SouthernSilver
EXPLORATION CORP

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Consolidated Financial Statements
Years Ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SOUTHERN SILVER EXPLORATION CORP.

Opinion

We have audited the consolidated financial statements of Southern Silver Exploration Corp. and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at April 30, 2022 and 2021;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2022 and 2021, and its consolidated financial performance and its consolidated 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 *Auditors' 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 audits 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 comprises of the 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 audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in our audits or otherwise appears to be materially misstated.

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

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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.

Auditors' 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 auditors' 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.

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- 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 auditors' 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 auditors' 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 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 auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 22, 2022

Southern Silver Exploration Corp.

(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
Years Ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Note	2022	2021
Expenses			
Administration	9	$ 60,000	$ 60,000
Consulting	9	338,915	287,264
Exploration and evaluation	7 & 9	5,549,898	3,492,606
Investor relations	9	387,859	644,167
Office and general	9	48,574	38,725
Professional fees	9	247,687	268,590
Regulatory fees and taxes		76,556	81,181
Share-based payments	10	2,246,032	3,963,250
Shareholders' communications		18,955	13,568
Transfer agent		29,379	35,316
		9,003,855	**8,884,667**
Foreign exchange loss (gain)		179,208	(355,150)
Other income		(54,811)	(18,306)
(Gain) loss on settlement of debt	8	(137,637)	300,420
Share of loss in equity accounted investment	8	-	170,579
Gain on revaluation of investment in associate	8	-	(8,782,077)
		(13,240)	**(8,684,534)**
Net Loss and Comprehensive Loss for the Year		**$ 8,990,615**	**$ 200,133**
Loss per share		$ 0.03	$ 0.00
Weighted average number of common shares outstanding		283,732,963	195,381,369

The accompanying notes form an integral part of these consolidated financial statements

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note	April 30, 2022	April 30, 2021
Current Assets			
Cash and cash equivalents		$ 11,301,783	$ 7,759,447
Taxes and other receivables		32,603	24,230
Prepaids		254,044	41,784
		11,588,430	**7,825,461**
Non-Current Assets			
Reclamation bonds	6	136,945	-
Mineral properties	7	33,969,391	33,494,489
		34,106,336	**33,494,489**
		$ 45,694,766	**$ 41,319,950**
Current Liabilities			
Accounts payable and accrued liabilities		$ 714,804	$ 520,889
Due to related parties	9	32,025	61,275
Consideration payable	8	-	4,913,600
		746,829	**5,495,764**
Equity			
Share capital	10	82,225,073	66,408,385
Share-based payments reserve		9,523,137	7,225,459
Other reserve		9,270	9,270
Deficit		(46,809,543)	(37,818,928)
		44,947,937	**35,824,186**
		$ 45,694,766	**$ 41,319,950**

Approved on behalf of the Board

"Lawrence Page"
Lawrence Page, Q.C.

"Gina Jones"
Gina Jones

The accompanying notes form an integral part of these consolidated financial statements

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Consolidated Statements of Changes in Equity
Years Ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Share Capital Number of Shares		Amount		Share-based Payments Reserve		Warrants Reserve		Other Reserve		Deficit		Total
Balance as at April 30, 2020	**132,418,743**	**$**	**43,171,344**	**$**	**2,625,232**	**$**	**154,500**	**$**	**9,270**	**$**	**(37,643,730)**	**$**	**8,316,616**
Issued													
Private placements	70,247,620		14,456,000		-		-		-		-		14,456,000
Exercise of warrants	31,809,495		5,479,124		-		-		-		-		5,479,124
Exercise of options	4,190,166		669,035		-		-		-		-		669,035
Exercise of compensation options	611,357		127,801		-		-		-		-		127,801
Asset acquisition	7,553,123		4,121,616		-		-		-		-		4,121,616
Finders' units	1,204,000		782,600		198,094		-		-		-		980,694
Share issue costs	-		(3,462,658)		1,372,841		-		-		-		(2,089,817)
Fair value of warrants exercised	-		309,559		(155,059)		(154,500)		-		-		-
Fair value of warrants expired	-		-		(527)		-		-		527		-
Fair value of options exercised	-		537,949		(537,949)		-		-		-		-
Fair value of compensation options exercised	-		216,015		(216,015)		-		-		-		-
Fair value of compensation options expired	-		-		(24,408)		-		-		24,408		-
Share-based payments	-		-		3,963,250		-		-		-		3,963,250
Net loss	-		-		-		-		-		(200,133)		(200,133)
Balance as at April 30, 2021	**248,034,504**	**$**	**66,408,385**	**$**	**7,225,459**	**$**	**-**	**$**	**9,270**	**$**	**(37,818,928)**	**$**	**35,824,186**
Issued													
Private placements	24,000,000		12,000,000		-		-		-		-		12,000,000
Exercise of warrants	10,037,500		2,258,150		-		-		-		-		2,258,150
Exercise of options	1,340,000		376,300		-		-		-		-		376,300
Exercise of compensation options	35,875		7,175		-		-		-		-		7,175
Asset acquisition	7,971,878		2,391,563		-		-		-		-		2,391,563
Finders' units	127,000		57,150		9,576		-		-		-		66,726
Share issue costs	-		(1,626,670)		395,090		-		-		-		(1,231,580)
Fair value of warrants exercised	-		33,386		(33,386)		-		-		-		-
Fair value of options exercised	-		306,893		(306,893)		-		-		-		-
Fair value of compensation options exercised	-		12,741		(12,741)		-		-		-		-
Share-based payments	-		-		2,246,032		-		-		-		2,246,032
Net loss	-		-		-		-		-		(8,990,615)		(8,990,615)
Balance as at April 30, 2022	**291,546,757**	**$**	**82,225,073**	**$**	**9,523,137**	**$**	**-**	**$**	**9,270**	**$**	**(46,809,543)**		**44,947,937**

The accompanying notes form an integral part of these consolidated financial statements

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
Years Ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

	2022	2021
Operating Activities		
Net loss	$ (8,990,615)	$ (200,133)
Items not involving cash:		
Share of loss in equity investment	-	170,579
(Gain) loss on settlement of debt	(137,637)	300,420
Share-based payments	2,246,032	3,963,250
Gain on revaluation of investment in associate	-	(8,782,077)
Unrealized foreign exchange loss (gain)	9,634	(624,451)
	(6,872,586)	(5,172,412)
Changes in non-cash working capital		
Taxes and other receivables	(8,373)	31,757
Prepaids	(212,260)	15,070
Accounts payable and accrued liabilities	193,915	244,251
Due to related parties	(29,250)	917
	(55,968)	291,995
Cash Used in Operating Activities	(6,928,554)	(4,880,417)
Investing Activities		
Mineral property acquisition	(474,902)	(271,063)
Transaction costs	-	(89,943)
Reclamation bonds	(134,917)	-
Consideration payable	(2,384,400)	(10,449,900)
Cash Used in Investing Activities	(2,994,219)	(10,810,906)
Financing Activities		
Proceeds from share issuance, net	13,476,771	19,636,117
Cash acquired on asset acquisition	-	176,288
Advances to associate, net	-	(15,381)
Cash Provided by Financing Activities	13,476,771	19,797,024
Foreign Exchange Effect on Cash	(11,662)	12,146
Increase in Cash and Cash Equivalents During the Year	3,542,336	4,117,847
Cash and Cash Equivalents, Beginning of Year	7,759,447	3,641,600
Cash and Cash Equivalents, End of Year	$ 11,301,783	$ 7,759,447
Cash and cash equivalents consist of:		
Cash	$ 3,295,120	$ 7,759,447
Cash equivalents	$ 8,006,663	$ -

Supplemental cash flow information (Note 12)

The accompanying notes form an integral part of these consolidated financial statements

(Expressed in Canadian Dollars)

1. Nature of Operations

Southern Silver Exploration Corp. (the "Company") is an exploration stage company incorporated under the laws of British Columbia, Canada. The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third-party option and/or joint venture agreements. The Company's registered office is 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company's mineral properties does not reflect present or future value.

The COVID-19 global health pandemic that began in 2019 and continues today resulted in significant volatility and turmoil in world markets. The negative economic impact of measures to contain the virus have been mitigated to an extent by fiscal and monetary stimulus, by measures taken to reopen world economies and the development and rollout of vaccines. During February 2022, Russia launched a large military invasion of Ukraine leading to a disruption in the supply of energy resources, the imposition of sanctions on Russia, increased tension between the West and Russia and financial market uncertainty. These situations had an impact on many entities and the markets for the securities that they issue and the impacts may continue.

2. Basis of Preparation and Consolidation

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using historical cost, except for cash flow information and financial instruments measured at fair value. The financial statements of the Company consolidate entities controlled and uses the equity method to account for entities partially owned by the Company as follows:

Entity	Country of Incorporation	Principal Activity
Southern Silver Holdings Limited ("SSHL")	British Virgin Islands	Holding company - 100% owned by the Company (Note 8)
Minera Plata del Sur S.A de C.V. ("MPS")	Mexico	Mineral exploration - 100% owned by SSHL
Southern Silver Projects Limited ("SSPL")	British Virgin Islands	Holding company - 100% owned by the Company
Exploraciones Magistral S.A de C.V.	Mexico	Mineral exploration - 100% owned by SSPL
Southern Silver Exploration Corp. (US)	United States of America	Mineral exploration - 100% owned by the Company
Exploraciones Minasol S.A de C.V.	Mexico	Mineral exploration - 100% owned by the Company

All inter-company transactions and balances have been eliminated upon consolidation. The Company's functional and presentation currency is the Canadian dollar. These consolidated financial statements were approved and authorized for issue by the Board of Directors on August 22, 2022.

3. Summary of Significant Accounting Policies

(a) Significant Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and judgments that affect amounts reported in the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and subject to measurement uncertainty. The effect on the consolidated financial statements of changes in such estimates in future reporting periods could be significant. Significant estimates and areas where judgment is applied that have significant effect on the amount recognized in the consolidated financial statements include:

Control

Management consolidates all subsidiaries and entities which it is determined that the Company controls. The determination of the acquirer in business acquisitions is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Control is evaluated on the ability of the Company to direct the activities of the subsidiary or entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

The assessment of whether an acquisition constitutes a business is also subject to judgment and requires the Company to review whether the acquired entity contains all three elements of a business, including inputs, processes and the ability to create output.

Fair value in a business combination

The determination of fair value of assets acquired requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of the assets acquired require judgment.

Impairment of long-lived assets

The carrying value of mineral property acquisition costs is reviewed each reporting period to determine whether there is any indication of impairment. The determination of the impairment involves the application of a number of significant judgments and estimates to certain variables including metal price trends, plans for properties, and the results of exploration and evaluation to date.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash at banks and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of change in value.

3. Summary of Significant Accounting Policies, continued

(a) Significant Accounting Estimates and Judgments, continued

Determination of, and provision for, reclamation and remediation obligations

The Company assesses its provision for asset retirement obligations on an annual basis or when new material information becomes available. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation.

Deferred taxes

The Company recognizes a deferred tax asset to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model and the Geske compound options pricing model at the date of grant and are expensed to net loss over each award's vesting period. These models utilize subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Consideration that comprises common shares is fair valued on the date of issuance.

Mexican Value Added Tax

The recoverability of taxes receivable related to value added tax incurred in Mexico is dependent on various factors such as local policy, historical collectability and the general economic environment. Management uses all relevant facts to determine if the tax receivable is recoverable.

(b) Mineral Properties

All expenditures related to the acquisition of mineral properties are capitalized on a property-by-property basis, net of recoveries which are recorded when receivable, until these mineral properties are placed into commercial production, sold or abandoned. If commercial production is achieved from a mineral property, the related mineral properties are tested for impairment and reclassified to mineral property in production. If a mineral property is sold or abandoned, the related capitalized costs will be expensed to profit or loss in that period.

3. Summary of Significant Accounting Policies, continued

(b) Mineral Properties, continued

All expenditures related to the exploration and evaluation of mineral properties, net of recoveries which are recorded when receivable, are expensed to net loss in the period in which they are incurred.

From time to time, the Company may acquire or dispose of all or part of its mineral property interests under the terms of property option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, option payments are recognized when paid or received. If recoveries are received and exceed the capitalized expenditures, the excess is reflected in profit or loss.

All capitalized mineral property costs are reviewed at each reporting date, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the carrying value, provision is made for the impairment in value. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

The Company recognizes an estimate of the liability associated with statutory, contractual, constructive or legal obligations associated with site closure and property retirement costs in the period in which the liability is incurred if a reasonable estimate of fair value can be made. The estimated fair value or present value of future cash flows is capitalized to the related mining acquisition assets with a corresponding increase in the rehabilitation provision in the period incurred. The capitalized amount will be depreciated on a unit-of-production basis over the estimated life of the ore reserve.

The amount of the provision will be increased each reporting period due to the passage of time and the amount of accretion is charged to profit or loss. The provision can also increase or decrease due to changes in regulatory requirements, discount rates, and assumptions regarding the amount and timing of future rehabilitation expenditures. Any changes are recorded directly to the related mining assets with a corresponding change to the rehabilitation provision. Actual rehabilitation expenditures incurred are charged against the rehabilitation provision to the extent of the liability recorded.

(c) Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

3. Summary of Significant Accounting Policies, continued

(c) Investment in associate, continued

The results, assets and liabilities of associates are incorporated using the equity method of accounting. Under the equity method, investments in associates are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income (loss) of the associate.

When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

(d) Business Combinations

A business combination is defined as an acquisition of assets and liabilities that constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return. A business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs, but can be integrated with the inputs and processes of the Company to create outputs. When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, the Company considers other factors to determine whether the set of activities or assets is a business.

Business combinations are accounted for using the acquisition method. Acquisitions that do not meet the definition of a business are accounted for using the asset acquisition method.

(e) Share Capital

Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds prorated to common shares and share purchase warrants.

(f) Share-based Payments

Share-based payments for employees are measured at fair value of the instruments issued on the date of grant and amortized over the vesting period. Share-based payments for non-employees are measured at either the fair value of the goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded on the date the goods or services are received.

3. Summary of Significant Accounting Policies, continued

(f) Share-based Payments, continued

The fair value of stock options is charged to profit or loss using the graded vesting method, with the offset credit to share-based payment reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related fair value previously recorded is transferred from share-based payment reserve to share capital. Upon expiry, related fair value previously recorded is transferred from share-based payment reserve to deficit.

(g) Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

(h) Reclamation Bonds

Reclamation bonds are recorded at amortized cost and held by government agencies or in trust.

(i) Foreign Currency Translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect as at the reporting date;
(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
(iii) Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

(j) 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.

3. Summary of Significant Accounting Policies, continued

(j) Income Taxes, continued

Deferred tax assets also result from unused tax losses carried forward, 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.

(k) Loss per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options, warrants and similar instruments that would be anti-dilutive.

(l) Financial Instruments

IFRS provide three different measurement categories for non-derivative financial assets – subsequently measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income – while all non-derivative financial liabilities are classified as subsequently measured at amortized cost.

The category into which a financial asset is placed and the resultant accounting treatment is largely dependent on the nature of the business of the entity holding the financial asset. All financial instruments are initially recognized at fair value.

Financial assets

The Company initially recognizes financial assets on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies all of its financial assets as subsequently measured at amortized cost. All financial assets that do not meet the criteria to be recognized as subsequently measured at amortized cost or subsequently measured at fair value through other comprehensive income are classified as fair value through profit or loss.

3. Summary of Significant Accounting Policies, continued

(l) Financial Instruments, continued

Financial liabilities

The Company measures all of its financial liabilities as subsequently measured at amortized cost. Financial liabilities are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method.

Fair value

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Impairment of financial assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

4. Financial Instruments

The Company’s financial instruments include cash and cash equivalents, other receivables and reclamation bond which are classified as financial assets at amortized cost, and accounts payable and accrued liabilities, due to related parties and consideration payable, which are classified as financial liabilities at amortized cost. The carrying values of all of these instruments approximate their fair values due to the short period to maturity.

The Company’s financial instruments are exposed to certain financial risks, including interest rate risk, liquidity risk, currency risk, credit risk and other price risk. The Company’s exposure to these risks and its methods of managing the risks are summarized as follows:

4. Financial Instruments, continued

(i) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has limited exposure at April 30, 2022 to interest rate risk. Cash equivalents consist of $8,006,663 in two 90-day GIC term deposits (2021 - $3,000,000 cashable GIC term deposit), which earn an effective interest rate of 1.62% per annum.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities and through management of its capital structure. As at April 30, 2022, all of the Company's financial liabilities are either due immediately or have contractual maturities of less than 90 days.

(iii) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to managing its cash. The Company's risk management policies require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration.

(iv) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred, funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar (primarily US dollars and Mexican pesos). The Company does not manage currency risks through hedging or other currency management tools. As at April 30, 2022, cash totaling $343,145 (2021 - $96,185) was held in US dollars and $25,350 (2021 - $1,684) was held in Mexican pesos; other receivables totaling $1,384 (2021 - $2,834) were held in Mexican pesos; accounts payable and accrued liabilities totaling $623,910 (2021 - $415,400) were payable in US dollars and $25,035 (2021 - $22,224) were payable in Mexican pesos and consideration payable totaling $nil (2021 - $4,913,600) was payable in US dollars.

Based on forecast exchange rate movements for the next twelve months, assuming all other variables remain constant, the Company considers its financial performance and cash flows would not be materially affected by a weakening or strengthening of the US dollar or Mexican peso.

(Expressed in Canadian Dollars)

4. Financial Instruments, continued

(v) Other Price Risk

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

5. Capital Management

The Company's capital includes components of equity. The Company's objectives in managing its capital are to maintain the ability to continue as a going concern and to continue to explore the Company's mineral properties for the benefit of its stakeholders. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place setting out the expenditures required to meet its strategic goals. The Company compares actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities.

As the Company is in the exploration stage, its operations have been substantially funded by the issuance of equity instruments and mineral property earn-in agreements. The Company will continue to rely on such funding depending upon market and economic conditions at the time. There have been no changes in the Company's approach to capital management during the year ended April 30, 2022.

6. Reclamation Bonds

As at April 30, 2022, amounts on deposit were $136,945 (US$106,630) (2021 - $nil) with respect to Oro.

7. Mineral Properties

Mineral property acquisition costs as at April 30, 2022 were:

	Cerro Las Minitas $	El Sol $	Oro $	Hermanas $	Total $
Balance as at April 30, 2020	-	-	318,685	-	318,685
Asset acquisition	32,904,741	-	-	-	32,904,741
Additions, net	32,096	132,200	106,767	-	271,063
Balance as at April 30, 2021	32,936,837	132,200	425,452	-	33,494,489
Additions, net	37,862	252,410	126,288	58,342	474,902
Balance as at April 30, 2022	**32,974,699**	**384,610**	**551,740**	**58,342**	**33,969,391**

7. Mineral Properties, continued

(a) Cerro Las Minitas - Durango, Mexico

The property consists of a fully-owned interest in twenty-five mineral concessions located in Durango, Mexico. The Company has future and possible obligations as follows:

- On April 20, 2017, two contiguous concessions were acquired by staking. One of these claims is subject to a finder's fee whereby minimum periodic payments are due on a semi-annual basis accelerating from US$5,000 to US$25,000 over a ninety-six-month period and a 1% Net Smelter Royalty ("NSR") with such periodic payments being credited to NSR payments. Subsequent to payment of US$5,000,000 in NSR payments the royalty is reduced to 0.5%.

- One additional concession may be acquired if the underlying owner can deliver registered title and by making a payment, excluding applicable local taxes, of US$200,000.

(b) El Sol - Durango, Mexico

During April 2020, the Company entered into an agreement to purchase certain mineral claims located in Durango, Mexico. The claims total 63 hectares and are situated contiguous with Cerro Las Minitas. Two remaining payments of US$100,000 each, plus applicable local taxes of 16%, were paid during August 2021 and February 3, 2022.

The property is subject to a 2% NSR payable to the optionor who has granted the Company an option to purchase the NSR at any time for US$1,000,000.

(c) Oro - New Mexico, USA

The property consists of certain unpatented mining claims in the Eureka Mining District, Grant County, New Mexico, eight patented lode mining claims, which are adjacent to these claims, and surface rights to a contiguous property. The property is subject to a 2% NSR payable to the optionors whom have granted the Company an option to purchase the NSR at any time in 0.5% increments at US$500,000 for each increment.

Pursuant to a lease with option to purchase agreement dated May 1, 2011, as amended, the Company can earn a 100% interest in six unpatented lode mining claims also located in the Eureka Mining District, Grant County, New Mexico. Remaining lease payments are due as:

(i) US$30,000 annually until May 1, 2024 (2021 - paid; 2022 - paid subsequent to year end); and
(ii) US $60,000 annually from May 1, 2025 to May 1, 2031.

The Company can purchase the property at any time by paying any amounts remaining under the lease, subject to a 1% NSR payable to the optionors, which terminates when aggregate payments thereunder equal US$500,000.

(Expressed in Canadian Dollars)

7. Mineral Properties, continued

(d) Hermanas - New Mexico, USA

On December 7, 2021, the Company entered into an agreement to purchase 83 lode claims in Luna County, New Mexico, approximately 40km east of the Oro property. On October 15, 2021, the Company paid US$25,000 as a reimbursement for costs associated with and filing the claims and remaining Annual Minimum Royalty ("AMR") payments are due as follows:

(i) US$17,500 on December 7, 2021 (paid);
(ii) US$15,000 on December 7, 2022;
(iii) US$20,000 on December 7, 2023;
(iv) US$25,000 on December 7, 2024;
(v) US$30,000 on December 7, 2025;
(vi) US$35,000 on December 7, 2026; and
(vii) US$40,000 on December 7, 2027.

Upon payment of the above, the Company will have earned a full interest in the property. A minimum AMR of US$50,000 will continue to be due each year commencing December 7, 2028.

The property is subject to a 2% NSR payable to the optionor. Upon cumulative AMR and NSR payments totaling US$10,000,000, the NSR is reduced to 1%.

(e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the years ended April 30, 2022 and 2021 were:

	Cerro Las Minitas		**El Sol**		**Oro**		**Hermanas**		**Total**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Assays and geochemistry	367,322	189,994	-	2,553	9,424	-	2,472	-	379,218	192,547
Camp, utilities and supplies	209,875	180,415	-	2,068	14,569	4,535	-	-	224,444	187,018
Claim taxes	147,558	68,764	1,410	3,702	-	-	-	-	148,968	72,466
Drilling	1,857,391	2,055,310	388,799	-	558,027	-	-	-	2,804,217	2,055,310
Geological and geophysics	490,805	166,029	-	4,926	204,313	14,878	41,041	-	736,159	185,833
Project supervision	622,022	381,713	38,376	6,602	22,801	10,646	7,444	-	690,643	398,961
Travel	5,430				63,283	-	2,481		71,194	-
IVA	380,432	378,067	108,365	21,152	-	-	-	-	488,797	399,219
Other	-	-	-	-	4,887	1,252	1,371	-	6,258	1,252
	4,080,835	**3,420,292**	**536,950**	**41,003**	**877,304**	**31,311**	**54,809**	**-**	**5,549,898**	**3,492,606**

7. Mineral Properties, continued

(f) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

(g) Title to Mineral Properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties.

The Company has investigated title to its mineral property interests in accordance with industry standards for the current stage of exploration of such properties and, to the best of its knowledge, title to its properties is in good standing; however, these procedures do not guarantee the Company's title.

Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(h) Realization of Assets

Realization of the Company's investment in mineral properties is dependent upon the establishment of legal ownership, the obtaining of permits, the satisfaction of governmental requirements, the attainment of successful production from the properties, or from the proceeds of their disposal.

The attainment of commercial production is in turn dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production.

(Expressed in Canadian Dollars)

8. Investment in Associate/Asset Acquisition

Pursuant to an earn-in agreement completed in November 2016, Electrum Global Holdings L.P. ("Electrum") owned 60% of SSHL with the Company owning the remaining 40%. MPS, a wholly owned subsidiary of SSHL, holds title to the Cerro Las Minitas property. As the Company retained a 40% interest and was able to exert significant influence, SSHL was considered to be an associate and accounted for its interest as an investment in an associate using the equity method.

On September 15, 2020, the Company closed a transaction to acquire Electrum's 60% interest thereby acquiring control of SSHL. Consideration for the acquisition was an aggregate US$15,000,000 in a combination of cash and common shares, of which US$2,000,000 (2021 - US$7,993,597) has been paid in cash and US$2,000,000 settled in 7,971,878 common shares with a fair value of $2,391,563 (2021 - US$3,006,403 settled in 7,553,123 common shares with a fair value of $4,121,616). A gain on settlement of debt was recognized of $137,637 (2021 - $300,420 loss).

The transaction was accounted for as an acquisition of assets and liabilities as it did not meet the definition of a business under IFRS 3. The remeasurement to fair value of the Company's existing interest and net identifiable assets (liabilities) acquired in the acquisition were as follows:

		April 30, 2021
Balance as at May 1,	$	4,571,121
Advances to associate		15,381
Share of net loss		(170,579)
Fair value adjustment on acquisition		(13,198,000)
Gain		8,782,077
	$	-

Total consideration		
Cash and common shares	$	19,797,000
Fair value of initial interest		13,198,000
Transaction costs		89,943
	$	**33,084,943**
Net identifiable assets acquired		
Cash		176,288
Accounts Receivable		3,914
Exploration and evaluation assets	$	32,904,741
	$	**33,084,943**

9. Related Party Balances and Transactions

Except as disclosed elsewhere, the Company entered into the following related party transactions:

(a) Pursuant to a service agreement between the Company and a private company controlled by a director and officer of the Company, until October 31, 2021, the Company was charged as:

- $30,000 (2021 - $60,000) for office space and general administration services;
- $18,150 (2021 - $36,300) for professional services;
- $27,641 (2021 - $47,784) for consulting services;
- $75,720 (2021 - $149,005) for investor relations services;
- $68,185 (2021 - $81,180) for geological services;
- $nil (2021 - $27,485) for geological and professional services (charged to associate); and
- $3,821 (2021 - $3,497) for the mark-up on out-of-pocket expenses.

Amounts payable as at April 30, 2022 were $nil (2021 - $29,732).

(b) Fees in the amount of $156,000 (2021 - $156,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at April 30, 2022 were $13,650 (2021 - $13,650).

(c) Fees in the amount of $54,180 (2021 - $118,479) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, share issue costs, mineral property expenditures/acquisitions or charged to associate. Amounts payable as at April 30, 2022 were $nil (2021 - $12,118).

(d) Fees in the amount of $14,541 (2021 - $nil) were charged by a law firm controlled by an officer of the Company and included in professional fees, share issue costs or mineral property expenditures. Amounts payable as at April 30, 2022 were $nil (2021 - $nil).

(e) Fees in the amount of $30,000 (2021 - $30,000) were charged by an officer of the Company for consulting services. Amounts payable as at April 30, 2022 were $2,625 (2021 - $2,625).

(f) Fees in the amount of $58,000 (2021 - $36,000) were charged by an officer of the Company for consulting services and included in consulting fees, mineral property expenditures or charged to associate. Amounts payable as at April 30, 2022 were $5,250 (2021 - $3,150).

(g) Fees in the amount of $35,000 (2021 - $nil) were charged by a director of the Company for consulting services and included in consulting fees. Amounts payable as at April 30, 2022 were $10,500 (2021 - $nil).

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment. The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits.

(Expressed in Canadian Dollars)

9. Related Party Balances and Transactions, continued

Compensation awarded to key management, included in (b), (e), (f) and (g) above, was:

		2022		2021
Short-term benefits	$	279,000	$	222,000
Share-based payments		1,375,713		2,563,396
Total	$	1,654,713	$	2,785,396

One executive officer is entitled to termination benefits in the event of a change of control equal to thirty-six months compensation. Upon a change of control, and assuming the triggering event took place on the year-end date, the payment would have been $468,000.

10. Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(a) Equity Financings

Year ended April 30, 2022

On June 16, 2021, the Company closed a brokered private placement of 18,000,000 units at a price of $0.50 per unit for gross proceeds of $9,000,000. Each unit consists of one common share and one half of one share purchase warrant with each warrant exercisable to purchase one additional common share at an exercise price of $0.75 per share for a period of two years.

The Company also issued 1,260,000 compensation options, whereby each option is exercisable for one unit at price of $0.50 per unit. Each unit consists of one common share and one half of one share purchase warrant with each warrant exercisable to purchase one additional common share at an exercise price of $0.75 per share for a period of two years. The Company also issued 360,000 finder's warrants, whereby each warrant is exercisable to purchase one common share at price of $0.50 per share for a period of two years (Note 10(e)).

On June 21, 2021, the Company closed a non-brokered private placement of 6,000,000 units at a price of $0.50 per unit for gross proceeds of $3,000,000. Each unit consists of one common share and one half of one common share purchase warrant with each warrant exercisable to purchase one additional common share at a price of $0.75 per share for a period of two years.

The Company also issued 127,000 finder's unit warrants and 240,000 finder's warrants whereby each unit and warrant have the same terms as contained in the private placement. The Company also issued 120,000 finder's warrants, whereby each warrant is exercisable to purchase one common share at price of $0.50 per share for a period of two years (Note 10(e)).

10. Share Capital, continued

(a) Equity Financings, continued

Year ended April 30, 2021

On August 15, 2020, the Company closed a brokered private placement of 50,000,000 Subscription Receipts of the Company (each, a "Subscription Receipt") at a price of $0.20 per Subscription Receipt for gross proceeds of $10,000,000. On September 11, 2020, each Subscription Receipt was exchanged, for no additional consideration, into one unit of the Company. Each unit consists of one common share and one-half of one share purchase warrant, with each full warrant exercisable to purchase one additional common share at a price of $0.25 during the first year, increasing to $0.30 in year two and $0.35 in year three.

On August 15, 2020, the Company closed a non-brokered private placement of 19,047,620 Subscription Receipts (the "Additional Subscription Receipts") at a price of $0.21 per Additional Subscription Receipt for gross proceeds of $4,000,000. On September 11, 2020, each Additional Subscription Receipt was exchanged, for no additional consideration, into one unit of the Company. Each unit consists of one common share and one-half of one share purchase warrant, with each full warrant exercisable to purchase one additional common share at a price of $0.28 during the first year, increasing to $0.33 in year two and $0.38 in year three.

In connection with the brokered private placement, the Company issued 1,560,400 compensation options ("Compensation Options") and 1,189,600 corporate finance options (the "Corporate Finance Options"). Each Compensation Option and Corporate Finance Option entitles the holder to purchase one common share at a price of $0.20 for a period of three years (Note 10(e)).

The Company also issued 700,000 finder's unit warrants and 700,000 finder's warrants in connection with the brokered private placement and 504,000 finder's unit warrants and 504,000 finder's warrants in connection with the non-brokered private placement. Each unit and warrant have the same terms as contained in the respective private placements (Note 10(e)).

On September 11, 2020, the Company closed a non-brokered private placement of 1,200,000 units at a price of $0.38 per unit for gross proceeds of $456,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable to purchase one additional common share at an exercise price of $0.50 per share for a period of three years.

(b) Stock Options

The Company has a rolling stock option plan (the "Plan") 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 term of stock options granted under the Plan may not exceed ten years and the exercise price may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant, less any permitted discount. On an annual basis, the Plan requires approval by the Company's shareholders and submission for regulatory review and acceptance.

(Expressed in Canadian Dollars)

10. Share Capital, continued

(b) Stock Options, continued

On August 13, 2021, 200,000 fully vested stock options were granted to a consultant at an exercise price of $0.40 per share for a period of five years. On September 29, 2021, 10,100,000 fully vested stock options were granted to directors, officers and consultants at an exercise price of $0.31 per share for a period of five years. On November 5, 2021, 100,000 fully vested stock options were granted to a consultant at an exercise price of $0.48 per share for a period of two years. On December 6, 2021, 300,000 fully vested stock options were granted to a consultant at an exercise price of $0.29 per share for a period of three years.

Stock options outstanding and exercisable as at April 30, 2022 were:

Exercise Price	Expiry Date	Balance April 30, 2021	Granted	Exercised	Balance April 30, 2022
$0.30	June 3, 2021	1,125,000	-	1,125,000	-
$0.34	October 2, 2022	2,450,000	-	-	2,450,000
$0.34	February 1, 2023	150,000	-	-	150,000
$0.17	September 27, 2023	590,000	-	70,000	520,000
$0.27	October 1, 2024	2,950,000	-	-	2,950,000
$0.20	December 20, 2024	100,000	-	-	100,000
$0.12	April 3, 2025	1,595,000	-	95,000	1,500,000
$0.51	September 24, 2025	9,500,000	-	-	9,500,000
$0.58	October 19, 2025	100,000	-	-	100,000
$0.50	February 11, 2026	200,000	-	-	200,000
$0.40	August 13, 2026	-	200,000	-	200,000
$0.31	September 29, 2026	-	10,100,000	50,000	10,050,000
$0.48	November 5, 2023	-	100,000	-	100,000
$0.29	December 6, 2024	-	300,000	-	300,000
		18,760,000	**10,700,000**	**1,340,000**	**28,120,000**
Weighted average exercise price		$0.39	$0.31	$0.28	$0.37
Weighted average remaining life in years		3.48			3.32

The weighted average fair value of stock options exercised was $0.23 (2021 - $0.13).

(Expressed in Canadian Dollars)

10. Share Capital, continued

(b) Stock Options, continued

Stock options outstanding and exercisable as at April 30, 2021 were:

Exercise Price	Expiry Date	Balance April 30, 2020	Granted	Exercised	Balance April 30, 2021
$0.08	July 29, 2020	650,000	-	650,000	-
$0.08	September 28, 2020	190,000	-	190,000	-
$0.11	April 22, 2021	1,168,500	-	1,168,500	-
$0.30	June 3, 2021	1,625,000	-	500,000	1,125,000
$0.34	October 2, 2022	2,750,000	-	300,000	2,450,000
$0.34	February 1, 2023	150,000	-	-	150,000
$0.17	September 27, 2023	800,000	-	210,000	590,000
$0.27	October 1, 2024	3,250,000	-	300,000	2,950,000
$0.20	December 20, 2024	100,000	-	-	100,000
$0.12	April 3, 2025	1,800,000	-	205,000	1,595,000
$0.12	April 3, 2023	666,666	-	666,666	-
$0.51	September 24, 2025	-	9,500,000	-	9,500,000
$0.58	October 19, 2025	-	100,000	-	100,000
$0.50	February 11, 2026	-	200,000	-	200,000
		13,150,166	**9,800,000**	**4,190,166**	**18,760,000**
Weighted average exercise price - outstanding		$0.23	$0.51	$0.16	$0.39
Weighted average exercise price - exercisable		$0.23	$0.51	$0.16	$0.39
Weighted average remaining life in years - outstanding		2.94			3.48
Weighted average remaining life in years - exerciable		2.94			3.48

(c) Compensation Options

Compensation options outstanding and exercisable as at April 30, 2022 were:

Exercise Price	Expiry Date	Balance April 30, 2021	Granted	Exercised	Balance April 30, 2022
$0.20	August 14, 2023	2,166,293	-	35,875	2,130,418
$0.50	June 16, 2023	-	1,260,000	-	1,260,000
		2,166,293	**1,260,000**	**35,875**	**3,390,418**
Weighted average exercise price		$0.20	$0.50	$0.20	$0.31
Weighted average remaining life in years		2.29			1.23

(Expressed in Canadian Dollars)

10. Share Capital, continued

(c) Compensation Options, continued

Compensation options outstanding and exercisable as at April 30, 2021 were:

Exercise Price	Expiry Date	Balance April 30, 2020	Granted	Exercised	Expired	Balance April 30, 2021
$0.40	August 31, 2020	105,100	-	27,650	77,450	-
$0.20	August 14, 2023	-	2,750,000	583,707	-	2,166,293
		105,100	**2,750,000**	**611,357**	**77,450**	**2,166,293**
Weighted average exercise price		$0.40	$0.20	$0.21	$0.40	$0.20
Weighted average remaining life in years		0.34				2.29

The weighted average fair value of compensation options exercised was $0.355 (2021 - $0.35) and expired was $nil (2021 - $0.32).

(d) Share Purchase Warrants

Share purchase warrants outstanding as at April 30, 2022 were:

Exercise Price	Expiry Date	Balance April 30, 2021	Issued	Exercised	Balance April 30, 2022
$0.15	May 19, 2021	2,900,000	-	2,900,000	-
$0.55	June 13, 2022	6,372,500	-	-	6,372,500
$0.55	August 31, 2022	1,170,000	-	-	1,170,000
$0.55	September 29, 2022	1,254,500	-	-	1,254,500
$0.25	August 13, 2024	10,260,262	-	735,000	9,525,262
$0.25	September 4, 2024	4,527,600	-	80,000	4,447,600
$0.30	* August 14, 2023	22,582,500	-	6,135,000	16,447,500
$0.33	* August 14, 2023	9,446,477	-	187,500	9,258,977
$0.50	September 11, 2023	1,200,000	-	-	1,200,000
$0.75	June 16, 2023	-	9,000,000	-	9,000,000
$0.50	June 16, 2023	-	360,000	-	360,000
$0.75	June 21, 2023	-	3,303,500	-	3,303,500
$0.50	June 21, 2023	-	120,000	-	120,000
		59,713,839	**12,783,500**	**10,037,500**	**62,459,839**
Weighted average exercise price		$0.30	$0.74	$0.22	$0.42
Weighted average remaining life in years		2.27			1.33

(Expressed in Canadian Dollars)

10. Share Capital, continued

(d) Share Purchase Warrants, continued

Share purchase warrants outstanding as at April 30, 2021 were:

Exercise Price		Expiry Date	Balance April 30, 2020	Issued	Exercised	Expired	Balance April 30, 2021
$0.15		June 26, 2020	9,000,000	-	9,000,000	-	-
$0.08		March 4, 2021	6,000,000	-	6,000,000	-	-
$0.08		April 8, 2021	450,000	-	450,000	-	-
$0.15		May 19, 2021	7,852,500	-	4,952,500	-	2,900,000
$0.55		June 13, 2022	6,372,500	-	-	-	6,372,500
$0.55		August 31, 2020	1,750	-	-	1,750	-
$0.55		August 31, 2022	1,170,000	-	-	-	1,170,000
$0.55		September 29, 2022	1,254,500	-	-	-	1,254,500
$0.25		August 13, 2024	16,199,175	-	5,938,913	-	10,260,262
$0.25		September 4, 2024	5,694,850	-	1,167,250	-	4,527,600
$0.25	*	August 14, 2023	-	26,050,000	3,467,500	-	22,582,500
$0.28	*	August 14, 2023	-	10,279,809	833,332	-	9,446,477
$0.50		September 11, 2023	-	1,200,000	-	-	1,200,000
			53,995,275	**37,529,809**	**31,809,495**	**1,750**	**59,713,839**
Weighted average exercise price			$0.25	$0.27	$0.17	$0.55	$0.30
Weighted average remaining life in years			2.06				2.27

** Exercise price is $0.25 during the first year, increasing to $0.30 in year two and $0.35 in year three.*
*** Exercise price is $0.28 during the first year, increasing to $0.33 in year two and $0.38 in year three.*

The weighted average fair value of share purchase warrants exercised was $0.33 (2021 - $0.01) and expired was $nil (2021 - $0.30).

(e) Fair Value Determination

The weighted average fair value of stock options granted was $0.21 (2021 - $0.40), compensation unit options granted was $0.20 (2021 - $nil), compensation options granted was $nil (2021 - $0.36) and finders warrants issued was $0.19 (2021 - $0.33). Fair values were estimated using the Black-Scholes option pricing model and the Geske compound options pricing model with the following weighted average assumptions:

	2022			2021		
	Options	Compensation Option Units	Finders' Warrants	Options	Compensation Options	Finders' Warrants
Risk-free interest rate	1.10%	0.36%	0.36%	0.35%	0.31%	0.31%
Expected share price volatility	83.13%	88.16%	88.16%	91.57%	83.49%	83.49%
Expected life (years)	4.92	2.00	2.00	5.00	3.00	3.00
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(Expressed in Canadian Dollars)

10. Share Capital, continued

(e) Fair Value Determination, continued

The expected volatility assumptions have been developed taking into consideration historical volatility of the Company's share price. The total calculated fair value of share-based payments recognized was as follows:

	2022	2021
Consolidated Statements of Comprehensive Loss		
Directors and officers	$ 1,375,713	$ 2,563,396
Consultants	$ 870,319	$ 1,399,854
	2,246,032	3,963,250
Consolidated Statements of Changes in Equity		
Finders' warrants / units	404,666	1,570,935
Total	$ 2,650,698	$ 5,534,185

11. Income Tax

A reconciliation of the income tax charge computed at statutory rates to the reported loss before taxes is as follows:

	2022	2021
Income tax benefit at statutory rate of 27% (2021 - 27%)	$ 2,427,465	$ 54,036
Permanent differences	(701,414)	1,173,914
Temporary differences	182,912	119,735
Change in timing differences	(1,585,787)	2,921,993
Foreign exchange gains or losses	204,826	165,580
Adjustment attributable to income taxes of other countries	66,160	86,366
Unused tax losses and tax offsets not recognized	(594,162)	(4,521,624)
	$ -	$ -

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2022	2021
Non-capital losses	$ 35,704,199	$ 33,986,783
Capital losses	146,188	53,597
Share issue costs	1,773,030	1,115,514
Tax value over book value of mineral properties	4,960,279	4,957,555
Tax value over book value of equipment	26,139	26,139
Tax value over book value of income tax credits	1,534	1,534
	$ 42,611,369	$ 40,141,122

(Expressed in Canadian Dollars)

11. Income Tax, continued

The Company has approximately US$3,482,000 in unrecognized US non-capital losses available to carry forward indefinitely that do not expire. Mexican tax losses are separated into normal and pre-operating expenses. Pre-operating expenses are amortized over ten years. All Mexican tax losses expire within ten years of recognition. The Company has Canadian unrecognized non-capital losses that expire as follows:

	CDN $		CDN $		CDN $		CDN $
2026	830,000	2031	1,061,000	2035	743,000	2039	974,000
2027	1,206,000	2032	1,565,000	2036	724,000	2040	1,247,000
2028	1,142,000	2033	1,004,000	2037	968,000	2041	1,075,000
2029	760,000	2034	886,000	2038	1,209,000	2042	1,767,000
2030	1,035,000						
							18,196,000

12. Supplemental Cash Flow Information

		2022		2021
Cash items				
Interest received	$	54,745	$	14,032
Non-cash items				
Financing and Investing Activities				
Shares issued to extinguish liability	$	2,529,200	$	3,821,196
Revaluation of investment in associate	$	-	$	13,198,000
Fair value of assets acquired on acquisition	$	-	$	19,797,000
Consideration payable for acquisition	$	-	$	4,913,600
Option exercise proceeds received re prior period	$	-	$	13,280

13. Segmented Information

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at April 30, 2022, the Company's non-current assets were located in Mexico ($33,359,309) and in the United States of America ($747,027).

14. Events After the Reporting Period

Other than disclosed elsewhere, the following occurred subsequent to April 30, 2022:

- On May 5, 2022, 150,000 fully vested stock options were granted to a consultant at an exercise price of $0.335 per share for a period of two years and on May 24, 2022, 500,000 fully vested stock options were granted to a consultant at an exercise price of $0.255 per share for a period of three years.
- On June 13, 2022, 6,372,500 warrants with an exercise price of $0.55 expired unexercised.