for gross proceeds of \$1,032,500. Each flow-through unit consists of one flow-through common share of the Company and one-half of one common share purchase warrant, with each full warrant exercisable at a price of \$0.10 per share for 24 months after closing. Each non-flow-through unit consists of one common share of the Company and one common share purchase warrant exercisable at a price of \$0.10 per share for 24 months after closing. In conjunction with the closing of the private placement, the Company paid net cash commissions of \$17,412 and issued 80,700 finders' warrants exercisable at a price of \$0.10 per share for a period of 24 months after the date of issuance.
- On September 11, 2020, the Company issued 750,000 shares valued at \$0.055 per share to complete the purchase of the Startrek property from Sokoman Minerals Corp. pursuant to an amended agreement.
- On February 8, 2021, the Company issued 250,000 shares pursuant to the exercise of warrants at a price of \$0.10.
- On February 22, 2021, the Company closed a non-brokered private placement financing of flow-through and non-flow through units for gross proceeds of \$2,273,000 (the "Private Placement").

The Company issued 4,711,539 flow-through units at a price of \$0.13 per unit, with each unit consisting of one flow-through common share and one common share purchase warrant, each full warrant entitling the holder thereof to purchase an additional common share of the Company at a price of \$0.20 for a period of 24 months following the date of issuance.

The Company also issued 18,450,000 non-flow-through units in the Private Placement at a price of \$0.09 per unit, with each unit consisting of one common share of the Company and one common share purchase warrant, and each warrant entitling the holder thereof to purchase an additional common share of the Company at a price of \$0.20 for a period of 24 months following the date of issuance. The Company paid cash finders' totalling \$115,034 and issued 869,050 finders' warrants exercisable at \$0.09 per share and 235,033 finders' warrants exercisable at \$0.13 per share, all exercisable for 24 months from the date of issuance.

- On February 22, 2021, the Company issued 300,000 shares valued at \$0.135 related to the acquisition of the Anderson Patent.
- On March 5, 2021, the Company issued 500,000 shares pursuant to the exercise of warrants at a price of \$0.10.
- On March 23, 2021, the Company issued 300,000 shares valued at \$0.13 related to the acquisition of the Nicols Patent.
- On March 31, 2021, the Company issued 4 million shares pursuant to the exercise of warrants at a price of \$0.10.
- On April 22, 2021, the Company issued 285,000 shares pursuant to the exercise of warrants at a price of \$0.10.
- On June 3, 2021, the Company issued 500,000 shares pursuant to the exercise of warrants at a price of \$0.10.
- On June 14, 2021, the Company issued 600,000 shares pursuant to the exercise of warrants at a price of \$0.10. In addition the Company issued 300,000 shares valued at \$0.11 pursuant to the first anniversary payment on the Tower Mountain project.
- On June 17, 2021, the Company issued 500,000 shares pursuant to the exercise of warrants at a price of \$0.10.
- On December 15, 2021, the Company closed a non-brokered private placement financing of flow-through shares and non-flow through units for gross proceeds of \$1,749,990 (the "Private Placement").



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## 7. SHARE CAPITAL (continued)

The Company issued 16,500,000 flow-through shares at a price of \$0.10 per share and issued 1,111,000 non-flow-through units in the Private Placement at a price of \$0.09 per unit, with each unit consisting of one common share of the Company and one-half of one common share purchase warrant, and each whole warrant entitling the holder thereof to purchase an additional common share of the Company at a price of \$0.18 until December 15, 2023. The Company

paid cash finders' totalling \$67,800 and issued 660,000 finders' warrants exercisable at \$0.10 per share until December 15, 2023.

The deferred premium on the issuance of the flow-through shares issued during year ended April 30, 2022, described above, was \$165,000 (April 30, 2021 - \$188,462). The cash proceeds of the placements in excess of the fair value of the Company's shares issued is treated as a liability in accordance with IFRS. This liability is reversed into earnings as the Company incurs flow-through eligible exploration and evaluation expenditures. During the year ended April 30, 2022, \$93,145 in flow-through share premiums was recognized as income during the year ended April 30, 2022 (April 30, 2021 - \$188,462) resulting in a remaining deferred premium balance of \$71,855 (April 30, 2021 - nil).

- On January 19, 2022, the Company issued 400,000 shares valued at \$0.085 pursuant to the first anniversary option payment related to the Anderson Patent.
- On March 4, 2022, the Company issued 400,000 shares valued at \$0.085 pursuant to the first anniversary option payment related to the Nichols Patent.

### b) Share-based payments and share purchase options

The Company applies the fair value method of accounting for share-based payments using the Black Scholes valuation model. The fair value of options granted during the years ended April 30, 2022 and 2021 was estimated in accordance with this model applying the following assumptions:

| Grant Date        | Fair Value<br>of Each<br>Vested Option | Dividend<br>Yield | Expected<br>Volatility | Risk-free<br>Interest<br>Rate | Expected<br>Life |
|-------------------|----------------------------------------|-------------------|------------------------|-------------------------------|------------------|
| July 7, 2020      | \$0.05116                              | 0%                | 173%                   | 0.33%                         | 5 years          |
| October 1, 2020   | \$0.05044                              | 0%                | 167%                   | 0.32%                         | 5 years          |
| January 6, 2021   | \$0.08773                              | 0%                | 167%                   | 0.41%                         | 5 years          |
| February 4, 2021  | \$0.07967                              | 0%                | 167%                   | 0.48%                         | 2 years          |
| May 18, 2021      | \$0.10190                              | 0%                | 165%                   | 0.95%                         | 5 years          |
| June 7, 2021      | \$0.10190                              | 0%                | 165%                   | 0.89%                         | 5 years          |
| July 28, 2021     | \$0.10090                              | 0%                | 158%                   | 0.80%                         | 5 years          |
| November 9, 2021  | \$0.08278                              | 0%                | 157%                   | 1.35%                         | 5 years          |
| December 20, 2021 | \$0.05022                              | 0%                | 136%                   | 0.95%                         | 2 years          |

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### 7. SHARE CAPITAL (continued)

The continuity of share purchase options is as follows:

|                             | Number of Options | Weighted Average<br>Exercise Price |
|-----------------------------|-------------------|------------------------------------|
|                             |                   | \$                                 |
| Outstanding, April 30, 2020 | 3,595,000         | 0.10                               |
| Granted                     | 3,290,000         | 0.11                               |
| Expired/Cancelled           | (630,000)         | 0.10                               |
| Outstanding, April 30, 2021 | 6,255,000         | 0.11                               |
| Granted                     | 4,450,000         | 0.14                               |
| Expired                     | (350,000)         | 0.14                               |
| Outstanding, April 30, 2022 | 10,355,000        | 0.12                               |

(1) At April 30, 2022, the weighted-average remaining contractual life of stock options outstanding is 2.89 years (April 30, 2021 – 3.32 years)

As at April 30, 2022, the following options were outstanding:

| Number of Options | Exercise Price | Expiry Date       |
|-------------------|----------------|-------------------|
|                   | \$             |                   |
| 1,195,000         | 0.10           | August 29, 2022   |
| 175,000           | 0.10           | February 8, 2023  |
| 1,595,000         | 0.10           | June 20, 2024     |
| 150,000           | 0.10           | July 7, 2025      |
| 2,440,000         | 0.10           | October 1, 2025   |
| 400,000           | 0.15           | January 6, 2026   |
| 300,000           | 0.15           | February 4, 2023  |
| 3,175,000         | 0.15           | June 7, 2026      |
| 300,000           | 0.10           | November 9, 2026  |
| 625,000           | 0.10           | December 20, 2023 |
| 10,355,000        |                |                   |

#### c) Share purchase warrants

The continuity of share purchase warrants is as follows:

|                                          | Number of Warrants | Weighted Average<br>Exercise Price |
|------------------------------------------|--------------------|------------------------------------|
|                                          |                    | \$                                 |
| Outstanding, April 30, 2020              | 18,684,000         | 0.12                               |
| Issued to investors in private placement | 45,188,324         | 0.15                               |
| Issued to finders in private placement   | 1,145,933          | 0.10                               |
| Exercised during the year                | (5,035,000)        | 0.10                               |
| Expired during the year                  | (4,270,000)        | 0.17                               |
| Outstanding, April 30, 2021              | 55,713,257         | 0.14                               |
| Issued to investors in private placement | 555,500            | 0.18                               |
| Issued to finders in private placement   | 660,000            | 0.10                               |
| Exercised during the year                | (1,600,000)        | 0.10                               |
| Expired during the year                  | (7,779,000)        | 0.10                               |
| Outstanding, April 30, 2022              | 47,549,757         | 0.14                               |

# WHITE METAL RESOURCES CORP.

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## 7. SHARE CAPITAL (continued)

As at April 30, 2022, the following warrants were outstanding:

| Number of Warrants | Exercise Price | Expiry Date       |
|--------------------|----------------|-------------------|
|                    | \$             |                   |
| 22,107,485         | 0.10           | August 19, 2022   |
| 23,161,539         | 0.20           | February 22, 2023 |
| 830,200            | 0.09           | February 22, 2023 |
| 235,033            | 0.13           | February 22, 2023 |
| 555,500            | 0.18           | December 15, 2023 |
| 660,000            | 0.10           | December 15, 2023 |
| 47,549,757         |                |                   |

80,700 brokers' warrants were issued on August 19, 2020 pursuant to the closing of a private placement. The recorded fair value of each warrant is \$0.05502 and was estimated on the issuance date with the following assumptions: dividend yield of 0%, expected volatility of 189%, a risk-free interest rate of 0.26% and an expected life of approximately 2 years using the Black Scholes valuation model. \$4,440 was recorded as share issue costs pursuant to this issuance.

830,200 brokers' warrants were issued on February 22, 2021 pursuant to the closing of a private placement. The recorded fair value of each warrant is \$0.06867 and was estimated on the issuance date with the following assumptions: dividend yield of 0%, expected volatility of 167%, a risk-free interest rate of 0.23% and an expected life of approximately 2 years using the Black Scholes valuation model. \$57,007 was recorded as share issue costs pursuant to this issuance.

235,033 brokers' warrants were issued on February 22, 2021 pursuant to the closing of a private placement. The recorded fair value of each warrant is \$0.06454 and was estimated on the issuance date with the following assumptions: dividend yield of 0%, expected volatility of 167%, a risk-free interest rate of 0.23% and an expected life of approximately 2 years using the Black Scholes valuation model. \$15,168 was recorded as share issue costs pursuant to this issuance.

660,000 brokers' warrants were issued on December 15, 2021 pursuant to the closing of a private placement. The recorded fair value of each warrant is \$0.04664 and was estimated on the issuance date with the following assumptions: dividend yield of 0%, expected volatility of 137%, a risk-free interest rate of 0.97% and an expected life of approximately 2 years using the Black Scholes valuation model. \$30,784 was recorded as share issue costs pursuant to this issuance.

## 8. RELATED PARTY TRANSACTIONS

Key management personnel compensation:

|                                                                              | April 30,<br>2022 | April 30,<br>2021 |
|------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                              | \$                | \$                |
| Salaries and benefits                                                        | 119,379           | 123,282           |
| Share-based payments                                                         | 224,319           | 85,856            |
| Consulting, property contracting services, equipment rentals and office rent | 64,400            | 57,286            |
| Total key management personnel compensation                                  | 363,475           | 266,424           |

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties, and accordingly that they are measured at fair value. Details of the balances in the table above are more fully described below.

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## 8. RELATED PARTY TRANSACTIONS *(continued)*

During the year ended April 30, 2022, Michael Stares, interim President and CEO of the Company, earned \$119,379 in salary and statutory benefits (April 30, 2021 – \$123,282) for exploration property management and administrative services. Michael resigned effective March 1, 2022. At April 30, 2022 the Company owed Michael Stares \$1,754 for property consulting fees and expense reimbursements (April 30, 2021 - nil). In addition, during the year ended April 30, 2022, the Company was billed \$14,300 plus HST by Stares Contracting Corp., a company co-owned by Michael Stares, for equipment rentals capitalized in exploration and evaluation assets as well as for the purchase of an exploration camp structure capitalized in property and equipment (April 30, 2021 - \$3,250).

During the year ended April 30, 2022, Benton Resources Inc. (“Benton”), a company Michael Stares is a director and former employee of, billed \$12,000 (April 30, 2021 - \$12,000) to the Company for office rent. At April 30, 2022, the Company owed Benton \$nil (April 30, 2021 - \$1,130) inclusive of HST. In addition, the Company purchased equipment from Benton during the year ended April 30, 2021 for \$5,000 that was capitalized in property and equipment.

During the year ended April 30, 2022, Dr. Scott Jobin-Bevans, VP Exploration for the Company and a director as well as Interim President and CEO, billed the Company nil (April 30, 2021 - \$10,000) for monthly consulting fees related to his duties at a rate of \$2,000 per month. During the year ended April 30, 2022, Caracle Creek International Consulting Inc. (“Caracle Creek”), a company of which Dr. Jobin-Bevans is President/CEO and a director of, billed the Company \$27,750 (April 30, 2021 - \$14,000) for monthly consulting fees related to his duties. In addition, during the year ended April 30, 2022, the Company was billed \$5,350 (April 30, 2021 - \$13,071) excluding HST by Caracle Creek for project management services at the Okohongo and DorWit projects in Namibia. At April 30, 2022, the Company owed Caracle Creek \$3,955 (April 30, 2021 - \$2,260) inclusive of HST.

During the year ended April 30, 2022, 2803923 Ontario Inc., a company controlled by David Speck, billed the Company \$5,000 plus HST (April 30, 2021 – nil) for corporate development consulting services and services related his newly appointed role as CFO for the Company in March 2022. At April 30, 2022, the Company owed 2803923 Ontario Inc. \$5,650 (April 30, 2021 – nil) inclusive of HST.

Refer also to note 6(d).

## 9. CAPITAL MANAGEMENT

The Company’s objectives for the management of capital are to safeguard the Company’s ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company’s policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements except to maintain sufficient cash and deposit balances to meet exploration commitments entered into pursuant to flow-through share purchase agreements.

## 10. FINANCIAL INSTRUMENT RISKS

The Company’s financial instruments are exposed to the following risks:

### *Credit Risk*

The Company’s primary exposure to credit risk is the risk of illiquidity of cash amounting to \$1,859,507 at April 30, 2022 (April 30, 2021 - \$2,908,116). As the Company’s policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

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## 10. FINANCIAL INSTRUMENT RISKS (continued)

### Interest Rate Risk

The Company currently has cash balances only. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution.

### Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classifications of the Company's financial instruments as at April 30, 2022 and 2021 are as follows:

|                                          | Fair value level | 2022                              |                | 2021                              |                |
|------------------------------------------|------------------|-----------------------------------|----------------|-----------------------------------|----------------|
|                                          |                  | Fair value through profit or loss | Amortized cost | Fair value through profit or loss | Amortized cost |
|                                          |                  | \$                                | \$             | \$                                | \$             |
| <i>Financial assets:</i>                 |                  |                                   |                |                                   |                |
| Cash and restricted cash                 | 1                | 1,859,507                         | -              | 2,908,116                         | -              |
| Marketable securities                    | 1                | 548,940                           | -              | 818,424                           | -              |
| Refundable security deposits             | 1                | -                                 | 11,000         | -                                 | 11,800         |
|                                          |                  | 2,408,447                         | 11,000         | 3,726,540                         | 11,800         |
| <i>Financial liabilities:</i>            |                  |                                   |                |                                   |                |
| Accounts payable and accrued liabilities |                  | -                                 | 111,877        | -                                 | 122,802        |
| Deferred premium on flow-through shares  |                  |                                   | 71,855         |                                   | -              |
|                                          |                  | -                                 | 183,732        | -                                 | 122,802        |

During the years ended April 30, 2022 and 2021, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

# WHITE METAL RESOURCES CORP.

Notes to the Consolidated Financial Statements  
For the years ended April 30, 2022 and 2021  
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## 11. INCOME TAXES

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

|                                                          | 2022        | 2021      |
|----------------------------------------------------------|-------------|-----------|
|                                                          | \$          | \$        |
| Net income (loss) for the year before tax                | (1,160,054) | 651,733   |
| Expected income tax expense (recovery)                   | (307,414)   | 191,234   |
| Net adjustment for deductible and non-deductible amounts | 147,878     | (262,599) |
| Unrecognized benefit of tax pool assets                  | 159,263     | 71,365    |
|                                                          | -           | -         |

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

|                                              | 2022        | 2021        |
|----------------------------------------------|-------------|-------------|
|                                              | \$          | \$          |
| Deferred income tax assets (liabilities):    |             |             |
| Non-capital loss carry-forwards              | 1,130,371   | 994,001     |
| Exploration and evaluation assets            | 788,493     | 1,257,745   |
| Other items                                  | 57,627      | 45,205      |
|                                              | 1,976,491   | 2,296,951   |
| Valuation allowance                          | (1,976,491) | (2,296,951) |
| Net deferred income tax assets (liabilities) | -           | -           |

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

|                                   | 2022      | 2021      |
|-----------------------------------|-----------|-----------|
|                                   | \$        | \$        |
| Deferred income tax assets:       |           |           |
| Non-capital loss carry-forwards   | 4,259,640 | 3,745,537 |
| Exploration and evaluation assets | 2,807,140 | 4,577,903 |
| Other items                       | 217,462   | 170,588   |
|                                   | 7,284,242 | 8,494,028 |

# WHITE METAL RESOURCES CORP.

Notes to the Consolidated Financial Statements  
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## 11. INCOME TAXES *(continued)*

The Company has Canadian non-capital losses available for possible deduction against future years' taxable income of approximately \$4,245,000 (2021 - \$3,737,000). The Company has not recognized any future benefit for these tax losses, credits and resource deductions, as the likelihood of their utilization is unknown. If unused, these non-capital losses will expire as follows:

|      | \$        |
|------|-----------|
| 2026 | 221,000   |
| 2027 | 373,000   |
| 2028 | 802,000   |
| 2029 | 199,000   |
| 2030 | 202,000   |
| 2031 | 140,000   |
| 2032 | 223,000   |
| 2033 | 238,000   |
| 2034 | 109,000   |
| 2035 | 101,000   |
| 2036 | 75,000    |
| 2037 | 90,000    |
| 2038 | 163,000   |
| 2039 | 236,000   |
| 2040 | 304,000   |
| 2041 | 261,000   |
| 2042 | 508,000   |
|      | <hr/>     |
|      | 4,245,000 |

In addition to the above, the Company has available \$3,780,216 in cumulative Canadian exploration expenses, \$2,751,494 in cumulative Canadian development expenses available for deduction against taxable income in future periods.

## 12. REFUNDABLE SECURITY DEPOSITS

Refundable security deposits of \$11,000 (April 30, 2021 - \$11,800) represents security deposits paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in that province. These refundable security deposits are refundable to the Company upon submission by the Company of a report covering the first-year work requirements, which meets the requirements of the Government of Newfoundland and Labrador.

# WHITE METAL RESOURCES CORP.

Notes to the Consolidated Financial Statements  
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## 13. GEOGRAPHIC SEGMENTED INFORMATION

Details are as follows:

|                                              | Canada      | Namibia | Total     |
|----------------------------------------------|-------------|---------|-----------|
|                                              | \$          | \$      | \$        |
| <b>April 30, 2022</b>                        |             |         |           |
| Loss and comprehensive loss for the year     | (1,065,699) | (1,210) | 1,066,909 |
| Current assets                               | 2,507,709   | 10,229  | 2,517,938 |
| Non-current assets                           | 4,148,357   | 726,171 | 4,874,528 |
| Total assets                                 | 6,656,066   | 736,400 | 7,392,466 |
| Total liabilities                            | 183,732     | -       | 183,732   |
| <b>April 30, 2021</b>                        |             |         |           |
| Income and comprehensive income for the year | 483,328     | 168,405 | 651,733   |
| Current assets                               | 3,880,566   | 4,431   | 3,884,997 |
| Non-current assets                           | 1,712,638   | 616,992 | 2,329,630 |
| Total assets                                 | 5,593,204   | 621,423 | 6,214,627 |
| Total liabilities                            | 122,802     | -       | 122,802   |

## 14. SUBSEQUENT EVENT

The following event occurred after the reporting date of April 30, 2022:

- The Company granted 2.8 million incentive stock options to directors and officers at \$0.10 expiring 5 years from the date of grant.