SOLIS MINERALS LTD.
(FORMERLY WESTMINSTER RESOURCES LTD.)

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended November 30, 2021

(Unaudited – Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of these condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars - Unaudited)

		November 30, 2021		May 31, 2021
Assets				
Current				
Cash	$	1,157,693	$	2,548,807
Receivables		36,714		66,267
Prepaid expenses		134,667		27,985
		1,329,074		2,643,059
Non-Current				
Receivables (Note 6)		117,455		117,455
Deposits		-		28,843
Equipment (Note 7)		9,857		10,828
Exploration and evaluation assets (Note 4)		3,890,346		3,360,003
	$	5,346,732	$	6,160,188
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable (Note 6)	$	535,096	$	380,190
Accrued liabilities (Note 6)		79,500		104,986
Short-term borrowing (Note 8)		-		51,016
		614,596		536,192
Shareholders' Equity				
Share capital (Note 5)		26,177,668		26,161,373
Reserves (Note 5)		2,864,868		2,611,568
Deficit		(24,310,400)		(23,148,945)
		4,732,136		5,623,996
	$	5,346,732	$	6,160,188

Nature of Operations and Going Concern – Note 1
Subsequent Event - Note 13

Approved on behalf of the Board of Directors:

Signed *"Jason Cubitt"*, Director   Signed *" Chafika Eddine"*, Director

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars - Unaudited)

	Three Months Ended November 30, 2021	Three Months Ended November 30, 2020	Six Months Ended November 30, 2021	Six Months Ended November 30, 2020
Expenses				
Accounting, audit and legal	$ 206,499	$ 25,449	$ 460,584	$ 40,695
Accretion of office lease liability	-	2,402	-	5,792
Amortization of right-of-use asset	-	38,141	-	76,282
Amortization of equipment (Note 7)	486	628	971	1,256
Bank charges and interest	1,029	4,299	1,948	7,491
Consulting fees (Note 6)	105,007	24,000	215,550	78,000
Foreign exchange loss (gain)	(16,862)	(7,816)	(19,598)	(17,792)
Gain on settlement of accounts payable and accrued liabilities	(19,003)	(610,896)	(19,003)	(610,896)
Management fees (Note 6)	30,000	15,000	62,500	15,000
Office	55,459	16,207	110,851	19,164
Property investigation	2,125	-	2,125	-
Regulatory and filing fees	84,324	11,260	92,227	11,492
Share-based compensation (Note 5)	-	-	253,300	-
Sublease office rent income	-	(10,154)	-	(18,954)
Income (loss) and comprehensive income (loss)	$ (449,064)	$ 491,480	$ (1,161,455)	$ 392,470
Income (loss) per common share, basic and diluted	$ (0.01)	$ 0.04	$ (0.04)	$ 0.04
Weighted average number of common shares outstanding – basic and diluted	32,797,423	13,633,793	32,769,386	10,367,693

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

SOLIS MINERALS LTD.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - Unaudited)

	Share Capital								
	Number		Amount		Reserves		Deficit		Total shareholders' equity
Balance - May 31, 2020	**9,454,099**	**$**	**22,505,856**	**$**	**2,289,468**	**$**	**(22,963,972)**	**$**	**1,831,352**
Private placements	6,963,400		696,340		-		-		696,340
Shares issuance costs - cash	-		(12,160)		-		-		(12,160)
Shares issued for debt settlement	2,545,404		407,265		-		-		407,265
Income and comprehensive income for the period	-		-		-		392,470		392,470
Balance - November 30, 2020	**18,962,903**	**$**	**23,597,301**	**$**	**2,289,468**		**(22,571,502)**	**$**	**3,315,267**
Balance - May 31, 2021	**32,741,654**	**$**	**26,161,373**	**$**	**2,611,568**	**$**	**(23,148,945)**		**5,623,996**
Warrants exercised	175,000		35,000		-		-		35,000
Share issuance costs	-		(18,705)		-		-		(18,705)
Share-based compensation	-		-		253,300		-		253,300
Loss and comprehensive loss for the period	-		-		-		(1,161,455)		(1,161,455)
Balance - November 30, 2021	**32,916,654**	**$**	**26,177,668**	**$**	**2,864,868**	**$**	**(24,310,400)**	**$**	**4,732,136**

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

SOLIS MINERALS LTD.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

	For the Six Months Ended November 30, 2021	2020
Cash flows from operating activities		
Income (loss) for the period	$ (1,161,455)	$ 392,470
Items not affecting cash:		
Amortization of equipment	971	1,256
Amortization of right-of-use asset	-	76,282
Accretion of office lease liability	-	5,792
Accrued interest on short-term borrowing	-	5,212
Gain on settlement of accounts payable and accrued liabilities	(19,003)	(610,896)
Share-based compensation	253,300	-
Changes in non-cash working capital items:		
Decrease in receivables	29,553	4,379
Increase in prepaid expenses and deposits	(77,839)	(1,875)
Increase in accounts payable/accrued liabilities	167,645	21,200
Net cash used in operating activities	(806,828)	(106,180)
Cash flows from investing activities		
Exploration and evaluation assets	(549,565)	(47,301)
Net cash used in investing activities	(549,565)	(47,301)
Cash flows from financing activities		
Issuance of capital stock	-	696,340
Share issuance costs	(18,705)	(12,160)
Shares issued – warrants exercised	35,000	-
Short-term borrowing	966	35,500
Repayment of short-term borrowing	(51,982)	-
Lease payments	-	(85,156)
Net cash provided by (used in) financing activities	(34,721)	634,524
Net change in cash for the period	(1,391,114)	481,043
Cash – beginning of the period	2,548,807	10,047
Cash – end of the period	$ 1,157,693	$ 491,090

Supplemental cash flow information		
Cash paid for interest and income taxes	$ -	$ -
Exploration and evaluation assets accrued through accounts payable and accrued liabilities	$ 25,961	$ 135,263
Shares issued for debt settlement	$ -	$ 407,265

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

1. Nature of Operations and Going Concern

Solis Minerals Ltd. (an Exploration Stage Company) was incorporated under the Business Corporations Act of British Columbia, Canada on December 1, 2005 and maintains its corporate head office at Suite 3043 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Company’s common shares are listed on the TSX Venture Exchange (TSX.V: SLMN) in Canada and began trading on the Australian Securities Exchange (ASX: SLM) effective December 24, 2021. Solis Minerals Ltd. and its subsidiaries (collectively referred to as the “Company” or “Solis”) are principally engaged in the acquisition and exploration of mineral properties as described herein.

Effective July 21, 2021, the Company changed its name to Solis Minerals Ltd.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. However, there are factors that management has identified that may cast significant doubt on the entities ability to continue as a going concern.

For the six months ended November 30, 2021, the Company reported a loss of $1,191,445 (2020 – income of $392,470) and an accumulated deficit of $24,310,400 (May 31, 2021 – $23,148,945). As at November 30, 2021, the Company had working capital of $714,478 (May 31, 2021 – $2,106,867). The Company has no source of operating cash flow and relies on issuances of equity to finance operations, including exploration of its exploration and evaluation (“E&E”) assets.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition and exploration of its E&E assets, is dependent on the Company’s ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and expected growth, if necessary, or alternatively to dispose of its interests in certain properties. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, the Company may be unable to continue as a going concern.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its E&E assets. The recoverability of amounts shown for E&E assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production or proceeds from disposition of E&E assets.

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

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern. Accordingly, they do not give effect to adjustments that may be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business.

2. Basis of Presentation and Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended May 31, 2021, except as noted below. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended May 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were authorized for issue by the Company's Board of Directors on January 27, 2022.

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

The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of Westminster Chile SpA. The functional currency of Westminster Peru is the US Dollar.

The preparation of condensed interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries, Westminster Peru SAC and Westminster Chile SpA (incorporated during fiscal 2021). All significant inter-company balances and transactions have been eliminated upon consolidation.

During the period ended November 30, 2021, the Company sold Minera Westminster, S.A. de C.V. ("Minera Westminster") and Servicios Westminster, S.A. de C.V. ("Servicios Westminster").

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or had rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

3. Significant Accounting Policies, New Standards and Interpretations

a) Sources of Estimation Uncertainty

Significant assumptions about the future and the other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to, the following:

3. Significant Accounting Policies, New Standards and Interpretations (continued)

a) Sources of Estimation Uncertainty (continued)

(i) Realization of mineral property interests

The Company assesses its E&E assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of assets may not be recoverable, at each reporting period. The assessment of any impairment of E&E asset is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows and useful lives of assets and their related salvage values.

(ii) Site restoration obligations

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Restoration liabilities include an estimate of the future cost associated with the reclamation of the property, discounted to its present value, and capitalized as part of the cost of exploration assets. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and corresponding adjustment to the exploration assets. The accretion on the reclamation provision is included in the reclamation liability.

As at November 30, 2021, the Company is not aware of any existing environmental obligations related to any of its current or former exploration properties that may result in a liability to the Company.

(iii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions could materially affect the fair value estimate and the Company’s earnings and equity reserves, and therefore the existing models do not necessarily provide an accurate single measure of the actual fair value of the Company’s stock options and warrants.

(iv) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing losses.

b) Critical Accounting Judgments

Significant judgments about the future and other sources of judgment uncertainty that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from judgments made, relate to, but are not limited to, the following:

3. Significant Accounting Policies, New Standards and Interpretations (continued)

b) Critical Accounting Judgments (continued)

(i) Impairment assessment

The Company assesses its exploration and evaluation assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, at each reporting period. The assessment of any impairment of equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows, and the useful lives of assets and their related salvage values.

(ii) Recoverability of amounts receivable

The balance in amounts receivable includes GST and amounts due from a related party for rent and other shared expenses. At each financial position reporting date, the carrying amounts of the Company's amounts receivable are reviewed to determine whether there is any indication that those assets are impaired. The Company uses judgment in determining whether there are facts and circumstances suggesting that the carrying amounts of its amounts receivable may exceed the recoverable amount. The Company determined that the amounts are collectible, taking into account factors such as economic and market conditions.

(iii) Assessment of going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(iv) Assessment of functional currency

The Company uses judgment in determining its functional currency. International Accounting Standards ("IAS") 21 The Effects of Changes in Foreign Exchange Rates defines the functional currency as the currency of the primary economic environment in which an entity operates. IAS 21 requires the determination of functional currency to be performed on an entity by entity basis, based on various primary and secondary factors. In identifying the functional currency of the parent and of its subsidiaries, management considered the currency that mainly influences the cost of undertaking the business activities in each jurisdiction in which the Company operates.

c) 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 other 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 if the Company has opted to measure them at FVTPL.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

c) Financial Instruments (continued)

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Short-term borrowing	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 recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive 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 the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) 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.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

c) Financial Instruments (continued)

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value hierarchy
The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and financial liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

The Company's measurement of fair value of financial instruments as at November 30, 2021 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Assets				
Cash	$1,157,693	$ 1,157,693	$ -	$ -

The Company's measurement of fair value of financial instruments as at May 31, 2021 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Assets				
Cash	$2,548,807	$ 2,548,807	$ -	$ -

d) Exploration and Evaluation Assets

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

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to profit or loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

e) Equipment

Equipment is recorded at cost, less accumulated amortization and accumulated impairment losses. These assets are amortized using the following annual rates:

Office furniture and equipment	30% declining-balance
Computer equipment	45% declining-balance
Field equipment	15% declining-balance

f) Impairment of Non-Financial Assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized in profit or loss.

g) Reclamation Obligations

The Company recognizes the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and a financing expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

h) Share Capital

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 options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

i) Valuation of Equity Units Issued in Private Placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

j) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in profit or loss 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 the profit or loss over the remaining vesting period.

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, unless they are related to the issuance of shares. Amounts 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.

The expected life used in the model is adjusted, based on management's best estimate, for the effects of nontransferability, exercise restrictions and behavioural considerations.

All equity-settled share-based payments are reflected in share-based reserve, 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. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

k) Loss per Share

Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

l) Income Taxes

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

m) Foreign Currency Translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction.

Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

n) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

o) Leases

The Company has applied IFRS 16, Leases since January 1, 2019. The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognize a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

(Expressed in Canadian Dollars - Unaudited)

4. Exploration and Evaluation Assets

The lease liability is initially measured at a present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses it's incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect any lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less amortization and any impairment losses. Right-of-use assets are amortized over the shorter period of the lease term and useful life of the underlying asset.

The Company's interests in exploration and evaluation assets are located in Peru and Chile. The following table outlines the expenditures for the year ended May 31, 2021 and the period ended November 30, 2021:

	Balance as at May 31, 2020	Additions	Balance as at May 31, 2021	Additions	Balance as at November 30, 2021
Ilo Norte/Ilo Este Project, Peru:					
Acquisition costs	$ 3,118,810	$ 87,301	$ 3,206,111	$ 163,334	$ 3,369,445
Exploration expenditures					
Consulting and engineering	81,630	-	81,630	3,491	85,121
Write-down	(84,101)	-	(84,101)	-	(84,101)
	3,116,339	87,301	3,203,640	166,825	3,370,465
La Ronge, Saskatchewan:					
Acquisition costs	70,000	-	70,000	-	70,000
Exploration expenditures					
Consulting and engineering	-	1,575	1,575	-	1,575
Write-down	-	(71,575)	(71,575)	-	(71,575)
	70,000	(70,000)	-	-	-
Mostazal, Chile:					
Acquisition costs	-	43,433	43,433	260,283	303,716
Exploration expenditures					
Consulting and engineering	-	112,930	112,930	103,235	216,165
	-	156,363	156,363	363,518	519,881
	$ 3,186,339	$ 173,664	$ 3,360,003	$ 530,343	$ 3,890,346

a) Ilo Norte and Ilo Este, Peru

The Company owns a 100% interest in a portfolio of concessions in southern Peru. During the year ended May 31, 2021, the Company settled $135,263 (US$100,000) accrued acquisition costs through the issuance of common shares.

b) La Ronge, Saskatchewan

During the year ended May 31, 2019, the Company earned a 50% interest in two mineral claims located in the La Ronge district of Saskatchewan by issuing 400,000 common shares with a fair value of $70,000. The Company had the option to earn an additional 30% in the property by making the following payments:

(Expressed in Canadian Dollars - Unaudited)

4. Exploration and Evaluation Assets (continued)

	Number of Common Shares	Exploration Expenditures	Ownership Interest
On or before December 11, 2020	400,000	$ 100,000	10%
On or before December 11, 2021	-	100,000	10%
On or before December 11, 2022	-	200,000	10%

During the year ended May 31, 2021, the Company wrote-off $71,575 of exploration and evaluation assets to reduce the carrying value to $Nil as the option agreement was terminated during the year ended May 31, 2021.

c) Mostazal, Chile

During the year ended May 31, 2021, the Company entered into an option agreement to earn up to a 100% interest in two stages in the Mostazal Copper property in Chile via the acquisition of shares in several Chilean entities.

The acquisition terms to acquire the 100% interest are cumulative cash payments of US$5,000,000 and exploration expenditures of US$5,000,000 as follows:

	Payment [USD]	Exploration Expenditures [USD]	Ownership Interest (cumulative)
On or before June 23, 2021	$ 200,000 (paid)	$ -	-
On or before June 23, 2022	300,000	450,000	-
On or before June 23, 2023	800,000	750,000	-
On or before June 23, 2024	1,600,000	1,400,000	49%
On or before June 23, 2025	2,100,000	2,400,000	100%

During the year ended May 31, 2021, the Company paid an exclusivity fee of US$40,000 ($43,433).

The optionors will retain a 2% Net Smelter Returns (“NSR”) royalty on the property. The Company has the right to buyback 1% of the royalty for US$1,500,000 or 0.5% of the royalty for US$750,000.

The Company may accelerate the acquisition of the property by paying the remainder of cash payments still outstanding, such that the total cumulative cash payment equals US$5,000,000 any time before the end of the option earn-in.

5. Share Capital and Reserves

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Private Placements and Share Issuances

During the period ended November 30, 2021, the Company issued 175,000 common shares pursuant to exercise of warrants for gross proceeds of $35,000.

(Expressed in Canadian Dollars - Unaudited)

5. Share Capital and Reserves (continued)

b) Private Placements and Share Issuances (continued)

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

i) closed a non-brokered private placement for 6,963,400 units at a price of $0.10 per unit for gross proceeds of $696,340. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of $0.20 per share. The Company incurred $27,160 in share issuance costs.

ii) issued 2,545,404 common shares at a value of $407,265 to third-party lenders and related parties to settle some of the indebtedness, accounts payable and accrued liabilities of the Company for an aggregate total of $1,018,161 resulting in a gain of $610,896 on the settlement of debt, recognized through the consolidated statement of loss and comprehensive loss.

iii) closed a non-brokered private placement for 350,000 units at a price of $0.20 per unit for gross proceeds of $70,000. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of $0.30 per share.

iv) closed a non-brokered private placement for 13,428,751 units at a price of $0.20 per unit for gross proceeds of $2,685,750. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of $0.30 per share. The Company incurred $117,209 in share issuance costs.

The Company incurred other share issuance costs of $59,469 in connection with the private placements.

c) Stock Options

The Company has a stock option plan (the "Plan") in place that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares of the Company at any given time. The exercise price of any stock option granted under the plan may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant.

A summary of the status of the Company's stock options as at November 30, 2021 is presented below:

Exercise Price	Balance at May 31, 2021	Granted	Cancelled	Balance at November 30, 2021	Expiry Date	Remaining contractual life in years	Number of options vested
$ 0.175	1,650,000	-	-	1,650,000	October 27, 2025	2.23	1,650,000
$ 0.25	275,000	-	(75,000)	200,000	March 30, 2023	0.09	200,000
$ 0.25	25,000			25,000	September 29, 2022	0.01	25,000
$ 0.30	-	1,025,000	-	1,025,000	June 18, 2026	1.61	1,025,000
Totals:	1,950,000	1,025,000	(75,000)	2,900,000		3.94	2,900,000
	$ 0.187	$ 0.30	$ 0.25	$ 0.23	Weighted average exercise prices		$ 0.23

(Expressed in Canadian Dollars - Unaudited)

5. Share Capital and Reserves (continued)

c) Stock Options (continued)

A summary of the status of the Company's stock options as at May 31, 2021 is presented below:

Exercise Price	Balance at May 31, 2020	Granted	Balance at May 31, 2021	Expiry Date	Remaining contractual life in years	Number of options vested
$ 0.175	-	1,650,000	1,650,000	October 27, 2025	3.73	1,650,000
$ 0.25	-	300,000	300,000*	March 30, 2023	0.28	200,000
Totals:	-	1,950,000	1,950,000		4.01	1,850,000
	$	$ 0.187	$ 0.187	Weighted average exercise prices		$ 0.187

*Subsequent to May 31, 2021, 75,000 options were cancelled and the expiry date of 25,000 options were amended to September 29, 2022.

d) Share-Based Compensation

During the period ended November 30, 2021, the Company granted 1,025,000 stock options to directors and consultants of the Company. The options are exercisable at $0.30 per option for 5 years. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $253,300. The options were fully vested on the grant date.

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

i) granted 1,650,000 stock options to directors and consultants of the Company. The options are exercisable at $0.175 per option for 5 years. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $271,100. The options were fully vested on the grant date.

ii) granted 300,000 stock options to directors and consultants of the Company. The options are exercisable at $0.25 per option for 2 years. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $51,000 on options granted and vested. 200,000 options were fully vested on the grant date and 100,000 options vest 25% every 3 months after grant.

The options granted during the period ended November 30, 2021 and 2020 were valued using the Black-Scholes option pricing model with the following weighted average grant date assumptions:

	Period ended November 30, 2021	**Period ended November 30, 2020**
Weighted average grant date fair value	$0.28	-
Weighted average risk-free interest rate	0.85%	-
Expected dividend yield	0%	-
Weighted average stock price volatility	140.59%	-
Weighted average forfeiture rate	0%	-
Weighted average expected life of options in years	5.00	-

(Expressed in Canadian Dollars - Unaudited)

5. Share Capital and Reserves (continued)

e) Share Purchase Warrants

Exercise Price	Balance at May 31, 2021	Exercised	Balance at November 30, 2021	Expiry Date	Remaining contractual life in years
$ 0.80	1,630,000	-	1,630,000	May 24, 2022	0.06
$ 0.80	774,000	-	774,000	June 15, 2022	0.03
$ 0.20	3,481,700	(175,000)	3,306,700	Oct 21, 2022	0.23
$ 0.30	6,889,376	-	6,889,376	May 14, 2023	0.79
	12,775,076	(175,000)	12,600,076		1.11
	$ 0.37	$ 0.20	$ 0.37	Weighted average exercise prices	

As at November 30, 2021, all of the above warrants were exercisable.

Exercise Price	Balance at May 31, 2020	Granted	Balance at May 31, 2021	Expiry Date	Remaining contractual life in years
$ 0.80	1,630,000	-	1,630,000	May 24, 2022	0.13
$ 0.80	774,000	-	774,000	June 15, 2022	0.06
$ 0.20	-	3,481,700	3,481,700	Oct 21, 2022	0.38
$ 0.30	-	6,889,376	6,889,376	May 14, 2023	1.05
	2,404,000	10,371,076	12,775,076		1.62
	$ 0.80	$ 0.27	$ 0.37	Weighted average exercise prices	

6. Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation during the six months ended November 30, 2021 and 2020 were as follows:

	Six months ended November 30, 2021	Six months ended November 30, 2020
Short-term benefits	$ 151,436	$ 51,000
Share-based compensation	$ 164,873	$ -
Total	$ 316,309	$ 51,000

Included in short term benefits are the following:

(i) $62,500 (2020 - $15,000) in management fees paid or accrued to a company controlled by Jason Cubitt, the Company's Chief Executive Officer.

(ii) $9,000 (2020 - $6,000) in consulting fees paid or accrued to Rachel Chae, the Company's Chief Financial Officer.

(iii) $36,436 (2020 - $30,000) in director fees paid or accrued to Christopher Gale, a director of the Company.

(iv) $43,500 (2020 - $Nil) in consulting fees recorded under exploration and evaluation assets paid or accrued to Fred Tejada, a director of the Company.

(Expressed in Canadian Dollars - Unaudited)

6. Related Party Transactions (continued)

Included in receivables is $117,455 (May 31, 2021 - $117,455) receivable from Jaxon Mining Inc., a Company which formerly had a shared Chief Financial Officer and shared directors, for former shared office space and administrative expenses. During the year ended May 31, 2021, the Company reclassified the receivable from current asset to non-current asset.

Included in accounts payable and accrued liabilities is $29,566 (May 31, 2021 - $79,285) in key management compensation payable to directors, officers and a former officer.

Included in accounts payable and accrued liabilities is $126,343 (May 31, 2021 - $116,478) due to Latin Resources Limited, a company with a common director.

The optionor of the La Ronge, Saskatchewan property described in Note 4(b) is a company that formerly had a common director.

During the year ended May 31, 2021, the Company issued 1,496,278 common shares to related parties to settle debt of $598,511 which includes 338,158 common shares to settle the US$100,000 option payment of Ilo Norte and Ilo Este properties which was included in accounts payable and accrued liabilities (Note 4).

7. Equipment

	Office furniture and equipment	**Field equipment**	**Computer equipment**	**Total**
	- $ -	- $ -	- $ -	- $ -
Cost:				
Balance, May 31, 2020 and 2021	94,962	74,353	26,428	195,743
Additions	-	-	-	-
Balance, November 30, 2021	94,962	74,353	26,428	195,743
Accumulated amortization:				
Balance, May 31, 2020	93,318	63,536	25,549	182,403
Charge for the year	493	1,624	395	2,512
Balance, May 31, 2021	93,811	65,160	25,944	184,915
Charge for the period	173	688	110	971
Balance, November 30, 2021	93,984	65,848	26,054	185,886
Net book value:				
Balance, May 31, 2021	1,151	9,193	484	10,828
Balance, November 30, 2021	978	8,505	374	9,857

8. Short-Term Borrowing

The Company has previously entered into arrangements with four lenders to provide funds on a short-term basis.

The arrangement with the first arm's length lender is for up to $16,000, repayable on demand, with an annual interest rate of 5%. During the year ended May 31, 2021, the Company repaid the loan and interest in full.

8. Short-Term Borrowing (continued)

The arrangement with the second arm's length lender is for an amount of $26,506, repayable on demand with no provision for interest and preferred creditor status. During the year ended May 31, 2020, the loan of $26,506 was assigned to Ore Capital Partners Ltd., a Company which formerly had a shared director. During the period ended November 30, 2021, the Company repaid the loan in full.

The arrangement with the third lender is with Ore Capital Partners Ltd., for an amount of $24,510, repayable on demand with no provision for interest. During the period ended November 30, 2021, the Company repaid the loan in full.

On September 12, 2019, as amended October 21, 2019, an arrangement was entered into with a fourth arm's length lender to provide funds of up to $100,000, repayable on demand, with an annual interest rate of 10%, and preferred creditor status. During the year ended May 31, 2021, the Company received additional $35,500 and settled the loan and interest by paying $50,000 resulting in a gain of $66,926 on the settlement of debt.

As at November 30, 2021, a combined total of $Nil (May 31, 2021 - $51,016) in short-term borrowing including accrued interest was outstanding.

9. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash. The strategy is unchanged from the prior year.

10. Financial Instruments and Financial Risk

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and short-term borrowing. The fair values of these financial instruments approximate their carrying values.

An entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

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); and

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

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of the remaining financial instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

10. Financial Instruments and Financial Risk (continued)

Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities.

The Company is exposed to currency risk to the extent that expenditures incurred by the Company are denominated in currencies other than the Canadian dollar including Chilean peso and United States dollar. The Company does not manage currency risk through hedging or other currency management tools.

The Company's net exposure to foreign currency risk is as follows:

	November 30, 2021 US Dollars	May 31, 2021 US Dollars	November 30, 2021 Mexican Pesos	May 31, 2021 Mexican Pesos	November 30, 2021 Chilean Pesos	May 31, 2021 Chilean Pesos
Cash	$ 1,493	$ 757	$ -	$ -	$ 56,995,368	$ -
Accounts payable	(100,867)	(94,647)	-	(511,559)	(2,559,228)	-
Net	$ (99,374)	$ (93,890)	$ -	$ (511,559)	$ 54,436,140	$ -

Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(i) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and receivables. To minimize the credit risk the Company places these instruments with a high quality financial institution. The Company's receivables consist of amounts due from a former related party. Some amounts are settled past normal trade terms and in cases where amounts become uncollectible the Company recognizes bad debt expense to write off the uncollectible amounts. At November 30, 2021, the Company had $117,455 (May 31, 2021 - $117,455) in amounts due from a former related party greater than 90 days and during fiscal 2021 recognized bad debt expense of $Nil.

(Expressed in Canadian Dollars - Unaudited)

10. Financial Instruments and Financial Risk (continued)

Interest rate risk (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at November 30, 2021:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 535,096	$ -	$ -
Accrued liability	79,500	-	-
	$ 614,596	$ -	$ -

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2021:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 380,190	$ -	$ -
Accrued liability	104,986	-	-
Short-term borrowing	51,016	-	-
	$ 536,192	$ -	$ -

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

(Expressed in Canadian Dollars - Unaudited)

11. Segmented Information

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

	Peru	Chile	Canada	Total
November 30, 2021				
Capital assets	$ -	$ -	$ 9,857	$ 9,857
Exploration and evaluation assets	3,130,565	759,781	-	3,890,346
	$ 3,130,565	$ 759,781	$ 9,857	$ 3,900,203
May 31, 2021				
Capital assets	$ -	$ -	$ 10,828	$ 10,828
Exploration and evaluation assets	3,203,640	156,363	-	3,360,003
	$ 3,203,640	$ 156,363	$ 10,828	$ 3,370,831

12. Commitments

The Company is party to certain consulting agreements. These agreements contain clauses requiring additional payments to be made upon the occurrence of certain events such as change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been provided for in the consolidated financial statements.

13. Subsequent Event

Subsequent to the period ended November 30, 2021, the Company closed an initial public offering of A$5,500,000 through the issuance of 27,500,000 shares (settled on the ASX in the form of CHESS depositary interests (CDIs)) at a price of A$0.20 per share, with one warrant for every two shares with an exercise price of A$0.30 until December 24, 2023.

The Company issued 3,666,667 Lead Manager warrants in connection with the initial public offering. Each LM warrant will entitle the holder to acquire an additional share of the Company at a price of A$0.28 per share until December 24, 2024. The warrants are subject to a two-year hold period from the date of issuance.