FAR RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

March 31, 2021

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Independent Auditor's Report

To the Shareholders of Far Resources Ltd.

Opinion

We have audited the consolidated financial statements of Far Resources Ltd. ("the Group"), which comprise the consolidated statements of financial position as at March 31, 2021 and March 31, 2020 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021 and March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group'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 the other information 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 consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Pejman Mahlooji.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
July 28, 2021

FAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT

	Note		March 31, 2021		March 31, 2020
ASSETS					
Current assets					
Cash		$	392,213	$	3,207
GST receivable			42,909		16,490
Prepaid expenses and deposits			32,028		42,549
Net investment in sublease	5		49,412		42,967
Total current assets			516,562		105,213
Non-current assets					
Prepaid expenses and deposits			48,000		48,000
Long-term investment	4		8,000		11,000
Exploration and evaluation assets	6		6,032,097		5,634,616
Net investment in sublease	5		88,360		137,772
Total assets		$	6,693,019	$	5,936,601
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	7, 11	$	745,792	$	683,614
Short-term loans payable	8		7,500		7,500
Lease obligation	5		53,878		40,952
Total current liabilities			807,170		732,066
Long-term loans payable	9		40,000		-
Lease obligation – long-term	5		96,340		135,248
Total liabilities			943,510		867,314
Equity					
Capital stock	10, 11		20,169,728		17,836,640
Subscriptions received			40,000		202,000
Reserves	10		1,140,567		1,130,959
Deficit			(15,600,786)		(14,100,312)
Total equity			5,749,509		5,069,287
Total liabilities and equity		$	6,693,019	$	5,936,601

Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

Approved and authorized on behalf of the Board on July 28, 2021:

"John Gammack"	Director	***"Robert Dinning"***	Director
John Gammack		*Robert Dinning*	

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

FAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
FOR THE YEAR ENDED MARCH 31,

	Note		2021		2020
EXPENSES					
Amortization		$	-	$	3,770
Consulting	11		115,905		324,000
Investor relations			240,486		209,985
Management fees	11		73,000		521,764
Office and interest expense			202,175		112,362
Professional fees			178,630		138,839
Share-based payments	10,11		1,782,851		14,987
Transfer agent and filing fees			34,596		32,307
Travel			-		15,430
Loss before other items			(2,627,643)		(1,373,444)
OTHER ITEMS					
Finance income on sublease	5		22,735		23,312
Foreign exchange gain (loss)			261		(4,443)
Gain on settlement of debt			-		72,000
Gain on sublease	5		4,295		17,868
Loss on lease amendment	5		(8,956)		-
Unrealized loss on marketable securities	4		(3,000)		-
Write-off of advances			-		(135,215)
Write-off of exploration and evaluation assets			-		(870,046)
Loss and comprehensive loss for the year		$	(2,612,308)	$	(2,269,968)
Basic and diluted loss per common share		$	(0.02)	$	(0.02)
Weighted average number of common shares outstanding			139,875,639		122,691,416

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

FAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE YEAR ENDED MARCH 31,

	Note		2021		2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss for the year		$	(2,612,308)	$	(2,269,968)
Items not involving cash:					
Share-based payments			1,782,851		14,987
Gain on settlement of debt			-		(72,000)
Amortization			-		3,770
Interest expense			24,554		27,573
Finance income on sublease			(22,735)		(23,312)
Gain on sublease			-		(17,868)
Write-off advances			-		135,215
Write-off exploration and evaluation assets			-		870,046
Loss on lease amendment			8,956		-
Unrealized loss on marketable securities			3,000		-
Changes in non-cash working capital items:					
GST receivable			(26,419)		58,799
Prepaid expenses and deposits			10,521		3,514
Accounts payable and accrued liabilities			28,658		854,673
Net cash used in operating activities			(802,922)		(414,571)
CASH FLOWS FROM INVESTING ACTIVITIES					
Exploration and evaluation acquisition costs			(162,848)		(125,000)
Exploration and evaluation expenditures			(151,113)		(80,624)
Advances made			-		(135,215)
Net cash used in investing activities			(313,961)		(340,839)
CASH FLOWS FROM FINANCING ACTIVITIES					
Private placements			467,712		300,000
Share issue costs			(2,500)		(5,996)
Short-term loan received			-		127,040
Exercise of warrants			294,217		-
Exercise of options			660,250		-
Long-term loan received			40,000		-
Subscriptions received			-		202,000
Repayment of lease obligation			(59,492)		(62,605)
Receipt of sublease payments			65,702		60,226
Subscriptions received in advance			40,000		-
Net cash provided by financing activities			1,505,889		620,665
Change in cash for the year			389,006		(134,745)
Cash, beginning of the year			3,207		137,952
Cash, end of year		$	392,213	$	3,207
Cash received during the year for interest		$	-	$	445

Supplemental disclosures with respect to cash flow (Note 12)

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

FAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Capital stock					
	Shares	Amount	Subscriptions received (receivable)	Reserves	Deficit	Total equity
Balance, March 31, 2019	**105,793,872**	**$ 16,452,029**	**$ -**	**$ 1,115,972**	**$ (11,822,667)**	**$ 5,745,334**
Adoption of IFRS 16	-	-	-	-	(7,677)	(7,677)
Acquisition of exploration and evaluation assets	2,619,403	125,000	-	-	-	125,000
Shares for debt	19,222,332	965,607	-	-	-	965,607
Subscriptions received	-	-	202,000	-	-	202,000
Private placements	3,904,761	300,000	-	-	-	300,000
Share issuance costs	-	(5,996)	-	-	-	(5,996)
Share-based payments	-	-	-	14,987	-	14,987
Loss for the year	-	-	-	-	(2,269,968)	(2,269,968)
Balance, March 31, 2020	**131,540,368**	**17,836,640**	**202,000**	**1,130,959**	**(14,100,312)**	**5,069,287**
Acquisition of exploration and evaluation assets	515,474	50,000	-	-	-	50,000
Private placements	12,461,556	669,712	(202,000)	-	-	467,712
Share issuance costs	-	(2,500)	-	-	-	(2,500)
Subscriptions received	-	-	40,000	-	-	40,000
Share issued – options exercised	7,250,000	1,321,659	-	(661,409)	-	660,250
Share issued – warrants exercised	3,449,936	294,217	-	-	-	294,217
Share-based payments	-	-	-	1,782,851	-	1,782,851
Options cancelled	-	-	-	(1,111,834)	1,111,834	-
Loss for the year	-	-	-	-	(2,612,308)	(2,612,308)
Balance, March 31, 2021	**155,217,334**	**$ 20,169,728**	**$ 40,000**	**$ 1,140,567**	**$ (15,600,786)**	**$ 5,749,509**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Far Resources Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia. The Company's head office is located at Suite 510 – 580 Hornby Street, Vancouver, BC, V6C 3B6. The Company's registered and records office is located at Suite 400 – 725 Granville Street, Vancouver, BC, V7Y 1G5.

The Company is an exploration company focused on the identification and development of high potential mineral opportunities in stable jurisdictions.

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2021, the Company has had significant losses. In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares and short-term loans. The Company continues to seek capital through various means including the issuance of equity and/or debt. These circumstances cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These uncertainties raise substantial doubt upon the Company's ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements are presented in Canadian dollars.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PREPARATION (cont'd...)

Basis of consolidation

The consolidated financial statements include the financial statements of Far Resources Ltd. and its subsidiaries, Sierra Gold & Silver Ltd. and Sequoia Gold & Silver Ltd.

Name of Subsidiary	Country of Incorporation	Principal Activity	Proportion of Ownership Interest	
			2021	2020
Sierra Gold & Silver Ltd.	USA	Not active	100%	100%
Sequoia Gold & Silver Ltd.	Canada	Not active	100%	100%

All intercompany balances and transactions have been eliminated.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

i) Determination of categories of financial assets and financial liabilities;

ii) Assessment of any indicators of impairment of the carrying value of the Company's exploration and evaluation assets;

iii) The ability of the Company to continue as a going concern; and

iv) The classification of leases are either finance lease or operating lease.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

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

Use of estimates and judgments (cont'd...)

Income taxes

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements.

Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax assets and liabilities, and tax planning initiatives.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and cash equivalents. Cash equivalents are short-term, highly liquid holdings that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Foreign currency translation

The functional currency for the Company and its subsidiary is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the period end date exchange rates.

The functional currency of the parent entity is the Canadian dollar, which is also the presentation currency of our consolidated financial statements. The functional currency of the Company's foreign subsidiary is the United States dollar.

Foreign operations are translated from their functional currencies into Canadian dollars on consolidation as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;

(ii) Income and expenses for each statement of comprehensive income (loss) are translated at the average exchange rate for the period; and

(iii) All resulting exchange differences are recognized in other comprehensive income (loss) as cumulative translation adjustments.

Exchange differences that arise relating to long-term intercompany balances that form part of the net investment in a foreign operation are also recognized in a separate component of equity through other comprehensive income (loss).

On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange differences recorded in this separate component of equity is recognized in profit or loss.

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

Government grants

Government grants are recognized when there is a reasonable assurance that the grant will be received, and all conditions associated with the grant are met. Refer to Note 9. Effective April 1, 2020, the Company adopted IAS 20 in connection with the government loan received in connection with the COVID19 pandemic.

Mineral properties – exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of the property are capitalized. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Exploration and evaluation assets are classified as intangible assets.

The Company enters into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

The Company accounts for mining tax credits on a cash basis and are applied as a reduction to capitalized exploration costs.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates

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

Provision for environmental rehabilitation (cont'd...)

and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

Decommissioning obligations:

The Company's activities may give rise to dismantling, decommissioning and site disturbance re-mediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets, including mineral property interests, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order 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 between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

If the business model is not to hold the debt instrument, it is classified as fair value through profit or loss ("FVTPL"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

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

Financial instruments (cont'd...)

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income ("FVTOCI").

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The following table shows the classification and measurement of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification and measurement
Cash	at amortized cost
Net investment in sublease	at amortized cost
Long-term investment	FVTPL
Accounts payable and accrued liabilities	at amortized cost
Short-term loans payable	at amortized cost
Long-term loans payable	at amortized cost
Lease obligation	at amortized cost

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

Impairment of financial assets at amortized cost

The Company recognizes the expected credit losses ("ECL") model on a forward-looking basis on financial assets that are measured at amortized cost, contract assets and debt instruments carried at FVOCI.

At each reporting date, the Company measures the ECL for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the ECL for the financial asset at an amount equal to twelve month expected credit losses. The Company applies the simplified method and measures a loss allowance equal to the lifetime expected credit losses for trade receivables.

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

Impairment of financial assets at amortized cost (cont'd...)

The Company recognizes in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. The loss allowance was $Nil as at March 31, 2021.

Derecognition of financial assets and financial liabilities

A financial asset is derecognized when the contractual right to the asset's cash flows expire; or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its obligations are discharged, cancelled or expired.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affects neither accounting nor taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the current and prior fiscal year this calculation proved to be anti-dilutive.

Loss per share is calculated using the weighted average number of common shares outstanding during the year.

Share-based payments

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

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

Share-based payments (cont'd...)

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in share-based payment reserve over the vesting period. Consideration paid for the shares along with the fair value recorded in share-based payment reserve on the exercise of stock options is credited to capital stock. When vested options are cancelled, forfeited, or are not exercised by the expiry date, the amount previously recognized in share-based payment reserve is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received. Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Share issue costs

Share issue costs are deferred and charged directly to capital stock on completion of the related financing. If the financing is not completed, share issue costs are charged to operations. Costs directly identifiable with the raising of capital will be charged against the related capital stock.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Leases

At inception of a contract, the Company assesses whether the 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 for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life or the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

(Expressed in Canadian dollars)

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

New standards and pronouncements

IFRS 3 Amendments to IFRS 3 Business Combinations

The amendment to IFRS 3 Business Combinations clarifies the definition of a business to help determine whether a transaction results in an asset or a business acquisition.

The amendment to IFRS 3 Business Combinations did not have an impact on the Consolidated Financial Statements of the Company for the year ended March 31, 2021.

4. LONG-TERM INVESTMENT

	March 31, 2021			March 31, 2020		
	Number of shares	Cost	Fair value	Number of shares	Cost	Fair Value
Alchemist Mining Inc.	200,000	$ 9,500	$ 8,000	200,000	$ 9,500	$ 11,000

On August 20, 2014, the Company received 100,000 common shares of Alchemist Mining Inc. ("Alchemist"), a corporation of which the CEO is a family member of the Company's former CEO, at a fair value of $5,500 related to the Tchentlo Lake property. Alchemist shares were initially valued at the trading price of $0.055 per share.

On August 20, 2016, the Company received 100,000 common shares of Alchemist related to the amended Tchentlo Lake property. These shares were initially valued at the trading price of $0.04 per share.

The Company classified the Alchemist shares as an investment at fair value through profit or loss.

At March 31, 2021, the Company valued the shares at $8,000 (2020 - $11,000) and recorded an unrealized loss of $3,000 (2020 - $Nil) from changes in the fair value.

5. LEASES

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments excluding renewal options as they are not expected to be exercised, discounted using the Company's incremental borrowing rate as of April 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 15%.

The following is a reconciliation of total off-balance operating lease commitments at March 31, 2019 to the lease liabilities recognized at April 1, 2019:

Total operating lease commitments at March 31, 2019	$ 287,214
Less: short-term leases	-
Total operating lease obligation before discounting	287,214
Discounted using incremental borrowing rate	(75,982)
Total lease obligation recognized under IFRS 16 at April 1, 2019	$ 211,232

The associated right-of-use asset for the property lease was measured on a retrospective basis as if the new rules had always been applied adjusted by the amount of any prepaid or accrued lease payments and deferred lease inducement relating to that lease recognized in the statement of financial position as at March 31, 2019.

(Expressed in Canadian dollars)

5. LEASES (cont'd...)

The recognized lease obligation and right-of-use asset relate to the lease on the corporate office. The change in accounting policy affected the following items in the statement of financial position on April 1, 2019:

- Right-of-use set – increased by $203,555
- Lease liabilities – increased by $211,232

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous.
- elected to account for the payments for short-term leases and leases of low-value assets as an expense in the statement of loss and comprehensive loss on a straight-line basis over the lease term.
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

For the year ending March 31, 2021, interest expense on the lease obligation were $24,554. The lease term matures on September 30, 2023. The below tables show the continuity of lease obligation and the reconciliation between the undiscounted and discounted balances:

Lease obligation, April 1, 2019	$	211,232
Interest expense		27,573
Payments		(62,605)
Lease obligation, March 31, 2020		176,200
Interest expense		24,554
Loss on lease amendment		8,956
Payments		(59,492)
Lease obligation, March 31, 2021		150,218
Current portion		(53,878)
Non-current portion	$	96,340

		March 31, 2021
Less than one year	$	71,627
Greater than one year		107,440
Total lease obligation - undiscounted		179,067
Unamortized interest		(28,849)
Total lease obligation - discounted	$	150,218

During the year ended March 31, 2021, the Company amended the lease agreement and recognized a loss on lease amendment of $8,956. The Company also recognized a gain on sublease of $4,295.

On May 1, 2019, the Company entered into a sublease agreement for its lease on the corporate office. As a result, the Company derecognized its remaining right-of-use asset and recorded a net investment in sublease. The Company also recognized a gain on sublease of $17,868.

For the year ending March 31, 2020, amortization of the right-of-use asset was $3,770. The right-of-use asset is depreciated on a straight-line basis over the term of the lease. The below table shows the continuity of right-of-use asset:

Right-of-use asset, April 1, 2019	$	203,555
Amortization		(3,770)
Derecognition upon entering into sublease		(199,785)
Right-of-use asset, March 31, 2020 and March 31, 2021	$	-

(Expressed in Canadian dollars)

5. LEASES (cont'd...)

For the year ending March 31, 2021, finance income of the net investment in sublease was $22,735. The sublease term matures on September 30, 2023. The below tables show the continuity of net investment in sublease and the reconciliation between the undiscounted and discounted balances:

Net investment in sublease, April 1, 2019	$	-
Addition		217,653
Finance income		23,312
Payments received		(60,226)
Net investment in sublease, March 31, 2020		180,739
Finance income		22,735
Payments received		(65,702)
Net investment in sublease, March 31, 2021		137,772
Current portion		(49,412)
Non-current portion	$	88,360

		March 31, 2021
Less than one year	$	65,702
Greater than one year		98,553
Total net investment in sublease - undiscounted		164,255
Unamortized finance income		(26,483)
Total net investment in sublease - discounted	$	137,772

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

During the year ended March 31, 2021, the following exploration expenditures were incurred on the exploration and evaluation assets:

		Zoro Property		Winston Property		Total
Acquisition costs						
Balance, March 31, 2020	$	1,664,444	$	740,317	$	2,404,761
Additions – cash		50,000		149,185		199,185
Additions – shares		50,000		-		50,000
Balance, March 31, 2021		1,764,444		889,502		2,653,946
Exploration costs						
Balance, March 31, 2020		3,192,140		37,715		3,229,855
Geological and consulting		11,279		137,017		148,296
Balance, March 31, 2021		3,203,419		174,732		3,378,151
Total balance, March 31, 2021	$	4,967,863	$	1,064,234	$	6,032,097

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

During the year ended March 31, 2020, the following exploration expenditures were incurred on the exploration and evaluation assets:

	Zoro Property	Winston Property	Hidden Lake Property	Total
Acquisition costs				
Balance, March 31, 2019	$ 1,414,444	$ 740,317	$ 275,000	$ 2,429,761
Additions – cash	125,000	-	-	125,000
Additions – shares	125,000	-	-	125,000
Balance, March 31, 2020	1,664,444	740,317	275,000	2,679,761
Exploration costs				
Balance, March 31, 2019	3,082,450	16,476	594,591	3,693,517
Assay	1,385	-	-	1,385
Geological and consulting	105,055	21,239	455	126,749
Drilling	3,250	-	-	3,250
Balance, March 31, 2020	3,192,140	37,715	595,046	3,824,901
Write-off	-	-	(870,046)	(870,046)
Total balance, March 31, 2020	$ 4,856,584	$ 778,032	$ -	$ 5,634,616

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Zoro Property

Zoro I

In April 2016, the Company entered into an agreement to option the Zoro I claim located in the Snow Lake area in Manitoba. During the year ended March 31, 2018, the Company earned a 100% interest in and to the Zoro I Claim upon meeting the following requirements:

a) paid $50,000 and issued 1,000,000 common shares (valued at $95,000) in 2017, and
b) issued 6,000,000 common shares (issued and valued at $540,000) and $100,000 in non-interest-bearing promissory notes that are repayable on May 10, 2018 (issued and repaid during the year ended March 31, 2019).

In addition, during the year ended March 31, 2017, the Company issued 1,000,000 common shares to an arm's length party at a fair value of $135,000 as finder's fee on the Zoro I option agreement.

Zoro North

In September 2017, the Company entered into an option agreement with Strider Resources Limited ("Strider") to acquire up to a 100% interest in the highly prospective ground contiguous with its Zoro 1 near Snow Lake, Manitoba (the "Option Agreement"). The Option Agreement sets the terms which the Company can acquire a 100% interest in the property subject to a 2% NSR (the "First Option") and further sets out how the Company can acquire an undivided fifty percent interest in the NSR, being one-half of the NSR or a 1% Net Smelter Return from Strider (the "Second Option").

The Company may exercise the First Option by making the following cash payments, common share issuances to Strider and incurring exploration expenditures:

a) upon signing the Option Agreement, the Company will pay to Strider $25,000 in cash (paid) and $25,000 in shares (81,082 shares issued) of the Company based on average price;

b) on or before September 20, 2018 the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (357,143 shares issued) of the Company based on average price, and incur cumulative exploration expenditure of $50,000 (incurred);

c) on or before September 20, 2019 the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (1,119,403 shares issued) of the Company based on average price, and incur cumulative exploration expenditure of $100,000 (incurred);

d) on or before September 20, 2020 the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (515,474 shares issued) of the Company based on average price, and incur cumulative exploration expenditure of $150,000 (incurred);

e) on or before September 20, 2021 the Company will pay to Strider $75,000 in cash and $75,000 in shares of the Company based on average price, and incur cumulative exploration expenditure of $200,000 (incurred); and

f) on or before September 20, 2024, incur cumulative exploration expenditures of $500,000 (incurred).

All shares issued under the Option Agreement will be subject to a four month and one day statutory hold period from the date of issuance.

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Zoro Property (cont'd...)

Zoro North (cont'd...)

Provided the Company has exercised the First Option, the Company may exercise the Second Option by making a $1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time, prior to the commencement of commercial production.

During the option period, the Company will be solely responsible for carrying out and administering exploration, development and mining work on the property and for maintaining the property in good standing.

Manitoba Lithium

In August 2016, the Company entered into an option agreement with Strider to acquire a 100% interest in and to all lithium-bearing pegmatite dykes on three contiguous claims in Manitoba (the "Property"). The Option agreement sets the terms which the Company can acquire a 100% interest in the property subject to a 2% NSR (the "First Option") and further sets out how the Company can acquire an undivided fifty percent interest in the NSR, being one-half of the NSR or a 1% Net Smelter Return from Strider (the "Second Option").

The Company has exercised the First Option by making the following cash payments and common share issuances to Strider:

a) upon signing the Option Agreement the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (555,556 shares issued) of the Company;

b) on or before August 4, 2017, the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (294,118 shares issued) of the Company based on average price;

c) on or before August 4, 2018, the Company will pay to Strider $75,000 in cash (paid) and $75,000 in shares of the Company based on average price (375,000 shares issued); and

d) on or before August 4, 2019, the Company will pay to Strider $75,000 in cash (paid) and $75,000 in shares of the Company based on average price (1,500,000 shares issued).

All shares issued under the Option Agreement were subject to a four month and one day statutory hold period from the date of issuance.

Because the Company has exercised the First Option, the Company may exercise the Second Option by making a $1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time, prior to the commencement of commercial production.

During the option period, the Company is responsible for carrying out and administering exploration, development and mining work on the property and for maintaining the Property in good standing.

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Winston Property

During the year ended March 31, 2015, the Company entered into an option agreement with Redline Minerals Inc., Redline Mining Corporation and Southwest Land & Exploration Inc. (collectively, the "Optionors") to acquire up to an 80% interest in the Winston Property consisting of the Little Granite claims and the Ivanhoe/Emporia claims located in Sierra County, New Mexico, U.S.A.

During the years ended March 31, 2016 and 2017, the Company amended the option agreement with the Optionors to acquire an initial 50% interest upon completion of the following:

a) Cash payment of non-refundable deposits of $35,000 (paid);
b) Cash payments of $81,250 (paid);
c) Cash payment of $13,750 on or before November 15, 2014 (paid);
d) Share issuance of 300,000 common shares of the Company on January 15, 2015 (issued);
e) Cash payments of $120,000 as follows;
    i) Cash payment of $40,000 on or before February 28, 2016 (paid);
    ii) Cash payment of $40,000 on or before June 1, 2016 (paid);
    iii) Cash payment of $40,000 on or before June 1, 2017 (see amended terms below);
f) Issuance of 2,500,000 common shares (1,500,000 shares issued) of the Company as follows;
    i) Issue 500,000 common shares on or before October 17, 2014 (issued);
    ii) Issue 500,000 common shares on or before October 17, 2015 (issued);
    iii) Issue 500,000 common shares on or before October 17, 2016; (issued)
    iv) Issue 500,000 common shares on or before October 17, 2017 (see amended terms below);
    v) Issue 500,000 common shares on or before October 17, 2018 (see amended terms below); and
g) Incurring exploration expenditures totaling $300,000 due on or before October 17, 2017 (see amended terms below).

The agreement was also amended to include a further option to acquire up to an additional 30% (80% in total interest).

In exchange for the amendment of the option agreement, the Company issued 100,000 common shares at a fair value of $3,000 on February 26, 2016.

During the year ended March 31, 2017, the Company made a $25,000 cash payment to the original vendors of the Winston Property.

During the year ended March 31, 2018, the Company's wholly owned subsidiary offered to acquire a 100% interest to the claims from the Optionors by completing the following:

a) Cash payment of $35,000 (paid);
b) Issuance of 2,500,000 common shares of the Company (issued and valued at $275,000); and
c) Issuance of a $50,000 non-interest-bearing promissory note which is repayable on August 24, 2017 (issued and repaid).

In accordance with the terms and condition of the underlying purchase agreement in order to complete the acquisition of the Little Granite claims, the Company is required to make the following payments:

a) Cash payments of US $12,000 on or before July 15, 2017 (paid)
b) Cash payments of US $6,000 on or before March 31, 2018 (paid);
c) Cash payments of US $12,000 on or before July 15, 2018 (paid);
d) Cash payments of US $12,000 on or before July 15, 2019 (paid);
e) Cash payments of US $12,000 on or before July 15, 2020 (paid);
f) Cash payment of US $19,000 on or before October 1, 2020 (paid);
g) Cash payment of US $19,000 on or before October 1, 2021;
h) Cash payments of US $380,000 on or before October 1, 2022.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Winston Property (cont'd...)

An amendment is subsequently being negotiated for the underlying purchase agreement of Little Granite claims.

In accordance with the terms and condition of the underlying purchase agreement in order to complete the acquisition of the Ivanhoe/Emporia claims, the Company is required to pay the original owner of the claims the remaining purchase price of US$361,375 (US$42,000 paid). Before the remaining purchase price is paid in full, the Company is subject to a minimum monthly royalty payment based on monthly average silver price. The accrued minimum monthly royalty payments outstanding as of March 31, 2021 totals US$225,625 of which US$45,000 is payable. The agreement also entitles the owner to a permanent production royalty of 2% of NSR.

Hidden Lake Property

In January 2018, the Company entered into a binding letter agreement with 92 Resources Corp. ("92 Resources") to acquire up to 90% interest in the Hidden Lake Lithium Property, Northwest Territories.

Under the terms of the agreement, the Company earned an initial 60% interest in the property by making a cash payment of $50,000, issuing 555,555 common shares (issued and valued at $225,000) and incurring exploration expenditures of $500,000.

The Company has chosen not to accelerate the exercise of the option beyond the initial 60% interest. The Company may now opt to form a joint venture with 92 Resources on a 60:40 basis, the Company will be responsible for funding the initial $1,000,000 in joint venture expenditures, after which costs are shares on a 60:40 basis.

During the year ended March 31, 2020, the Company wrote-off $870,046 of the carrying value of the Hidden Lake property to $Nil due to lack of plans for exploration as a result of limited funding.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payables and accrued liabilities for the Company are broken down as follows:

	Note		March 31, 2021		March 31, 2020
Trade payables		$	536,094	$	515,759
Payroll and accrued liabilities			105,432		108,747
Due to related parties	11		104,266		59,108
Total		$	745,792	$	683,614

8. SHORT-TERM LOANS PAYABLE

		March 31, 2021		March 31, 2020
Loans payable on demand, with no interest and no fixed term	$	2,500	$	2,500
Loans payable on demand, with 10% interest per annum and no fixed term		5,000		5,000
	$	7,500	$	7,500

9. LONG-TERM LOANS PAYABLE

During the year ended March 31, 2021, the Company received a loan of $40,000 for the Canada Emergency Business Account to provide emergency support to business due to the impact of COVID19. The loan is non-interest bearing until December 31, 2022, after which it will incur interest at 5% per annum. If the principal of $30,000 is fully repaid on or before December 31, 2022, the remaining $10,000 will be forgiven.

10. CAPITAL STOCK AND RESERVES

a) Authorized capital stock:

As at March 31, 2021, the authorized capital stock of the Company was:

i) Unlimited number of common shares without par value.
ii) All issued shares are fully paid.

b) Issued capital stock:

During the year ended March 31, 2021, the Company:

- issued 7,250,000 common shares upon exercise of options for gross proceeds of $660,250.
- issued 3,449,936 common shares upon exercise of warrants for gross proceeds of $294,217.
- closed a non-brokered private placement of 7,461,556 units at $0.056 per unit for gross proceeds of $419,712. Each unit consists of one common share and two share purchase warrants, warrant A and B. Warrant A entitles the holder to purchase one additional common share for a period of two years at a price of $0.075 per share and warrant B entitles the holder to purchase one additional common share for a period of two years at a price of $0.10 per share.
- issued 515,474 common shares at a value of $50,000 as part of the acquisition payments for the Zoro North Option Agreement (see note 6).
- closed a non-brokered private placement of 5,000,000 units at $0.05 per unit for gross proceeds of $250,000. Each unit consists of one common share and one share purchase warrants, warrant entitles the holder to purchase one additional common share for a period of two years at a price of $0.10 per share. The Company paid $2,500 in cash issuance fees.

During the year ended March 31, 2020, the Company:

- issued 2,619,403 with a fair value of $125,000 to Strider Resources Limited as property acquisition payments, with 1,500,000 shares valued at $75,000 as part of the Manitoba Lithium Option Agreement (see note 6), and 1,119,403 shares valued at $50,000 as part of the Zoro North Option Agreement (see note 6).
- issued 2,000,000 common shares at a price of $0.10 per share as a result of the completion of a private placement. Proceeds received net of share issue costs were $200,000.
- issued 1,904,761 units at a price of $0.053 per unit as a result of the completion of a private placement. Proceeds received net of share issue costs were $94,004. Each unit is comprised of one common share and one-half of a common share purchase warrant. Each warrant will be exercisable into one common share for a three year term at a price of $0.105.
- issued 2,500,800 shares with a fair value of $125,040 to repay non-related party short-term loans of $125,040.
- issued 65,763 shares valued at $7,778 to settle $7,778 of debt with the CEO and other directors.
- issued 16,655,769 shares valued at $832,789 to settle $832,789 of debt with related parties and non-related parties.

(Expressed in Canadian dollars)

10. CAPITAL STOCK AND RESERVES (cont'd…)

c) Stock options:

The Company follows the policies of the Canadian Securities Exchange under which it is authorized to grant options to executive officers and directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the policies, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the day before the date of grant. The options can be granted for a maximum term of ten years.

The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to consultants performing "investor relation activities" must vest in stages over 12 months with no more than ¼ of the options granted vesting in any six month period.

During the year ended March 31, 2021, the Company

- granted 5,050,000 stock options to directors and consultants of the Company. The options are exercisable at $0.07 per option for five years with an estimated fair value of $325,000 and vest immediately.
- granted 9,000,000 stock options to directors and consultants of the Company. The options are exercisable at $0.08 per option for five years with an estimated fair value of $635,700 and vest immediately.
- granted 4,800,000 stock options to consultants of the Company. The options are exercisable at $0.145 per option for five years with an estimated fair value of $799,600 and vest immediately.

During the year ended March 31, 2020, the Company granted 950,000 stock options to consultants with an exercise price of $0.05 expiring 5 years from date of grant with an estimated fair value of $38,600. Options will be subject to vesting over a period of 2 years with 25% immediately, and 25% each six months thereafter.

Stock option transactions for the year ended March 31, 2021 are summarized as follows:

Expiry Date	Exercise Price	Balance March 31, 2020	Granted	Exercised	Forfeited/ Expired	Balance March 31, 2021	Exercisable
November 16, 2020	$0.050	100,000	-	-	(100,000)	-	-
May 18, 2021	$0.130	250,000	-	-	(250,000)	-	-
June 27, 2021	$0.100	250,000	-	-	-	250,000	250,000
October 17, 2021	$0.050	250,000	-	(250,000)	-	-	-
February 6, 2022	$0.110	500,000	-	-	(500,000)	-	-
January 17, 2024	$0.120	9,000,000	-	-	(9,000,000)	-	-
February 5, 2025	$0.050	950,000	-	-	(950,000)	-	-
June 12, 2025	$0.070	-	5,050,000	(2,600,000)	(500,000)	1,950,000	1,950,000
November 20, 2025	$0.080	-	9,000,000	(2,650,000)	-	6,350,000	6,350,000
January 15, 2026	$0.145	-	4,800,000	(1,750,000)	-	3,050,000	3,050,000
Total		11,300,000	18,850,000	(7,250,000)	(11,300,000)	11,600,000	11,600,000
Weighted average exercise price		$0.11	$0.09	$0.09	$0.11	$0.10	$0.10
Weighted average remaining life (years)						4.52	

(Expressed in Canadian dollars)

10. CAPITAL STOCK AND RESERVES (cont'd…)

c) Stock options (cont'd…)

The fair value of stock options was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value per option	$0.09	$0.04
Exercise price	$0.09	$0.05
Expected life (years)	5	5
Interest rate	0.41%	1.43%
Annualized volatility (based on historical volatility)	144%	149%
Dividend yield	0.00%	0.00%

Stock option transactions for the year ended March 31, 2020 are summarized as follows:

Expiry Date	Exercise Price	Balance March 31, 2019	Granted	Exercised	Cancelled/ Expired	Balance March 31, 2020	Exercisable
November 16, 2020	$0.050	100,000	-	-	-	100,000	100,000
May 18, 2021	$0.130	250,000	-	-	-	250,000	250,000
June 27, 2021	$0.100	250,000	-	-	-	250,000	250,000
October 17, 2021	$0.050	250,000	-	-	-	250,000	250,000
February 6, 2022	$0.110	500,000	-	-	-	500,000	500,000
January 17, 2024	$0.120	9,000,000	-	-	-	9,000,000	9,000,000
February 5, 2025	$0.050	-	950,000	-	-	950,000	237,500
Total		10,350,000	950,000	-	-	11,300,000	10,587,500
Weighted average exercise price		$0.12	$0.05	-	-	$0.11	$0.12
Weighted average remaining life (years)						3.61	

(Expressed in Canadian dollars)

10. CAPITAL STOCK AND RESERVES (cont'd…)

d) Unit warrants:

During the year ended March 31, 2021, the Company issued 19,923,112 unit warrants in connection with private placement financings. Based on the residual method, no value was allocated to the unit warrants issued. A continuity of the unit warrants granted is as follows:

Expiry Date	Exercise Price	Balance March 31, 2020	Granted	Exercised	Cancelled/ Expired	Balance March 31, 2021
June 25, 2022	$0.105	952,380	-	(952,380)	-	-
August 28, 2022	$0.075	-	7,461,556	(2,221,556)	-	5,240,000
August 28, 2022	$0.10	-	7,461,556	(176,000)	-	7,285,556
December 15, 2022	$0.10	-	5,000,000	(100,000)	-	4,900,000
				-		
Total		952,380	19,923,112	(3,449,936)	-	17,425,556
Weighted average exercise price						$0.09
Weighted average remaining life (years)						1.44

During the year ended March 31, 2020, the Company issued 952,380 unit warrants in connection with private placement financings. Based on the residual method, no value was allocated to the unit warrants issued. A continuity of the unit warrants granted is as follows:

Expiry Date	Exercise Price	Balance March 31, 2019	Granted	Exercised	Cancelled/ Expired	Balance March 31, 2020
February 15, 2020	$0.100	666,667	-	-	(666,667)	-
June 25, 2022	$0.105	-	952,380	-	-	952,380
Total		666,667	952,380	-	(666,667)	952,380
Weighted average exercise price						$0.11
Weighted average remaining life (years)						2.24

e) Agent warrants:

During the year ended March 31, 2021 and 2020, the Company did not grant any agent warrants.

f) Reserves:

Reserves comprise of share-based payments and warrant reserves.

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

For the year ended March 31, 2021 Paid or accrued to:		Management fees or consulting fees		Share-based payments		Total
Key management personnel:						
Former Directors	$	18,000	$	16,089	$	34,089
CEO		5,000		141,267		146,267
Former CEO		45,089		16,089		61,089
CFO		5,000		141,267		146,267
	$	73,000	$	314,712	$	387,712

For the year ended March 31, 2020 Paid or accrued to:		Management fees or consulting fees		Share-based payments		Total
Key management personnel:						
Former Directors	$	384,000	$	-	$	384,000
Former CEO		192,000		60,000		252,000
Former CFO		21,067		50,000		71,067
	$	597,067	$	110,000	$	707,067

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

		As at March 31, 2021		As at March 31, 2020
Due to CEO	$	1,461	$	-
Due to former CEO	$	80,997	$	59,108
Due to CFO	$	3,808	$	-
Due to former directors of the Company	$	18,000	$	-
	$	104,266	$	59,108

The amounts due are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year ended March 31, 2020, the Company issued 10,307,700 shares valued at $519,875 for settlement of debt with related parties of $519,875 (Note 10).

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the year ended March 31, 2021, significant non-cash investing and financing transactions included:

a) included in accounts payable and accrued liabilities is $369,567 related to exploration and evaluation assets.

b) issued 515,474 common shares with a fair value of $50,000 for the acquisition of exploration and evaluation assets.

c) issued 7,250,000 common shares upon exercise of options resulting in a reallocation of share-based reserves of $661,409 from reserves to share capital.

(Expressed in Canadian dollars)

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (cont'd…)

During the year ended March 31, 2020, significant non-cash investing and financing transactions included:

a) recognized a lease obligation of $211,232 and a right-of-use asset of $203,555 upon adoption of IFRS 116 on April 1, 2019. The right-of-use asset of $199,785 was then derecognized and a net investment in sublease of $217,653 was recorded upon the Company entering into a sublease.

b) issued 2,619,403 common shares with a fair value of $125,000 for the acquisition of exploration and evaluation assets.

c) issued 19,222,332 shares with a fair value of $965,607 to settle related party and non-related party debts.

d) included in accounts payable and accrued liabilities is $336,049 related to exploration and evaluation assets.

13. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

		March 31, 2021		March 31, 2020
Exploration and evaluation assets				
Canada	$	4,967,863	$	4,856,584
United States		1,064,234		778,032
	$	6,032,097	$	5,634,616

14. FINANCIAL RISK MANAGEMENT

Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from fiscal year 2020.

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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 and 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.

14. FINANCIAL RISK MANAGEMENT (cont'd…)

Fair value (cont'd…)

The fair value of the Company's long-term investment constitutes a Level 1 fair value measurement.

The carrying value of cash, accounts payable and accrued liabilities, short-term loans payable and long-term loans payable approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had a cash balance of $392,213 (2020 – $3,207) to settle current liabilities of $807,170 (2020 - $732,066). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company is exposed to liquidity risk and is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Market risk

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

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's cash does not have significant exposure to interest rate risk.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and option agreement payments that are denominated in a foreign currency. There is a risk in the exchange rate of the Canadian dollar relative to the US dollar and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and lithium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian dollars)

15. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	2021	2020
Loss before taxes for the year	$ (2,612,308)	$ (2,264,968)
Canadian federal and provincial income tax rates	27%	27%
Expected income tax recovery based on the above rates	$ (705,323)	$ (612,891)
Non-deductible items	482,643	4,419
Tax benefit not realized	222,680	608,472
Deferred income tax recovery	$ -	$ -

The significant components of the Company's deferred income tax assets and liabilities, using a Canadian basic statutory rate of 27% (2020 – 27%) are as follows:

	March 31, 2021	March 31, 2020
Non-capital losses	$ 2,206,000	$ 1,946,000
Cumulative exploration and development expenses	274,000	274,000
Share issuance costs and others	8,000	3,000
	2,488,000	2,223,000
Unrecognized deferred tax assets	(2,488,000)	(2,223,000)
Net deferred tax assets	$ -	$ -

At March 31, 2021, the Company has accumulated non-capital losses of approximately $8,172,000 (2020 - $7,210,000) which may be available to offset future income for income tax purposes which expire over the next twenty years. These losses, if not utilized, will expire through to 2040. In addition, there are resource-related expenditures of approximately $7,046,000 (2020 - $6,648,000) which may be used to offset future taxable income indefinitely, subject to annual rates prescribed by the Canadian Income Tax Act. Deferred tax benefits, which may arise as a result of these losses, have not been recognized in these financial statements as it is not probable that the Company will generate future taxable income against which to utilize the temporary differences.

16. SUBSEQUENT EVENTS

On April 1, 2021, the Company issued 400,000 common shares upon exercise of warrants for gross proceeds of $40,000, which was received during the year ended March 31, 2021.

On April 19, 2021, the Company issued 100,000 common shares upon exercise of warrants for gross proceeds of $10,000.

On April 19, 2021, the Company issued 200,000 common shares upon exercise of options for gross proceeds of $16,000.

On April 29, 2021, the Company closed a non-brokered private placement of 2,008,324 units at $0.17 per unit for gross proceeds of $341,415. Each unit consists of one common share and one share purchase warrant. The warrant entitles the holder to purchase one additional common share for a period of 18 months at a price of $0.25 per share.

16. SUBSEQUENT EVENTS (cont'd…)

On May 20, 2021, the Company issued 250,000 common shares upon exercise of options for gross proceeds of $20,000.