FRONTIER LITHIUM

FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

Grant Thornton

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4

T +1 416 366 0100
F +1 416 360 4949

Independent auditor's report

To the Shareholders of Frontier Lithium Inc.

Opinion

We have audited the financial statements Frontier Lithium Inc. (the "Company"), which comprise the statement of financial position as at March 31, 2022, and the statement of loss and comprehensive loss, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $10,951,000 during the year ended March 31, 2022 and that additional funding will be necessary to advance the Company's ongoing operations. This condition, along with the matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 15 to the financial statements, which explains that certain comparative information for the year ended March 31, 2021 has been restated. The financial statements for the year ended March 31, 2021, excluding the adjustments that were applied to restate certain comparative information as described in Note 15 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 27, 2021. Our opinion is not modified in respect of this matter.

As part of our audit of the financial statements for the year ended March 31, 2022, we also audited the adjustments applied to restate certain comparative information presented for the year ended March 31, 2021. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review, or apply any procedures to the financial statements for the year ended March 31, 2021. Accordingly, we do not express an opinion or any other form of assurance on the financial statements for the year ended March 31, 2021 taken as a whole.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

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

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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 Ingrid Holbik.

Grant Thornton LLP

Toronto, Canada
June 28, 2022

Chartered Professional Accountants
Licensed Public Accountants

FRONTIER LITHIUM INC.

Statements of Financial Position

(Expressed in thousands of Canadian dollars)

	Notes		March 31, 2022		March 31, 2021 (Restated – Note 15)		April 1, 2020 (Restated – Note 15)
ASSETS							
Current assets							
Cash and cash equivalents		**$**	**17,683**	$	10,345	$	763
Accounts receivable, prepaid expense and other assets	**4**		**1,149**		581		213
Marketable securities			**9**		10		3
Total current assets			**18,841**		10,936		979
Non-current assets							
Exploration and evaluation assets	**5**		**5,426**		426		426
Property, plant and equipment	**6**		**361**		215		164
Total assets		**$**	**24,628**	$	11,577	$	1,569
LIABILITIES AND EQUITY							
Current liabilities							
Accounts payable and accrued liabilities		**$**	**1,202**	$	1,249	$	544
Deferred premium on flow-through shares			**-**		60		121
Current portion of lease obligations	**7**		**80**		6		-
Total current liabilities			**1,282**		1,315		665
Non-current liabilities							
CEBA loan			**-**		40		-
Lease obligations	**7**		**28**		26		-
Total liabilities		**$**	**1,310**	$	1,381	$	665
EQUITY							
Share capital	**8**	**$**	**60,673**	$	40,146	$	29,987
Contributed surplus			**19,369**		15,823		8,457
Accumulated deficit			**(56,724)**		(45,773)		(37,540)
Total equity		**$**	**23,318**	$	10,196	$	904
Total liabilities and equity		**$**	**24,628**	$	11,577	$	1,569

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

Going concern (Note 1)
Commitments and contingencies (Note 11)
Subsequent events (Note 16)

Approved by the Board of Directors

/s/ Reginald F. Walker
Reginald F. Walker
Director

/s/ John R. Didone
John R. Didone
Director

FRONTIER LITHIUM INC.

Statements of Loss and Comprehensive Loss

For the years ended March 31, 2022 and 2021

(Expressed in thousands of Canadian dollars, except for shares and per share amounts)

	Notes	2022	2021 (Restated – Note 15)
EXPENSES			
Exploration and evaluation expenditures		**$ 4,261**	$ 1,576
General and administrative expenses	**9**	**7,117**	6,738
Foreign exchange (gain) loss		**(46)**	87
Accretion expense on lease liabilities		**3**	-
Fair value loss (gain) on marketable securities, net		**1**	(7)
Earnings (loss) before tax		**(11,336)**	(8,394)
Deferred income tax recovery	**10**	**385**	161
Net loss and comprehensive loss		**$ (10,951)**	$ (8,233)
Net loss per share			
Basic and diluted		**$ (0.06)**	$ (0.05)
Weighted average number of shares outstanding			
Basic and diluted		**198,020,410**	171,603,277

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

FRONTIER LITHIUM INC.

Statements of Cash flows

For the years ended March 31, 2022 and 2021

(Expressed in thousands of Canadian dollars)

	Notes		2022		2021 (Restated – Note 15)
Cash provided by (used in)					
Operating cash flows					
Net loss		**$**	**(10,951)**	$	(8,233)
Items not involving cash:					
Depreciation			**105**		85
Deferred income tax recovery			**(385)**		(161)
Unrealized loss (gain) on marketable securities			**1**		(7)
Accretion expense on lease liabilities			**3**		-
Share-based compensation			**4,500**		5,367
Change in working capital balances:					
Accounts receivable, prepaid expenses and other assets			**(568)**		(368)
Accounts payable and accrued liabilities			**(46)**		705
Total cash used in Operations		**$**	**(7,341)**	$	(2,612)
Investing cash flows					
Additions to property, plant and equipment			**(147)**		(95)
Additions to exploration and evaluation assets			**(4,000)**		-
Total cash used in Investing		**$**	**(4,147)**	$	(95)
Financing cash flows					
Issuance of common shares			**14,372**		10,706
Share issuance costs			**(1,172)**		(374)
Proceeds from exercise of warrants			**4,102**		1,570
Proceeds from exercise of stock options			**1,595**		356
Repayment of lease obligation			**(31)**		(9)
CEBA Loan			**(40)**		40
Total cash provided by Financing		**$**	**18,826**	$	12,289
Net change in cash and cash equivalents		**$**	**7,338**	$	9,582
Cash and cash equivalents, beginning of year			**10,345**		763
Cash and cash equivalents, end of year		**$**	**17,683**	$	10,345

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

FRONTIER LITHIUM INC.

Statements of Changes in Equity

For the years ended March 31, 2022 and 2021

(Expressed in thousands of Canadian dollars)

	Notes		For the Years ended March 31, 2022		2021 (Restated – Note 15)
Share capital					
Balance, beginning of year	**8a**	**$**	**40,146**	$	29,987
Issued under private placement			**14,372**		10,706
Issued on purchase of NSR	**5**		**1,000**		-
Issued on exercise of stock options			**2,295**		606
Issued on exercise of warrants			**5,095**		1,667
Share issuance cost			**(1,172)**		(374)
Valuation of warrants			**(295)**		(2,218)
Flow-through premium			**(324)**		(100)
Broker warrants issued			**(444)**		(128)
Balance, end of year	**8a**		**60,673**		40,146
Contributed surplus					
Balance, beginning of year			**15,823**		8,457
Valuation of warrants			**295**		2,218
Broker warrants issued			**444**		128
Exercise of options			**(700)**		(250)
Exercise of warrants			**(993)**		(97)
Share-based compensation	**9**		**4,500**		5,367
Balance, end of year			**19,369**		15,823
Deficit (Restated)	**15**				
Balance, beginning of year			**(45,773)**		(37,540)
Net loss for the year			**(10,951)**		(8,233)
Balance, end of year			**(56,724)**		(45,773)
Total equity		**$**	**23,318**	$	10,196

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Frontier Lithium Inc. (the "Company" or "FL") was incorporated as 646215 Alberta Inc. on March 13, 1995, under the Business Corporations Act (Alberta) and headquartered in Sudbury, Ontario. The Company was formerly called Houston Lake Mining Inc. The name of the company was changed by Certificate of Amendment dated May 19, 2016. The Company's registered address is 2736 Belisle Drive, Val Caron, Ontario, P3N 1B3.

The Company's shares are publicly traded on the Toronto Venture Exchange ("TSX-V") under the symbol "FL", the U.S. based QTCQX Venture Market under the symbol "LITOF" and the Frankfurt Stock Exchange under the symbol "HL2".

The Company is engaged in the acquisition, exploration and development of lithium mineral properties in Ontario, Canada. The Company's flagship asset is the PAK Lithium Property located in Ontario, Canada.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business for the foreseeable future as they come due.

These financial statements have been prepared on a going concern basis and do not reflect adjustments to the carrying amounts of assets and liabilities, the reported revenues and expenses and the statement of financial position classification used that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material. To date, the Company has not earned revenue, has an accumulated deficit of $56,724 as at March 31, 2022 (March 31, 2021 - $45,773) and had a net loss of $10,951 for the year ended March 31, 2022 (March 31, 2021 - $8,233). As at March 31, 2022, the Company had cash and cash equivalents of $17,683 (March 31, 2021 - $10,307) and positive working capital of $17,559 (March 31, 2021 - $9,621). The Company anticipates having sufficient funds to meet its corporate and administrative expenses for at least the next twelve months. The Company has historically relied on equity placements to fund its operations and repay its liabilities. Management is actively pursuing financing and alternative funding options and is minimizing discretionary expenditures where prudent. While the Company has been successful in the past, there can be no assurance that it will be able to raise sufficient funds in the future. These conditions and events indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

During the year ended March 31, 2022 the PAK Lithium Project camp and operations were not materially impacted by COVID-19. While the Company continues to advance its work related to the Pre-Feasibility

Study, the timelines and costs for future studies, permitting and exploration could be impacted depending on both the continued duration and severity of the COVID-19 pandemic and, in particular, the Company's ability to safely access the project site.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, effective for the Company's reporting for the year ended March 31, 2022. These financial statements were approved and authorized for issuance by the Board on June 28, 2022.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Functional and presentation currency of presentation

These financial statements are presented in thousands of Canadian dollars (except for share and per share amounts) which is the functional currency of the Company.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and other highly liquid short-term instruments with maturity dates less than ninety days.

(e) Financial instruments

1. Financial assets

   Financial assets are classified as either FVTPL, amortized cost, or fair value through other comprehensive income ("FVOCI"). The Company determines the classification of financial assets at initial recognition.

   Under IFRS 9 – Financial Instruments, the Company has classified and measured our financial assets as follows:

   - Cash and cash equivalents, accounts receivable and other assets (current and non-current) are classified as and measured at amortized cost.
   - Marketable securities are classified as FVTPL

(1.1) FVTPL

Financial assets are classified at FVTPL if they are acquired for the purpose of trading in the near term. Gains or losses on these items are recognized in net earnings or loss.

(1.2) Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) the object of our business model for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's accounts receivables and other assets are recorded at amortized cost as they meet the required criteria. A provision is recorded when the estimated recoverable amount of the financial asset is lower than the carrying amount.

At each statement of financial position date, the Company, on a forward-looking basis, assesses the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When sold or impaired, any accumulated fair value adjustments previously recognized are included in profit or loss.

(1.3) FVOCI

For equity securities that are not held for trading, we can make an irrevocable election at initial recognition to classify the instruments at FVOCI, with all subsequent changes in fair value being recognized in other comprehensive income ("OCI"). This election is available for each separate investment. Under this category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment, the cumulative fair value change remains in OCI and is not recycled to net earnings or loss.

2. Financial liabilities

Under IFRS 9, we have classified and measured the Company's non-derivative financial liabilities as follows:

- Accounts payable is classified as and measured at amortized cost.

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability. The amortization of debt issuance cost is calculated using the effective interest method.

3. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

When measuring the fair value of an asset or liability, the Company uses observable market data to the greatest extent possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(f) Exploration and evaluation assets

The exploration, evaluation and pre-development expenditure policy is to charge exploration and evaluation expenditures within an area of interest as expense until management concludes that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable. In making this determination, the extent of exploration, as well as the degree of confidence in the mineral resource is considered. Once a project has been established as commercially viable and technically feasible and has been subject to an impairment analysis, further expenditures are capitalized and classified as development properties.

(g) Property, plant and equipment

Property, plant and equipment assets, which include furniture and fixtures, vehicles and buildings are initially recorded at cost including acquisition and installation costs. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation based on the estimated useful life of these assets is calculated as follows:

- Buildings, plant and mobile equipment - declining balance basis
- Right of use assets - straight-line over useful life of the asset (1 to 3 years)

The residual values, useful lives and method of deprecation of property, plant and equipment are reviewed at each reporting period end and adjusted prospectively if appropriate.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net in the statements of loss and comprehensive loss. The net book value of property, plant and equipment assets is charged against income if the mine site is abandoned and it is determined that the assets cannot be economically transferred to another project or sold.

(h) Impairment of long-lived assets

The Company assesses at each reporting period whether there is an indication that an asset or group of assets may be impaired and the carrying amount may not be recoverable. When impairment indicator exist, the Company estimates the recoverable amount of the asset and compares it against the asset's carrying amount. The recoverable amount is the higher of its fair value less cost of disposal ("FVLCD") and the asset's value in use ("VIU"). If the carrying amount exceeds the recoverable amount, an impairment loss is recorded in the statement of operations and comprehensive loss.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset not already reflected in the estimates of future cash flows. The cash flows are based on best estimates of expected future cash flows from the continued use of the asset and its eventual disposal.

Estimated future cash flows are based on estimated quantities of lithium and other recoverable metals, expected price of lithium (considering current and historical prices, price trends and related factors), production levels and cash costs of production, capital and reclamation costs, all based on detailed engineered life-of-mine plans. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (each a "cash–generating unit"), which for the Company is individual projects.

FVLCD is best evidenced if obtained from an active market or binding sale agreement. Where neither exists, the fair value is based on the best estimates available to reflect the amount that could be received from an arm's length transaction.

Numerous factors including, but not limited to, unexpected grade changes, lithium recovery variances, shortages of equipment and consumables, and equipment failures could impact our ability to achieve forecasted production schedules from proven and probable reserves. Additionally, commodity prices, capital expenditure requirements and reclamation costs could differ from the assumptions used in the cash flow models used to assess impairment. The ability to achieve the estimated quantities of recoverable minerals from exploration stage mineral interests involves further risks in addition to those factors applicable to mineral interests where proven and probable reserves have been identified, due to the lower level of confidence that the identified mineralized material can ultimately be mined economically.

If an impairment loss reverses in a subsequent period, the carrying amount (post reversal) of the related asset is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset previously. Reversals of impairment losses are recognized in the statement of operations in the period the reversals occur. Material changes to any of the factors or assumptions discussed above could result in future asset impairments.

(i) Government assistance

The Company applies from time to time for financial assistance from the Government of Ontario with respect to certain exploration and development costs. Government assistance is recognized when there is reasonable assurance that the Company has complied with the conditions attached to such assistance and that the assistance will be received. Government assistance is recorded using the cost-reduction method, whereby the amounts received are applied to reduce the cost of the related asset or expenditure.

(j) Right of use asset and lease liabilities

The Company recognizes a right-of-use asset and corresponding lease liability for any leased assets not of low-value in nature with noncancelable lease terms greater than 12 months in duration. In determining the lease term, the Company assesses the economic benefits of exercising contractual options to extend the duration of the lease or terminate, when applicable.

Upon recognizing a right-of-use asset, the Company discounts the future lease payments, including any applicable residual value guarantees, purchase options, or termination penalties, using an interest rate within the following hierarchy: (i) borrowing rate implicit in the lease and (ii) the Company's incremental borrowing rate. The amount capitalized as a right-of-use asset is depreciated over the useful life of the asset and the corresponding lease liability is charged interest at the same rate used for discounting purposes.

(k) Income taxes

Income taxes comprise the provision for (or recovery of) taxes actually paid or payable (current taxes) and for deferred taxes.

Current taxes are based on taxable earnings in the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date in the respective jurisdictions.

Current income tax assets and current income tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Deferred income tax assets and liabilities are computed using enacted or substantively enacted income tax rates in effect when the temporary differences are expected to reverse. The effect on the deferred tax assets and liabilities of a change in tax rates is recognized in the period of substantive enactment. The provision for or the recovery of deferred taxes is based on the changes in deferred tax assets and liabilities during the period.

The carrying amount of deferred income tax assets or liabilities are reviewed at the end of each reporting period and recognized to the extent that it is probable that taxable earnings will be available against which deductible temporary differences can be utilized.

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of loss and comprehensive loss, net of any reimbursement.

(m) Share capital

Common shares are classified as equity. Costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the gross proceeds.

(n) Warrants

Common share purchase warrants are classified as equity. Incremental costs directly attributable to the issuance of common share purchase warrants are recognized as a deduction from warrants. The Company engages in equity financing transactions to obtain the funds necessary to invest in developmental work and for general working capital purposes. These equity financing transactions may involve issuance of common shares or units. A unit can comprise a certain number of common shares and a certain number of common share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the common share purchase warrants are exercisable into additional common shares prior to expiry at a price stipulated by the equity financing agreement. Common share purchase warrants that are part of units are measured at fair value on the date of issue using the Black-Scholes option pricing model and included in equity with the common shares that were concurrently issued.

(o) Flow-through common shares

The Company's Canadian exploration activities have been financed in part through the issuance of flow-through common shares whereby the tax benefits of the eligible exploration expenditures incurred under this arrangement are renounced to the subscribers. The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the quoted price of the Company's existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium and is extinguished when the tax effect of the temporary differences, resulting from the renunciation, is recorded – with the difference between the liability and the value of the tax assets renounced being recorded as a deferred tax expense. The tax effect of the renunciation is recorded at the time the Company's relevant tax filings are completed, which may differ from the effective date of renunciation. If the flow-through shares are not issued at a premium, a liability is not established, and on renunciation the full value of the tax assets renounced is recorded as a deferred tax expense.

(p) Share-based compensation

The Company maintains a Stock Option Plan. Stock Option Plan Under the Company's Stock Option Plan, common share options may be granted to senior officers, directors and key employees, as well as any other person or company engaged to provide ongoing management or consulting services to the Company. Compensation expense for such grants is recorded in general and administrative expenses in the statements of comprehensive loss and in exploration and evaluation assets on the balance sheet, with a corresponding increase recorded in the contributed surplus account in the balance sheet. The expense is based on the fair value of the option at the time of grant, measured by reference to the fair value determined using the Black-Scholes valuation model, and is recognized over the vesting periods of the respective options on a graded basis. Consideration paid to the Company on exercise of options is credited to share capital.

(q) Net loss per share

Basic income/(loss) per share of common stock is calculated by dividing income available to the Company's common shareholders by the weighted average number of common shares issued and outstanding during the period. In periods with positive earnings, the calculation of diluted net income per common share uses the treasury stock method to compute the dilutive effects of stock options, warrants and other potentially dilutive instruments. In periods of loss, diluted net loss per share is equal to basic loss per share, as the effect of potential issuances of shares from stock options or warrants would be anti-dilutive.

(r) Changes in accounting policies

There was no new accounting standards effective April 1, 2021, that were applicable to the Company.

<u>New interpretations or amendments to existing standards</u>

The following standards and interpretations have been issued but are not mandatory for annual reporting periods beginning on April 1, 2021:

- Covid-19 related Rent Concessions Amendments – extension – *Effective period beginning on or after April 1, 2021*;
- Property, Plant and Equipment: Proceeds before intended use Amendments to IAS 16 – *Effective period beginning on or after January 1, 2022*;
- Annual Improvements to IFRS Standards 2018-2020 – *Effective period beginning on or after January 1, 2022*;
- Deferred taxes related to assets and liabilities arising from a single transaction – *Effective for period beginning on or after January 1, 2023*; and
- Classification of Liabilities as Current or Non-current Amendments to IAS 1 – *Effective period beginning on or after January 1, 2023*.

Based on the assessment performed by management, none-of the above noted amendments to the standards and interpretations are expected to have a material impact on the Company in the current or future reporting periods.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses and other income for the reporting period.

Judgments, estimates and assumptions are periodically 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. Areas of judgment, estimate and assumptions that have the most significant effect on the amounts recognized in the financial statements are as follows:

Mineral reserves and resources

The estimation of mineral reserves and resources is a complex process involving numerous variables and is based on a professional evaluation using accepted international standards for the assessment of mineral reserves. Estimation is a subjective process, and the accuracy of such estimates is a function of the quantity and quality of available data, the assumptions made, and judgments used in engineering and geological interpretation at the time of estimation.

These assumptions may change significantly over time when new information becomes available and may cause the mineral resources and reserves estimates to change. Changes in the forecasted price of commodities, exchange rates, production costs or recovery rates may have a significant impact on the economic assessment of the mineral resources and reserves and may result in their restatement.

Assessment of impairment indicators of exploration and evaluation assets

At each reporting period, management assesses whether there is an indication that an asset or a group of assets, including mineral exploration and evaluation assets, may be impaired and that the carrying amount may not be recoverable. When impairment indicators exist, management estimates the recoverable amount of the mineral exploration and evaluation assets and compares it against their carrying amount. Determining whether facts and circumstances indicate that the Company’s mineral exploration and evaluation assets may be impaired and require the recognition of an impairment loss is a subjective process involving significant judgment and a number of interpretations.

Indicators of impairment considered by management include: (i) the period during which the Company has the right to explore in the area has expired during the year or will expire in the near future, (ii) substantive expenditure on further exploration for an evaluation of mineral reserves and resources in the area is neither budgeted nor planned, (iii) based on the technical reports prepared by management’s experts, whereby sufficient data exists to support that extracting the mineral reserves and resources will not be technically feasible or commercially viable and (iv) other facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

The Company's management makes significant estimates and judgments in determining the Company's tax expense for the period and the deferred tax assets and liabilities. Management interprets tax legislation and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities. In addition, management makes estimates related to expectations of future taxable income based on cash flows from operations and the application of existing tax law. Assumptions used in the forecast of taxable profit are based on management's estimates of future production and sales volume, commodity prices, operating costs, capital expenditures, and decommissioning and reclamation expenditures. These estimates are subject to risk and uncertainty and could result in an adjustment to the deferred tax asset and a corresponding credit or charge to the statement of operations and comprehensive loss.

A deferred tax asset is recognized to the extent that it is probable that taxable earnings will be available against which deductible temporary differences can be utilized.

Share-based compensation and warrants

The compensation cost associated with stock options and warrants granted under the terms of the instrument is measured at the grant date by using the Black-Scholes option pricing model to determine fair value. The Black-Scholes model requires the use of subjective estimates, in particular for the estimated life of options and warrants and the expected rate of volatility in the Company's share price over the life of the instrument, which can materially affect the fair value estimate. The key assumptions used to derive the fair value of options granted in 2022 and 2021, are detailed in Note 8 to the financial statements.

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

4. ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND OTHER ASSETS

		March 31, 2022		March 31, 2021
Accounts receivable, prepaid expenses and other receivables	**$**	**911**	$	62
HST receivable		**238**		126
Share subscriptions receivable		**-**		165
Government assistance receivable		**-**		228
Total	**$**	**1,149**	$	581

Government assistance receivable consist of receivables from a funding agreement with the Northern Ontario Heritage Fund Corporation ("NOHFC"). Under the agreement, NOHFC agreed to reimburse the Company 50% of eligible project costs up to $363. The Company has received the full amount of $363 during the year ended March 31, 2022.

5. EXPLORATION AND EVALUATION ASSETS

		PAK Lithium Property
Balance at April 1, 2020 and March 31, 2021 (restated – Note 15)	$	426
Additions		5,000
Balance at March 31, 2022	**$**	**5,426**

PAK Lithium Property – Red Lake Mining District, Ontario

The Company has a 100% interest in the Pakeagama Lake Property and Pakeagama Lake Southeast Property. The 100% ownership interests in the Pakeagama Lake Property are subject to a 2.5% NSR and a 1.0% buyout provision. The Company purchased the 2.5% NSR on the Pakeagama Lake Property during the year ended March 31, 2022 for a total cash proceeds of $4.0 million and 1,000,000 common shares valued at $1.0 million.

The Company entered into four exploration agreements with First Nations and has committed to make certain payments (See Note 11).

During the year ended March 31, 2022, the Company recorded $4,261 (year ended March 31, 2021 - $1,576) exploration and evaluation expenditures relating to this property in its Statement of Loss and Comprehensive loss.

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

6. PROPERTY, PLANT AND EQUIPMENT

		Buildings, plant and mobile equipment		Right-of-use assets		Total
Cost						
At April 1, 2020	$	462	$	-	$	462
Additions		95		41		136
At March 31, 2021	$	557	$	41	$	598
Additions		147		104		251
At March 31, 2022	**$**	**704**	**$**	**145**	**$**	**849**
Accumulated depreciation						
At April 1, 2020	$	298	$	-	$	298
Depreciation		78		7		85
At March 31, 2021	$	376	$	7	$	383
Depreciation		82		23		105
At March 31, 2022	**$**	**458**	**$**	**30**	**$**	**488**
Net book value						
At March 31, 2021	$	181	$	34	$	215
At March 31, 2022	**$**	**246**	**$**	**115**	**$**	**361**

During the year ended March 31, 2021, the Company entered into an office space lease agreement with a company controlled by a director of the Company (Note 12). The lease agreement expires on October 14, 2022; however, it is subject to an automatic three-year extension at that time.

During the year ended March 31, 2022, the Company entered into a lease agreement with a company to lease a track loader for one year. The lease agreement expires on January 8, 2023 and the Company has an option to purchase this tracker loader for one dollar at the end of the lease term.

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

7. LEASE OBLIGATIONS

Our lease obligations consist of the following as at March 31, 2022:

Movement in Lease Obligations		
Balance, March 31, 2020	$	-
Addition during the year ended March 31, 2021		41
Payments during the year ended March 31, 2021		(9)
Lease obligation as at March 31, 2021	$	32
Addition during the year ended March 31, 2022		104
Interest expense during the year ended March 31, 2022		3
Payments during the year ended March 31, 2022		(31)
Lease obligation as at March 31, 2022	**$**	**108**
Less: Current portion		**80**
Non-current portion as at March 31, 2022	**$**	**28**

During the year ended March 31, 2021, the Company entered into an office space lease agreement with a company controlled by a director of the Company (See Note 6 and 12). During the year ended March 31, 2022, the Company entered into a lease agreement to lease a track loader for one year (See Note 6).

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

8. SHARE CAPITAL

(a) Common Shares

We are authorized to issue an unlimited number of common shares. The issued and outstanding common shares consist of the following:

	Notes	Number of Shares		Amount
At March 31, 2020		**162,102,672**	$	**29,987**
Issued under private placement	8a)i, ii, & iii	20,739,081		10,706
Issued on exercise of stock options		1,505,000		606
Issued on exercise of warrants		4,501,056		1,667
Share issuance cost				(374)
Valuation of warrants				(2,218)
Flow-through premium				(100)
Broker warrants issued				(128)
At March 31, 2021		**188,847,809**	**$**	**40,146**
Issued under private placement	8a) iv & v	8,275,708		14,372
Issued on purchase of NSR	5	1,000,000		1,000
Issued on exercise of stock options		3,168,602		2,295
Issued on exercise of warrants		7,367,642		5,095
Share issuance cost				(1,172)
Valuation of warrants				(295)
Flow-through premium				(324)
Broker warrants issued				(444)
At March 31, 2022		**208,659,761**	**$**	**60,673**

i. In June and July 2020, the Company issued 10,077,000 units in a private placement financing for total gross proceeds of $1,961. Each unit consisted of one common share and one half of one share purchase warrant exercisable at $0.27 per share for 24 months. The fair value attributed to the 5,038,500 share purchase warrants was estimated to be $374. The Company paid financing fees consisting of cash $17 and 423,120 warrants to brokers. Each warrant entitles the holder to acquire one common share of the Company for $0.27 per share for a period of 2 years. The broker warrants were valued at $32.

ii. In November 2020, the Company completed a private placement financing. The Company issued 3,025,710 units at $0.35 per unit for a total gross proceeds of $1,059. Each unit consisted of one flow-through common share and one half of one share purchase warrant, each warrant exercisable at $0.45 for share for 24 months. The fair value attributed to the 1,512,852 share purchase warrants was estimated to be $155. The Company paid financing fees consisting of cash $48 and 138,261 warrants to brokers. Each warrant entitles the holder to acquire one common share of the Company for $0.45 per share for 2 years. The broker warrants were estimated to be $14.

iii. In March 2021, the Company completed a private placement financing. The Company issued 7,636,371 units at $1 per unit for a total gross proceeds of $7,715. Each unit consisted of one common share and one half of one share purchase warrant, each warrant exercisable at $1.25 per share for a period of 24 months. The fair value attributed to the 3,818,186 warrants was estimated to be $1,690. The Company paid financing fees consisting of cash of $374 and 185,428 warrants to brokers. Each warrant entitles the holder to acquire one common share of the Company for $1.25 per share for a period of 2 years. The broker warrants were valued at $82.

iv. In April 2021, the Company issued 1,822,708 units in a private placement financing for total gross proceeds of $2,369. Each unit consisted of one common share and one half of one share purchase warrant exercisable at $1.50 per share for 24 months. The fair value attributed to the 911,354 share purchase warrants was estimated to be $295. The Company paid financing fees consisting of cash of $121 and 93,232 warrants to brokers. Each warrant entitles the holder to acquire one common share of the Company for $1.50 per share for 24 months. The broker warrants were valued at $30.

v. In December 2021, the Company issued 6,453,000 shares in a bought deal private placement financing for total proceeds of $12,003. The Company paid financing fees consisting of cash of $720 and 387,180 warrants to brokers. Each warrant entitles the holder to acquire one common share of the company for $1.52 per share for 24 months. The broker warrants were valued at $414.

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

(b) Warrants

The following table shows the movement in warrants:

	Number of warrants	Weighted average exercise price	
At March 31, 2020	12,869,967	$	0.54
Issued	11,116,347		0.65
Exercised	(4,501,056)		0.34
Expired	(6,758,960)		0.59
At March 31, 2021	**12,726,298**	$	**0.67**
Issued	1,391,766		1.51
Exercised	(7,367,642)		0.56
Expired	(292,500)		0.50
At March 31, 2022	**6,457,922**	**$**	**0.99**

The fair value of warrants is estimated at the date of grant using the Black-Scholes option-pricing model. Fair values of options granted during the years ended March 31, 2022 and 2021 were based on the weighted average assumptions noted in the following table:

	2022	2021
Expected volatility	86% to 89%	76% to 78%
Risk-free interest rate	0.24% to 0.95%	0.06% to 0.16%
Expected dividend yield	Nil	Nil
Expected lives	2 years	2 years
Expected forfeiture rate	Nil	Nil

The following table reflects the actual warrants issued and outstanding as of March 31, 2022:

Expiry date	Number of warrants	Exercise price ($)
June 25, 2022	75,000	0.27
July 7, 2022	270,000	0.27
July 15, 2022	75,000	0.27
July 20, 2022	51,650	0.27
July 24, 2022	700,000	0.27
November 10, 2022	1,021,283	0.45
March 15, 2023	3,088,231	1.25
April 13, 2023	789,578	1.50
December 15, 2023	387,180	1.52
Total	**6,457,922**	**0.99**

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

(c) Stock options

The Company has a share option plan under which options to purchase common shares may be granted by the Board of Directors to directors, officers and employees of the Company and private corporations for terms of up to five years at a price not to exceed that permitted by any stock exchange on which the Company's shares are listed. The maximum number of options available for grant under the plan is 10% of the issued and outstanding shares with no more than 5% granted to any one director.

The fair value of option grants is estimated at the date of grant using the Black-Scholes option-pricing model. During the year ended March 31, 2022, the Company granted 5,995,000 stock options to directors, employees and consultants (2021 – 12,763,334). Fair values of options granted during the years ended March 31, 2022 and 2021 were based on the weighted average assumptions noted in the following table:

	2022	**2021**
Expected volatility	77% to 79%	78%
Risk-free interest rate	0.8% to 1.7%	0.18%
Expected dividend yield	Nil	Nil
Expected lives	5 years	5 years
Expected forfeiture rate	Nil	Nil

The weighted average fair value per option granted during the year ended March 31, 2022 was $0.75 (2021 - $0.42). All stock options granted were vested immediately on grant dates.

The following is a continuity of the changes in the number of stock options outstanding:

	Number of options		**Weighted average exercise price**
At March 31, 2020	12,700,000	$	0.33
Granted	12,763,334		0.71
Exercised	(1,505,000)		0.24
Forfeited	(8,050,000)		0.46
Expired	(1,633,334)		0.19
At March 31, 2021	**14,275,000**	$	**0.67**
Granted	5,995,000		1.18
Exercised	(3,168,602)		0.50
Forfeited	(500,000)		1.05
At March 31, 2022	**16,601,398**	**$**	**0.87**

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

Stock options outstanding and exercisable as at March 31, 2022:

Range of exercise price	Number of options	Weighted average exercise price	Weighted average remaining contractual life (years)
$0.25-$1.00	9,288,064	0.31	2.12
$1.01-$2.00	6,313,334	0.40	1.49
$2.01-$3.00	1,000,000	0.16	0.29
Total	**16,601,398**	**$ 0.87**	**3.90**

9. GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Salaries, benefits and consulting	**$ 1,640**	$ 700
Share-based payments	**4,500**	5,367
Professional fees	**220**	109
Office, administration and other	**611**	474
Shareholder related fees	**41**	3
Depreciation	**105**	85
Total general and administrative expenses	**$ 7,117**	$ 6,738

10. INCOME TAXES

Our effective income tax rate differs from the amount that would be computed by applying the federal and provincial statutory rate of 26.50% (2021 – 26.50%) to the net loss. The reasons for the differences are a result of the following:

	March 31, 2022	**March 31, 2021**
Net loss before taxes	$ **(10,951)**	$ (8,394)
Expected tax (recovery) expense at statutory rates	**(2,903)**	(2,224)
Tax effects of:		
Stock-based compensation and non-deductible expenses	**2,331**	6,946
Change in deferred tax assets not recognized	**187**	(4,883)
Deferred tax (recovery) expense	$ **(385)**	$ (161)

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

(a) Deferred tax liability

The deferred tax liability and asset was calculated using a tax rate of 26.5% as follows:

	March 31, 2022	March 31, 2021
Deferred income tax assets		
Investment in exploration and evaluation assets	**$ (2,338)**	$ (1,385)
Property, plant and equipment	**(125)**	(102)
Undeducted share issuance costs	**(329)**	(116)
Undeducted non-capital losses	**(3,961)**	(3,263)
Valuation allowance	**6,752**	4,866
Net deferred tax liability	**$ -**	$ -

(b) Non-capital losses

The Company has $14,948 (2021 - $12,312) of non-capital losses available to offset future income for tax purposes. The non-capital losses will expire between 2026 and 2042.

11. COMMITMENTS AND CONTINGENCIES

From 2016 to 2019, the Company entered into four exploration agreements with First Nation communities that are situated nearby the PAK Lithium Project properties for the purpose of ongoing exploration. The agreements contain obligations to pay a percentage of exploration expenses incurred.

The Company currently has no capital expenditure commitments as at March 31, 2022.

12. RELATED PARTY TRANSACTIONS

Key management personnel include members of the Board of Directors and certain senior officers. Remuneration of our key management personnel was as follows:

	2022	2021
Compensation – salaries, benefits and consulting	**$ 558**	$ 250
Share-based compensation	**3,543**	3,097
Total	**$ 4,101**	$ 3,347

Included in accounts payable is $57 (March 31, 2021 - $26) owing to corporations controlled by a director of the Company.

During the year ended March 31, 2021, the Company entered into an office space lease agreement with a company controlled by a director of the Company. The annual lease fee is $9 and the lease agreement expires on October 14, 2022; however, it is subject to an automatic three-year extension at that time.

During the year ended March 31, 2021, the Company purchased two pieces of exploration equipment including transportation costs from a corporation controlled by a director of the Company at the exchange amount of $116 agreed by both parties in the normal course of operation.

The transactions above are in the normal course of operation and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

13. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company raises sufficient funds in order to execute its business designed to maximize shareholder value. The Company considers the following items as capital: Cash and cash equivalents, share capital and contributed surplus in the amount of $97,725 (March 31, 2021 - $66,314).

When managing capital, which is a broader concept than the "equity" in the statement of financial position, the objectives of the Company are:

- To safeguard the Company's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the exploration for and development of its mineral deposits.

There have been no changes in the Company's capital management when compared to the prior year.

Financial Risk Management

Our activities expose us to a variety of financial risks: market risk, liquidity risk and credit risk. Risk management is carried out by our management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(a) Market risk

Market risk is the risk that changes based on market factors, such as commodity prices or foreign exchange rates, which affect the value of our financial instruments.

Commodity price risk

Commodity prices fluctuate and are affected by factors outside of the Company's control. The current and expected future spot prices have a significant impact on the market sentiment for investment in exploration companies and may impact the Company's ability to raise equity or debt financing for its ongoing working capital requirements. Management closely monitors commodity prices to determine the appropriate course of action to be taken.

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, our financial instruments will fluctuate because of changes in foreign exchange rates. Our functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars.

We maintain Canadian and United States dollar bank accounts in Canada. Our foreign exchange exposure to fluctuations in the United States dollars exchange rate against the Canadian dollar is not significant as our annual exploration expenditures and a significant portion of our corporate administrative costs are denominated in Canadian dollars.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its payment obligations when they fall due under normal and stress circumstances. The Company monitors its liquidity risk by considering the maturity of its financial assets and projected cash flow from operations. Where possible the Company utilizes surplus internal funds to a large extent to finance its operations and ongoing projects.

Our future undiscounted obligations as at March 31, 2022 are as follows:

At March 31, 2022	Due within 1 year	Due between 1 and 5 years	Total
Accounts payable and accrued liabilities	1,202	-	**1,202**
Lease obligations	80	28	**108**
Total	**1,282**	**28**	**1,310**

(c) Credit risk

Credit risk is the risk of financial loss to us if a third party fails to meet their contractual obligations and arises principally from our financing activities including deposits with banks and accounts receivable.

We maintain substantially all of our cash in bank accounts at select Canadian chartered banks. Management believes credit risk is low with respect to bank deposits and accounts receivable.

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table sets forth our financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy.

		March 31, 2022		March 31, 2021	
Financial asset fair valued through profit and loss	Level	**Carrying value**	**Fair value**	Carrying value	Fair value
Marketable securities	2	**9**	**9**	10	10

During current year ended March 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements. We do not have any financial assets or liabilities that are fair valued based on unobservable inputs (Level 3).

15. RESTATEMENT

(a) Change in accounting policy

During the year ended March 31, 2022, the Company changed its accounting policy for exploration and evaluation expenditures to expense them as incurred. Management considered that this change in accounting policy will result in clearer, more relevant and reliable financial information by reducing financial reporting complexity. Under the previous accounting policy, exploration and evaluation expenditures were capitalized.

(b) Related Party Disclosures

It was determined that there were additional related party transactions in the prior year financial statements that had not been disclosed. The comparative disclosures in Note 12 have been revised accordingly.

The impact on the comparative financial statements resulting from the change in accounting policy changes are as follows:

Statements of Financial Position

As at April 1, 2020		**As previously reported**		**Change in policy**		**As restated**
Exploration and evaluation assets	$	12,409	$	(11,983)	$	426
Accumulated deficit	$	(25,557)	$	(11,983)	$	(37,540)

As at March 31, 2021		**As previously reported**		**Change in policy**		**As restated**
Exploration and evaluation assets	$	13,985	$	(13,559)	$	426
Accumulated deficit	$	(32,214)	$	(13,559)	$	(45,773)

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

Statements of Loss and Comprehensive Loss

Year ended March 31, 2021		As previously reported		Change in policy		As restated
Exploration and evaluation expenditures	$	-	$	1,576	$	1,576
Net loss and comprehensive loss		6,657		1,576		8,233
Basic and diluted net loss per share	$	(0.04)	$	(0.01)	$	(0.05)

Statements of Cash Flows

Year ended March 31, 2021		As previously reported		Change in policy		As restated
Net loss for the year	$	(6,657)	$	(1,576)	$	(8,233)
Additions to exploration and evaluation assets	$	(1,576)	$	1,576	$	-

Statements of Changes in Equity

		As previously reported		Change in policy		As restated
Deficit, April 1, 2020	$	(25,557)	$	(11,983)	$	(37,540)
Net loss for the year ended March 31, 2021		(6,657)		(1,576)		(8,233)
Deficit, March 31, 2021	$	(32,214)	$	(13,559)	$	(45,773)

16. SUBSEQUENT EVENTS

In April 2022, the Company granted 750,000 stock options with an exercise price of $3.16 with a term of 5 years to a member of management. The options vest immediately.