PRIME MINING CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
April 30, 2021 and 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Prime Mining Corp.

Opinion

We have audited the accompanying consolidated financial statements of Prime Mining Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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 David Harris.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

August 13, 2021

PRIME MINING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Canadian dollars)

	Note		**April 30, 2021**		April 30, 2020 (restated, note 5)		May 1, 2019 (restated, note 5)
ASSETS							
Current							
Cash		**$**	**32,026,806**	$	1,020,820	$	6,244
Receivables			**63,295**		150,993		18,967
Prepaid expenses			**173,537**		200,992		17,267
Total current assets			**32,263,638**		1,372,805		42,478
Value added tax receivable	7		**1,016,690**		-		-
Deposits			**21,695**		21,695		33,640
Prepaid exploration and evaluation advance			**-**		1,693		1,693
Property and equipment	8		**204,349**		263,978		64,458
Exploration and evaluation assets	5, 9		**11,285,168**		7,531,775		5,441,325
Total assets		**$**	**44,791,540**	$	9,191,946	$	5,583,594
LIABILITIES							
Current							
Trade payables and accruals	16	**$**	**833,744**	$	576,046	$	488,864
Advances from related party			**-**		-		40,000
Loan payable	10, 16		**-**		1,149,416		201,345
Current portion of lease liability			**60,384**		74,216		4,443
Total current liabilities			**894,128**		1,799,678		734,652
Long-term payable	11		**915,021**		-		-
Lease liability	12		**3,597**		64,304		10,346
Total liabilities			**1,812,746**		1,863,982		744,998
SHAREHOLDERS' EQUITY							
Share capital	13		**93,072,150**		49,827,410		37,930,033
Obligation to issue shares			**220,000**		-		-
Reserves			**9,654,732**		6,768,644		4,383,164
Deficit			**(59,968,088)**		(49,268,090)		(37,474,601)
Total shareholders' equity			**42,978,794**		7,327,964		4,838,596
Total liabilities and shareholders' equity		**$**	**44,791,540**	$	9,191,946	$	5,583,594

Nature and continuance of operations (note 1)
Subsequent events (note 9 and 22)

Approved by the Board of Directors on August 13, 2021:

"Daniel Kunz" Director *"Paul Sweeney"* Director

PRIME MINING CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended April 30, 2021 and 2020
(In Canadian dollars, except share numbers and per share amounts)

	Note	2021	2020 (restated, note 5)
Operating expenses			
General and administrative	6	**$ 5,959,628**	$ 4,404,151
Exploration and evaluation	9	**4,973,290**	1,318,271
Depreciation	8	**106,766**	89,681
Financing		**23,286**	629,042
Property investigation		**-**	43,407
Foreign exchange		**3,641**	(26,208)
Loss from operations		**(11,066,611)**	(6,458,344)
Gain on sale of Auramex	1	**239,379**	-
Rent recovery		**125,706**	90,098
Interest income		**1,528**	39
Geological services		**-**	16,043
Impairment of exploration and evaluation assets	9	**-**	(5,441,325)
Loss and comprehensive loss for the year		**$ (10,699,998)**	$ (11,793,489)
Weighted average shares outstanding - basic and diluted		**83,134,498**	45,665,856
Loss per share - basic and diluted		**$ (0.13)**	$ (0.26)

PRIME MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended April 30, 2021 and 2020
(In Canadian dollars)

		2021		2020 (restated, note 5)
OPERATING ACTIVITIES				
Loss for the year	**$**	**(10,699,998)**	$	(11,793,489)
Items not affecting cash:				
Depreciation		**106,766**		89,681
Interest income		**(1,528)**		(39)
Share-based compensation		**3,553,678**		1,778,600
Financing expense		**23,286**		589,042
Gain on sale of Auramex		**(239,379)**		-
Impairment of exploration and evaluation assets		**-**		5,441,325
Foreign exchange		**16,696**		(3,097)
Change in non-cash working capital items:				
Receivables		**69,197**		(132,026)
Prepaid expense		**267,455**		(183,725)
Payables and accruals		**371,877**		117,182
Cash used in operating activities		**(6,531,950)**		(4,096,546)
FINANCING ACTIVITIES				
Shares issued for cash		**44,424,413**		8,931,015
Share issuance costs		**(2,408,562)**		(417,083)
Share subscriptions received		**220,000**		-
Advance from related parties		**-**		115,000
Repayment of advance from related parties		**-**		(155,000)
Lease liability		**(82,563)**		(82,563)
Loan payable		**-**		2,040,000
Repayment of loans		**(1,000,000)**		(1,263,848)
Finance expense		**(164,678)**		-
Cash provided by financing activities		**40,988,610**		9,167,521
INVESTING ACTIVITIES				
Deposits		**-**		11,945
Value added tax receivable		**(1,123,365)**		-
Exploration and evaluation assets		**(2,281,700)**		(3,971,450)
Purchase of equipment		**(47,137)**		(96,933)
Interest received		**1,528**		39
Cash used in investing activities		**(3,450,674)**		(4,056,399)
Increase in cash		**31,005,986**		1,014,576
Cash, beginning of year		**1,020,820**		6,244
Cash, end of year	**$**	**32,026,806**	$	1,020,820

Supplemental disclosure with respect to cash flows (note 18)

PRIME MINING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended April 30, 2021 and 2020
(In Canadian dollars, except share numbers)

	Note	Common shares	Share capital	Obligation to issue shares	Reserves	Deficit	Shareholders' Equity
At April 30, 2020 (restated, note 5)		59,599,382	$ 49,827,410	$ -	$ 6,768,644	$ (49,268,090)	$ 7,327,964
Private placement, net of share issuance costs – June 2020	13b)	20,000,000	9,431,470	-	-	-	9,431,470
Shares issued for property acquisition	13b)	330,000	465,000	-	-	-	465,000
Private placement, net of share issuance costs – April 2021	13b)	9,746,250	26,767,705	-	-	-	26,767,705
Stock options exercised	13b)	2,500,000	1,765,513	-	(755,513)	-	1,010,000
Warrants exercised	13b)	8,665,951	4,815,052	-	(152,077)	-	4,662,975
Warrants exercise proceeds received	13b)	-	-	220,000	-	-	220,000
Warrants issued to financial advisory firm		-	-	-	240,000	-	240,000
Stock-based compensation	13d)	-	-	-	3,553,678	-	3,553,678
Loss for the year		-	-	-	-	(10,699,998)	(10,699,998)
At April 30, 2021		**100,841,583**	**$ 93,072,150**	**$ 220,000**	**$ 9,654,732**	**$ (59,968,088)**	**$ 42,978,794**

	Note	Common shares	Share capital	Obligation to issue shares	Reserves	Deficit	Shareholders' Equity
At April 30, 2019 (restated, note 5)		18,374,238	$ 37,930,033	$ -	$ 4,383,164	$ (37,474,601)	$ 4,838,596
Private placement, net of share issuance costs	13b)	29,051,327	8,143,015	-	155,300	-	8,298,315
Shares issued for property acquisition	13b)	10,336,250	3,102,525	-	457,800	-	3,560,325
Shares issued to bridge loan lenders	13b)	1,333,334	400,000	-	-	-	400,000
Warrants exercised		464,233	230,765	-	(1,148)	-	229,617
Stock options exercised	13b)	40,000	21,072	-	(5,072)	-	16,000
Stock-based compensation	13d)	-	-	-	1,778,600	-	1,778,600
Loss for the year		-	-	-	-	(11,793,489)	(11,793,489)
At April 30, 2020 (restated, note 5)		59,599,382	$ 49,827,410	$ -	$ 6,768,644	$ (49,268,090)	$ 7,327,964

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

(In Canadian dollars, except share numbers)

1. Nature and continuance of operations

Prime Mining Corp. ("Prime" or "the Company") was incorporated on May 14, 1981, under the laws of the Province of British Columbia, Canada. The Company acquires, explores, and develops interests in mineral projects in Mexico.

The Company's subsidiaries are as follows:

Subsidiary	Jurisdiction	Operating status
Minera Amari SA de CV ("Minera Amari")	Mexico	Los Reyes project
Exploracion Auramex SA de CV ("Auramex") [1]	Mexico	Magenta project
ePower Metals SA de CV	Mexico	Holding mineral claims
Argus Metals (BGI) Inc.	Barbados	Inactive
ePower Metalen	Suriname	Inactive
ePower Metals (USA) Inc.	United States	Inactive

(1) On April 30, 2021, the Company divested Auramex for $nil consideration resulting in a gain on sale of $239,379.

The Company is listed for trading on the TSX Venture Exchange ("TSX-V" or the "Exchange") under the symbol PRYM. The Company's head office and principal place of business is located at Suite 1507, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3. The Company's registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The Company has not generated revenue from operations. The Company recorded a loss of $10,699,998 during the year ended April 30, 2021 and, as of that date, the Company's deficit was $59,968,088. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of $32,026,806 at April 30, 2021 that the Company estimates will be sufficient to maintain operations for at least the next twelve months.

During March 2020, the World Health Organization declared covid-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Basis of preparation

a) Statement of Compliance

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

These consolidated financial statements were approved by the Board of Directors and authorized for issue on August 13, 2021.

b) Basis of measurement

The consolidated financial statements have been prepared using the historical cost basis, except for certain financial instruments carried at fair value. The measurement bases are fully described in the accounting policies below. The consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional currency and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

d) Comparatives

Certain comparatives have been reclassified to the current period's presentation.

3. Significant accounting policies

The significant accounting policies used in the preparation of these consolidated financial statement are as follows:

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Auramex until sold, Minera Amari, ePower Metals SA de CV, Argus Metals (BGI) Inc., ePower Metalen, and ePower Metals (USA) Inc. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated upon consolidation.

b) Foreign currency transaction

Foreign currency amounts are translated into each entity's functional currency as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the entity's functional currency by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into the functional currency by using the exchange rate in effect at the period-end date and the related translation differences are recognized in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into the functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into the functional currency by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in profit or loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For statement of cash flow presentation purposes, cash and cash equivalents includes bank overdrafts. For the years presented, the Company was only holding cash.

d) Value added tax receivable

Non-current tax receivable consists of a value added tax (“VAT”) receivable which represents a tax payment relating to the Los Reyes project acquisition paid by the Company in Mexico which is refundable from the Mexican government. The recovery of VAT receivable involves a complex application process, and the timing of collection is uncertain. The Company has not recognized a loss allowance for expected credit losses as the VAT receivable is not a contract asset and therefore outside the scope of IFRS 9.

e) Mineral exploration and evaluation expenditures

i. Pre-exploration costs

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

ii. Exploration and evaluation expenditures

The costs of acquiring exploration properties, including transaction costs, are capitalized as exploration and evaluation assets. Costs incurred prior to the legal right to explore is obtained, are expensed in the period in which they are incurred.

The Company expenses exploration and evaluation expenditure until such time that an appropriate economic assessment has been completed and there is confidence that permits can be obtained to develop the project. 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.

During the year ended April 30, 2021, on a retrospective basis, the Company changed its accounting policy relating to exploration and evaluation expenditures (note 5).

When a project is deemed to no longer have commercially viable prospects to the Company, capitalized costs in respect of that project are deemed to be impaired. As a result, those capitalized 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. The recoverable amount is the higher of the asset's fair value less costs to sell or value in use.

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 also 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 and evaluation assets are applied as a reduction to capitalized costs.

f) Reclamation deposits

Deposits which are subject to contractual restrictions on use are classified separately as reclamation deposits. Reclamation deposits are recorded at amortized cost.

g) Equipment

i. Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

ii. Subsequent costs

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

iii. Major maintenance and repairs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

iv. Gains and losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized in profit and loss.

v. Depreciation

Depreciation is recognized in profit or loss and is provided on a declining-balance basis and on a straight-line basis over the estimated useful life of the assets as follows:

Office and equipment	30% - 100% declining balance
Project equipment	20% declining balance
Right-of-use asset	straight line 33 months

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

h) Leases

The Company assesses whether a contract is or contains a lease, at the inception of a contract. The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions:

i. the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or
ii. for leases of low value. The payments for such leases are recognized in profit or loss on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in property and equipment, and the lease liability is presented as a separate line in the consolidated statement of financial position. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in profit or loss.

i) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company performs impairment testing on each cash-generating unit.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in accumulated other comprehensive loss/income.

j) Financial instruments

i. Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading 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 FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Financial assets/liabilities	**Classification in IFRS 9**
Cash	FVTPL
Receivables	Amortized cost
Deposits	Amortized cost
Trade payables and accruals	Amortized cost
Advances from related party	Amortized cost
Loans payable	Amortized cost
Long-term payable	Amortized cost
Lease liability	Amortized cost

ii. Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Impairment of financial assets at amortized cost
An "expected credit loss" impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follow: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit and loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

iii. *Derecognition*

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains or losses on the derecognition are generally recognized in profit or loss.

k) Provision

i. *Rehabilitation Provision*

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities include restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

ii. Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

l) Income taxes

Income tax expense comprises current and deferred tax expense. Current tax and deferred tax expense are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

m) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

n) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

o) Loss per share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings (loss) per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. For the years presented, this calculation provides to be anti-dilutive.

p) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to operations over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, 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.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

q) New accounting standards issued and not yet effective

Certain IFRS pronouncements that are mandatory for accounting years beginning on or after May 1, 2021 have been issued. None of these are expected to be relevant to the Company's financial statements.

4. Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about such judgements and estimates is contained in the description of accounting policies (note 3) and other notes to the financial statements. Management has made the following critical accounting judgements and estimates:

i. Critical judgments in applying accounting policies

Exploration and evaluation assets
The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

ii. Key sources of estimation uncertainty

Rehabilitation provisions
Rehabilitation provisions have been created based on the Company's internal estimates with future period amounts discounted to reflect the time value of money. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred.

Income tax
Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes it has adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company may recognize deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 13.

VAT receivable

The recovery of VAT receivable involves a complex application process, and the timing of collection is uncertain. The Company has not recognized a loss allowance for expected credit losses as the VAT receivable is not a contract asset and therefore outside the scope of IFRS 9.

5. Changes in accounting policies

a) Exploration and evaluation expenditures

The Company has adopted a new accounting policy for exploration and evaluation expenditures. The Company has determined that the change in accounting policy increases peer company comparability and enhances the relevance of the financial statements for users. In prior years, the Company capitalized exploration and evaluation expenditures when the Company had the legal right to explore a property. The Company has changed this accounting policy to expense exploration and evaluation expenditure until such time that an appropriate economic assessment has been completed and there is confidence that permits can be obtained to develop the project. The Company will continue to capitalize all acquisition costs and related costs when incurred. The accounting policy change has been applied on a retrospective basis to the consolidated financial statements.

In preparing the opening statement of financial position the Company adjusted previously reported amounts. The change in accounting policy implications is presented below:

Consolidated statement of financial position as at May 1, 2019

		As previously reported		Effect of change in accounting policy		As restated under new accounting policy
Non-current assets						
Exploration and evaluation assets	$	5,693,906	$	(252,581)	$	5,441,325
Shareholders' equity						
Deficit	$	(37,222,020)	$	(252,581)	$	(37,474,601)

(In Canadian dollars, except share numbers)

Consolidated statement of financial position as at April 30, 2020

	As previously reported	Effect of change in accounting policy	As restated under new accounting policy
Non-current assets			
Exploration and evaluation assets	$ 8,700,039	$ (1,168,264)	$ 7,531,775
Shareholders' equity			
Deficit	$ (48,099,826)	$ (1,168,264)	$ (49,268,090)

Consolidated statement of loss and comprehensive loss for the year ended April 30, 2020

	As previously reported	Effect of change in accounting policy	As restated under new accounting policy
Exploration and evaluation expenditures	$ -	$ 1,318,271	$ 1,318,271
Impairment	5,843,913	(402,588)	5,441,325
Loss and comprehensive loss for the year	(10,877,806)	(915,683)	(11,793,489)
Basic and diluted	$ (0.24)	$ (0.02)	$ (0.26)

The change in the accounting policy had no effect on the Company's statement of changes in shareholders' equity, other than the changes to deficit, as noted above. Therefore, no separate statement of changes in shareholders' equity is presented.

Consolidated statement of cash flows for the year ended April 30, 2020

	As previously reported	Effect of change in accounting policy	As restated under new accounting policy
Cash flows from operating activities			
Loss and comprehensive loss for the year	$ (10,877,806)	$ (915,683)	$ (11,793,489)
Items not affecting cash:			
Impairment	5,843,913	(402,588)	5,441,325
Accounts payable	17,182	100,000	117,182
Net cash used in operating activities	(2,878,275)	(1,218,271)	(4,096,546)
Cash flows from investing activities			
Exploration and evaluation assets	(5,189,721)	1,218,271	(3,971,450)
Net cash used in investing activities	(5,274,670)	1,218,271	(4,056,399)
Net change in cash, during the year	$ 1,014,576	$ -	$ 1,014,576

(In Canadian dollars, except share numbers)

6. Corporate and administration expense

	Note	**2021**	2020
Salaries, personnel and directors' fees	16	**$ 1,431,087**	$ 802,391
Consulting and professional fees		**341,201**	468,140
Investor relations		**321,304**	986,083
Office and other		**312,358**	368,937
Share-based compensation	13d)	**3,553,678**	1,778,600
		$ 5,959,628	$ 4,404,151

7. Value added tax receivable

Value added tax ("VAT") receivable represents a tax payment paid by the Company in Mexico which are refundable from the Mexican government.

The Company recorded the VAT paid on the purchase of Los Reyes Project resulting in a VAT receivable of $1,016,690. Upon receipt of the VAT receivable the Company is required to settle the long-term payable (note 11). The Company recorded VAT of $601,156 paid on additional Los Reyes Project expenditures to exploration and evaluation expense (note 9b).

8. Property and equipment

	Office equipment	**Right of use assets**	**Project equipment**	**Total**
Cost				
At May 1, 2020	**$ 62,965**	**$ 192,268**	**$ 120,114**	**$ 375,347**
Additions	**3,940**	**-**	**43,197**	**47,137**
At April 30, 2021	**66,905**	**192,268**	**163,311**	**422,484**
Accumulated depreciation				
At May 1, 2020	**26,888**	**69,912**	**14,569**	**111,369**
Depreciation	**13,529**	**69,912**	**23,325**	**106,766**
At April 30, 2021	**40,417**	**139,824**	**37,894**	**218,135**
Carrying amount April 30, 2021	**$ 26,488**	**$ 52,444**	**$ 125,417**	**$ 204,349**

	Office equipment	Right of use assets	Project equipment	Total
Cost				
At May 1, 2019	$ 53,511	$ -	$ 32,635	$ 86,146
Additions	9,454	192,268	87,479	289,201
At April 30, 2020	62,965	192,268	120,114	375,347
Accumulated depreciation				
At May 1, 2019	18,425	-	3,263	21,688
Depreciation	8,463	69,912	11,306	89,681
At April 30, 2020	26,888	69,912	14,569	111,369
Carrying amount April 30, 2020	$ 36,077	$ 122,356	$ 105,545	$ 263,978

(In Canadian dollars, except share numbers)

9. Exploration and evaluation assets and expenditures

a) Acquisition

Acquisition costs capitalized as exploration assets are as follows:

	Los Reyes Project	Magenta Project	Panther Creek Project	Total
At May 1, 2019 (restated, note 5)	$ -	$ 1,054,096	$ 4,387,229	$ 5,441,325
Additions	7,531,775	-	-	7,531,775
Impairment [1]	-	(1,054,096)	(4,387,229)	(5,441,325)
At April 30, 2020 (restated, note 5)	**7,531,775**	**-**	**-**	**7,531,775**
Additions	**3,753,393**	**-**	**-**	**3,753,393**
At April 30, 2021	**$ 11,285,168**	**$ -**	**$ -**	**$ 11,285,168**

(1) During the year ended April 30, 2020, the Company impaired $1,054,096 and $4,387,229 related to the Magenta Project and Panther Creek Project, located in Mexico and the United States, respectively. The Company evaluated the projects and concluded that no further investment was warranted.

i. Los Reyes Project

In August 2019, the Company closed the Los Reyes Assignment Agreement with Minera Alamos Inc. ("MAI"), Vista Gold Inc. ("Vista Gold"), and the Mexican subsidiaries of each of MAI and the Company, pursuant to which MAI assigned the rights to an option to earn a 100% interest in the Los Reyes Project in Sinaloa State, Mexico.

To acquire the Property, the Company:

- Paid US$1,500,000 to MAI, to reimburse MAI for the cost of an option payment required to be made to Vista Gold in April 2019.
- Assumed MAI's remaining option payments of US$3,000,000 in favour of Vista Gold of which US$1,500,000 was paid in October 2019 and US$1,500,000 was paid in July 2020.
- Issued to MAI 9,450,000 common shares and 3,350,000 common share purchase warrants entitling MAI to acquire further common shares at a price $0.50 per share for a period of 24 months.

The Company funded an initial option payment of US$1,500,000 through a bridge loan of $2,000,000 which was previously arranged through a group of lenders consisting of Andrew Bowering, George Dengin and Perfect Storm Holdings Ltd. (the "Lenders"). The bridge loan was unsecured, bore interest at 12% per annum compounded monthly, and had a term of 12 months. In consideration for providing the bridge loan, the Company paid a commitment fee of $40,000 and issued 1,333,334 common shares to the Lenders (the "Bonus Shares"). In September 2019, the Company repaid George Dengin and Perfect Storm Holdings Ltd. $1,000,000 of the bridge loan, $20,000 commitment fee, interest and issued all the bonus shares. The Company repaid the balance of the loan, interest and commitment fee due to Andrew Bowering in June 2020 (note 10).

(In Canadian dollars, except share numbers)

In consideration for introducing the transaction to the Company, and for assisting in its facilitation, the Company agreed to issue up to 1,216,250 common shares to two arms'-length parties, Jeremy Ross and Sandwedge Consulting Ltd. A total of 556,250 finders' shares were issued on completion of the Transaction, with a further 330,000 finders' shares to be issued upon completion of each of two US$1,500,000 option payments. The Company issued the final tranche of 330,000 common shares valued at $465,000 in January 2021.

On June 12, 2020, with subsequent amendments, the Company entered into an amended option agreement for the Los Reyes Project with Vista Gold (the "Los Reyes Amended Option Agreement"). The Los Reyes Amended Option Agreement provides for the cancellation of all ongoing net smelter royalties ("NSR") and back-in rights ("Back-in Right") held by Vista Gold, in consideration for accelerating the final US$1,500,000 option payment owing to Vista Gold (paid) and paying (1) US$1,100,000 no later than six months from the acquisition date (paid); and (2) US$1,000,000 no later than 12 months from the acquisition date (paid subsequent to April 30, 2021). If the Company failed to make the US$1,100,000 and US$1,000,000 payments, Vista Gold would have the right to reinstate its NSRs and Back-in Rights.

In February 2020, the Company entered into a surface-rights agreement with local landowners subject to which it paid MXN 700,000 ($51,000) for past and future land access through to January 2023. The Company has the right to extend the exploration period for up to two additional years by making an annual payment of US$20,000 in 2024 and US$30,000 in 2025. The Company may initiate construction of a mine at any time. If construction begins prior to February 2025, the annual payment will increase to US$30,000. Once commercial production starts, the annual payment will increase to US$200,000. The payments are subject to customary indexing for inflation.

b) Expenditures

i. Los Reyes Project

Project expenditures during the year ended April 31, 2021, and 2020, are summarized as follows:

	Note	**April 30, 2021**	April 30, 2020
Salaries and personnel	16	**$ 1,275,543**	$ 245,240
Drilling		**1,454,607**	-
Resource estimation and technical services		**1,122,233**	306,220
Equipment and field supplies		**229,168**	299,316
Land payments and maintenance		**159,111**	224,189
General and administrative		**131,472**	93,299
Value added tax		**601,156**	-
		$ 4,973,290	$ 1,168,264

Total project expenditures of $6,141,554 since acquisition.

ii. Other projects

During the year ended April 30, 2020, the Company incurred project expenditures of $85,091 and $64,916 related to the Magenta Project and Panther Creek Project, respectively.

(In Canadian dollars, except share numbers)

10. Loan payable

At April 30, 2021, the loan payable balance was $nil (April 30, 2020 - $1,149,416) and the Company incurred interest of $15,262 (April 30, 2020 - $175,016). During the year ended April 30, 2021, the Company repaid the balance outstanding and interest of $1,149,416 and $15,262, respectively. The loan included amounts owed to related parties and bore an interest rate of 12% per annum compounded monthly.

11. Long-term payable

The Los Reyes Amended Option Agreement requires the Company to reimburse Vista Gold 90% of the VAT receivable of $915,021 (US$744,828), associated with the Los Reyes Project purchase (notes 7 and 9) when the funds are received. Collection of the VAT receivable is not expected within twelve months and accordingly the payable is presented as a non-current liability.

12. Lease liability

The Company has a lease for office equipment over a term of five years with monthly payments of $370 and an implicit interest rate of 8%. Additionally, the Company has a premises lease expiring January 31, 2022, with monthly payments of $6,510. The incremental borrowing rate is estimated at 8% per year.

		Premises lease		Equipment lease		Total
Balance, April 30, 2019	$	-	$	14,789	$	14,789
Adoption of IFRS 16		192,268		-		192,268
Interest		13,029		997		14,026
Payments		(78,120)		(4,443)		(82,563)
Balance, April 30, 2020		**127,177**		**11,343**		**138,520**
Interest		**7,305**		**719**		**8,024**
Payments		**(78,120)**		**(4,443)**		**(82,563)**
Balance, April 30, 2021	**$**	**56,362**	**$**	**7,619**	**$**	**63,981**

At April 30, 2021, the current and long-term lease liabilities were $60,384 and $3,597, respectively (April 30, 2020 - $74,216 and $64,304, respectively).

13. Capital stock

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued capital

At April 30, 2021, there were 100,841,583 issued and outstanding common shares (April 30, 2020 - 59,599,382).

The Company had the following common share transactions during the year ended April 30, 2021:

- On April 27, 2021, the Company closed a private placement of 9,746,250 units at a price of $2.95 per unit for gross proceeds of $28,751,438, with transaction costs of $1,983,733. Each unit consists of one common share and one half of one common share purchase warrant exercisable at a price of $5.00 until April 27, 2024.

(In Canadian dollars, except share numbers)

- On June 12, 2020, the Company closed a private placement of 20,000,000 units at a price of $0.50 per unit for gross proceeds of $10,000,000, with transaction costs of $568,530. Each unit consists of one common share and one common share purchase warrant exercisable at a price of $1.10 until June 12, 2025.
- The Company issued 330,000 common shares valued at $465,000 related to finders' fees (note 9).
- The Company issued 8,665,951 common shares for gross proceeds of $4,662,975 upon exercise of warrants. Additionally, proceeds of $220,000 were received for which 200,000 common shares were issued subsequent to April 30, 2021.
- The Company issued 2,500,000 common shares for gross proceeds of $1,010,000 upon exercise of options.

The Company had the following common share transactions during the year ended April 30, 2020:

- The Company completed a private placement that raised $8,715,398 through the issuance of 29,051,327 units at $0.30 per unit. Each unit comprises one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to acquire a further common share at a price of $0.50 per share until August 28, 2021. The Company paid finders' fees of $360,465 and issued finders' warrants to purchase up to 1,164,594 common shares at a price of $0.50 per share until August 28, 2021 to certain eligible parties who introduced subscribers to the financing.
- The Company issued MAI 9,450,000 common shares valued at $2,835,000 and 3,350,000 common share purchase warrants valued at $457,800 entitling MAI to acquire further common shares at a price $0.50 per share for a period of 24 months (note 9).
- The Company issued 556,250 common shares valued at $166,875 on completion of the MAI transaction and 330,000 common shares valued at $100,650 in December 2019 as finders' fees (note 9).
- The Company issued 1,333,334 common shares valued at $400,000 to the lenders of a bridge loan facility (note 9).
- The Company issued 464,233 common shares for gross proceeds of $229,617 upon exercise of warrants.
- The Company issued 40,000 common shares for gross proceeds of $16,000 upon exercise of options.

c) Warrants

Warrant transactions and the number of warrants outstanding during the year ended April 30, 2021 and 2020, are summarized as follows:

	Number of warrants	Weighted average exercise price ($)
Outstanding at April 30, 2019	4,118,913	0.68
Granted	19,040,258	0.50
Exercised	(464,233)	0.49
Expired	(4,106,413)	0.68
Outstanding at April 30, 2020	**18,588,525**	**0.50**
Granted	**26,073,125**	**1.83**
Exercised	**(8,665,951)**	**0.54**
Outstanding at April 30, 2021	**35,995,699**	**1.45**

Warrants outstanding at April 30, 2021 and 2020, are as follows:

			Warrants outstanding at	
Issuance date	Expiry date	Exercise price ($)	**2021**	2020
August 28, 2019	August 28, 2021	0.50	**10,472,574**	18,588,525
June 12, 2020 (1)	June 12, 2025	1.10	**20,650,000**	-
April 27, 2021	April 27, 2024	5.00	**4,873,125**	-

(In Canadian dollars, except share numbers)

(1) The Company paid a financial advisory firm a fee of 1,200,000 warrants for consulting advisory services to be provided over 24 months. The warrants were valued at $240,000 based on the fair value of the services. At April 30, 2021, $130,000 is included in prepaid expenses.

During the year ended April 30, 2020, the Company use the Black-Scholes option pricing model to estimate the fair value of the 1,164,594 finders' warrants granted at $155,300 and the MAI 3,350,000 consideration warrants granted at $457,800 using the following weighted average assumptions:

Risk-free interest rate	1.33%
Expected life	2 years
Annualized volatility	110%
Forfeiture rate	0.0%
Dividend rate	0.0%

d) Stock options

The Company has a stock option plan by which the directors may grant options to purchase common shares to directors, officers, employees and service providers of the Company on terms that the directors may determine within the limitations set forth in the stock option plan ("the plan"). The maximum number of common shares issuable upon the exercise of options granted pursuant to the plan is set at 10% of the total issued common shares. The board of directors may grant options with a life of up to ten years, however options granted to date have a maximum term of five years. Vesting terms may be set by the board of directors.

Stock option transactions and the number of stock options outstanding during the years ended April 30, 2021 and 2020, are summarized as follows:

	Number of share options	Weighted average exercise price ($)
Outstanding at April 30, 2019	1,320,000	1.08
Granted	5,350,000	0.40
Exercised	(40,000)	0.40
Forfeited	(1,175,000)	1.16
Outstanding at April 30, 2020	**5,455,000**	**0.40**
Granted	**4,700,000**	**1.16**
Exercised	**(2,500,000)**	**0.40**
Forfeited	**(90,000)**	**0.43**
Outstanding at April 30, 2021	**7,565,000**	**0.87**
Exercisable at April 30, 2021	**5,956,667**	**0.79**

(In Canadian dollars, except share numbers)

Share options outstanding and exercisable at April 30, 2021, are as follows:

Outstanding				**Exercisable**		
Exercise price ($)	Number of options	Weighted average exercise price ($)	Weighted average remaining life of options (years)	Number of options exercisable	Weighted average exercise price ($)	Remaining life of options (years)
0.40	2,615,000	0.40	3.43	2,615,000	0.40	3.43
0.42	250,000	0.42	3.78	250,000	0.42	3.78
0.95	3,100,000	0.95	4.13	2,066,667	0.95	4.13
1.30	750,000	1.30	4.17	500,000	1.30	4.17
1.65	300,000	1.65	4.42	200,000	1.65	4.42
1.75	125,000	1.75	4.63	41,667	1.75	4.63
1.92	425,000	1.92	4.26	283,333	1.92	4.26
	7,565,000	**0.87**	**3.91**	**5,956,667**	**0.79**	**3.83**

The fair value of stock options recognized during the years ended April 30, 2021, as an expense was $3,553,678 (year ended April 30, 2020 - $1,778,600).

The following are the weighted average assumptions used for the Black-Scholes option pricing model valuation of share options granted during the year ended April 30, 2021 and 2020:

	Year ended April 30,	
	2021	2020
Risk-free interest rate	**0.36%**	1.25%
Expected life of options	**5 years**	5 years
Annualized volatility	**90%**	100%
Forfeiture rate	**0.0%**	0.0%
Dividend rate	**0.0%**	0.0%
Weighted average grant-date fair value per option	**$0.79**	$0.30

The risk-free rate of periods within the expected life of the share option is based on the Canadian government bond rate. The annualized volatility and forfeiture rate assumptions are based on historical results.

(In Canadian dollars, except share numbers)

14. Income taxes

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

	Years ended April 30, **2021**	2020 (restated, note 5)
Loss for the year	**$ (10,699,998)**	$ (11,793,489)
Combined Canadian federal and provincial income tax rates	**27.0%**	27.0%
Expected income tax (recovery)	**(2,889,000)**	(3,184,000)
Items that cause an increase (decrease):		
Change in statutory, foreign tax, foreign exchange rates and other	**128,000**	(85,000)
Permanent difference	**859,000**	464,000
Share issue cost	**(689,000)**	(113,000)
Adjustment to prior years provision versus statutory tax returns	**-**	61,000
Change in unrecognized temporary differences	**2,591,000**	2,857,000
Income tax expense (recovery)	**$ -**	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2021	**Expiry date range**	2020 (restated, note 5)	Expiry date range
Exploration and evaluation assets	**$ 18,472,000**	**No expiry date**	$ 14,652,000	No expiry date
Investment tax credit	**49,000**	**2028 to 2031**	49,000	2028 to 2031
Property and equipment	**91,000**	**No expiry date**	59,000	No expiry date
Share issue costs	**2,571,000**	**2042 to 2045**	716,000	2041 to 2044
Allowable capital losses	**8,834,000**	**No expiry date**	8,516,000	No expiry date
Non-capital losses available for further periods	**$ 14,206,000**	**2027 to 2041**	$ 11,058,000	2027 to 2040

Tax attributes are subject to review, and potential adjustment, by tax authorities.

(In Canadian dollars, except share numbers)

15. Loss per share

The calculation of the basis and diluted loss per share is based on the following:

	Years ended April 30, 2021	2020 (restated, note 5)
Loss for the year	**$ (10,699,998)**	$ (11,793,489)
Weighed average number of common shares outstanding	**83,134,498**	45,665,856
Loss per share, basic and diluted	**$ (0.13)**	$ (0.26)

Diluted loss per share for the year ended April 30, 2021 and 2020, is equal to basic loss per share as the exercise of the 5,956,667 options (April 30, 2020 - 5,130,000) and 35,995,699 warrants (April 30, 2020 - 18,588,525) would be anti-dilutive.

16. Related party transactions and balances

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Key management compensation includes:

	Years ended April 30, 2021	2020
Salaries, personnel and benefits	**$ 1,353,177**	$ 1,056,238
Directors fees	**175,401**	-
Share-based compensation	**3,268,843**	1,008,727
	$ 4,797,421	$ 2,064,965

Payables and accruals include $16,250 (April 30, 2020 - $30,000) owed to directors and officers of the Company.

During the year ended April 30, 2021, the Company repaid the loan balance, interest and commitment fee owed to a director and officer of the Company (note 10).

17. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At April 30, 2021 and 2020, all exploration and evaluation assets and equipment were located in Canada and Mexico.

	April 30, 2021	April 30, 2020
Canada	**$ 78,932**	$ 158,433
Mexico	**11,410,585**	7,637,320
	$ 11,489,517	$ 7,795,753

(In Canadian dollars, except share numbers)

18. Supplemental disclosure with respect to cash flow

	For the years ended April 30, 2021	2020 (restated, note 5)
Prepaid consulting fees paid with warrants	**$ 240,000**	$ -
Non-current payables for exploration and evaluation assets	**1,005,000**	-
Grant date fair value of warrants exercised	**152,077**	1,148
Grant date fair value of stock options exercised	**755,513**	5,072
Shares issued for property acquisition	**465,000**	3,102,525
Financing fees included in trades payable and accruals	**143,701**	-
Right of use asset	**-**	192,268
Shares issued for bridge loan	**-**	400,000
Shares issued to settle payables	**-**	30,000
Fair value of warrants issued as finder's fees	**-**	155,300
Fair value of warrants issued as MAI consideration	**$ -**	$ 457,800

19. Commitments

A summary of undiscounted liabilities and future operating commitments at April 30, 2021, are as follows:

	Note	Total	Less than 1 year	1 – 3 years
Maturity analysis of financial liabilities				
Trade payables and accrued liabilities		**$ 833,744**	$ 833,744	$ -
Lease liabilities	12	**66,735**	63,033	3,702
Long-term payable (1)	11	**915,021**	-	915,021
		1,815,500	896,777	918,723
Commitments				
Future operating commitments (2)		**190,522**	190,522	-
Total financial liabilities and commitments		**$ 2,006,022**	$ 1,087,299	$ 918,723

(1) Long-term payable requires the collection of the VAT receivable which is not expected within twelve months.

(2) The future operating commitments of the Company are primary related to contractual meterage requirements with drilling contractors.

20. Financial instruments and risk management

a) Interest rate risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At April 30, 2021, the Company was not subject to significant interest rate risk.

(In Canadian dollars, except share numbers)

b) Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to money market investments.

The Company manages its credit risk by investing only in high quality financial institutions.

The recovery of VAT receivable involves a complex application process, and the timing of collection is uncertain. The Company has not recognized a loss allowance for expected credit losses as the VAT receivable is not a contract asset and therefore outside the scope of IFRS 9.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and receivables.

c) Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. At April 30, 2021, the Company has activities in other countries which exposes the Company to foreign exchange risk.

With other variables unchanged, a 10% increase (decrease) in the Canadian dollar would have the following effect on loss for the year:

		April 30, 2021		April 30, 2020
US dollar	**$**	**76,664**	$	6,394
Mexican peso	**$**	**97,585**	$	24,432

The Company's financial assets and liabilities denominated in foreign currencies are as follows:

		April 30, 2021		April 30, 2020
Cash	**$**	**2,155,736**	$	33,620
VAT Receivable		**1,016,690**		-
Payables and accruals		**514,912**		408,925
Long-term payable	**$**	**915,021**	$	-

d) Liquidity risk

The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company attempts to ensure that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs.

e) Fair value hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

Cash is measured at fair value using Level 1. The carrying value of receivables, deposits, trade payables and accruals, advances from related party, loan payable and lease liability approximates their fair value due to the relatively current nature of those financial instruments.

21. Capital management

The Company manages its capital, being the components of shareholders' equity, and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has historically relied on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any external limitations on capital management and there were no changes to the Company's approach to capital management in the year ended April 30, 2021.

22. Subsequent events

Subsequent to April 30, 2021, the Company:

- Issued 200,000 common shares to settle the exercise of warrants.
- Issued 5,262,262 common shares for gross proceeds of $2,919,131 upon exercise of warrants.
- Issued 265,000 common shares for gross proceeds of $151,000 upon exercise of options.
- Received cash of $1,504,180 upon the exercise of warrants requiring the issuance of 3,008,360 common shares.
- Granted 100,000 and 600,000 stock options at a price of $3.38 and $3.50, respectively.
- Signed a new premises lease which will commence during November 2021. The premises lease commits the Company to make payments of $292,175 over a five-year term.