

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements
Three and Nine months ended May 31, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of Equity Metals Corporation (the “Company”) have been prepared by and are the responsibility of the Company’s management. The condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management’s best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed consolidated interim financial statements prior to their submission to the Board of Directors for approval.

The accompanying condensed interim consolidated financial statements have not been reviewed by the Company’s independent auditor.

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	Note	May 31, 2022	August 31, 2021
Assets			
Current			
Cash		1,030,709	1,787,472
Receivables and prepaids		169,711	154,745
		1,200,420	1,942,217
Non-current assets			
Reclamation deposits		147,480	147,480
Property and equipment	4	39,165	43,654
Exploration and evaluation assets	5	38,415	38,415
		1,425,480	2,171,766
Liabilities			
Current			
Accounts payable and accrued liabilities		320,608	57,866
Amounts due to related parties	8	31,433	40,202
		352,041	98,068
Equity			
Share capital	7	23,685,834	20,667,233
Subscriptions received in advance	7	-	-
Reserves	7	4,934,871	4,322,467
Accumulated other comprehensive loss		(103,800)	(103,800)
Deficit		(27,443,466)	(22,812,202)
		1,073,439	2,073,698
		1,425,480	2,171,766

Nature of operations and going concern (Note 1)

Contingencies (Note 11)

Approved by the Board of Directors on July 29, 2022:

(signed) "Courtney Shearer"

(signed) "Joseph A. Kizis"

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

Equity Metals Corporation

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Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

		Three months ended		Nine months ended	
	Note	May 31, 2022	May 31, 2021	May 31, 2022	May 31, 2021
		\$	\$	\$	\$
Exploration Expenses					
Exploration expenses, net of recoveries	5,8	794,697	975,784	3,771,942	2,392,383
Administration expenses					
Consulting		-	-	-	-
Insurance		1,548	1,219	4,534	3,251
Legal, audit and accounting	8	38,675	41,044	140,460	136,479
Licences, fees and other		9,389	18,568	39,912	43,534
Management fees	8	5,435	5,857	25,833	17,927
Office rent and building expenses	8	15,000	15,000	45,000	45,000
Printing, stationery and office		8,185	3,138	29,177	24,658
Share-based compensation	7,8	11,837	-	461,933	1,011,979
Telephone		680	707	2,359	2,595
Transfer agent fees		1,708	2,375	12,795	14,945
Travel, marketing and promotion		85,529	56,221	292,856	178,260
		(177,986)	(144,129)	(1,054,859)	(1,478,628)
Interest income and miscellaneous		7	285	7	285
Foreign exchange gain/(loss)		(3,062)	(1,496)	(4,507)	(2,527)
Write-off of equipment vehicles		-	(23,826)	-	(23,826)
Flow-through premium recovery	6	51,390	-	200,037	-
Net loss and total comprehensive loss for the period		(924,348)	(1,144,950)	(4,631,264)	(3,897,079)
Basic and diluted net loss per share		(0.01)	(0.02)	(0.05)	(0.06)
Weighted average number of shares outstanding		102,758,613	76,258,557	94,420,702	67,850,043

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

Equity Metals Corporation

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Condensed Interim Consolidated Statements of Changes in Equity

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

	Share Capital Number	Share Capital \$	Subscriptions Receivable \$	Reserves \$	AOCL ⁽¹⁾ \$	Deficit \$	Total \$
Balance, September 1, 2020	55,394,475	17,501,220	(21,000)	3,220,771	(103,800)	(18,612,508)	1,984,683
Shares issued on private placement	13,144,567	2,366,022	21,000	-	-	-	2,387,022
Less: Issue costs - cash	-	(193,179)	-	-	-	-	(193,179)
Less: Issue costs - warrants	-	(148,285)	-	148,285	-	-	-
Exercise of warrants	9,490,900	1,103,222	-	(31,118)	-	-	1,072,104
Exercise of options	200,000	39,620	-	(19,620)	-	-	20,000
Expiry of unexercised options	-	-	-	(7,830)	-	7,830	-
Share-based payments	-	-	-	1,011,979	-	-	1,011,979
Net loss for the period	-	-	-	-	-	(3,897,079)	(3,897,079)
Balance, May 31, 2021	78,229,942	20,668,620	-	4,322,467	(103,800)	(22,501,757)	2,385,530
Shares issued on private placement	-	-	-	-	-	-	-
Less: Issue costs - cash	-	(1,387)	-	-	-	-	(1,387)
Net loss for the period	-	-	-	-	-	(310,445)	(310,445)
Balance, August 31, 2021	78,229,942	20,667,233	-	4,322,467	(103,800)	(22,812,202)	2,073,698
Receipts of private placement funding	24,528,671	3,634,051	-	-	-	-	3,634,051
Less: Issue costs - cash	-	(264,942)	-	-	-	-	(264,942)
Less: Issue costs - warrants	-	(150,471)	-	150,471	-	-	-
Flow through premium	-	(200,037)	-	-	-	-	(200,037)
Share-based payments	-	-	-	461,933	-	-	461,933
Net loss for the period	-	-	-	-	-	(4,631,264)	(4,631,264)
Balance, May 31, 2022	102,758,613	23,685,834	-	4,934,871	(103,800)	(27,443,466)	1,073,439

⁽¹⁾ Accumulated other comprehensive loss

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

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Condensed Interim Consolidated Statement of Cash Flows

For the nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

	May 31, 2022	May 31, 2021
	\$	\$
Cash flows from operating activities		
Net loss and total comprehensive loss for the period	(4,631,264)	(3,897,079)
Items not affecting cash		
Depreciation	6,415	8,740
Share-based payments	461,933	1,011,979
Write-off of equipment & vehicles	-	23,826
Foreign exchange (gain)/loss	(4,507)	2,527
Flow-through premium recovery	(200,037)	-
	(4,367,460)	(2,850,007)
Changes in non-cash operating working capital		
Change in receivables and prepaids	(14,966)	66,027
Change in accounts payable and accrued liabilities	262,742	(166,227)
Change in amounts due to related parties	(8,769)	(14,327)
Cash used in operating activities	(4,128,453)	(2,964,534)
Cash flows from investing activities		
Mineral property bond security refunds (deposits)	-	34,594
Purchase of equipment	(1,926)	-
Cash from (used in) investing activities	(1,926)	34,594
Cash flows from financing activities		
Receipts from private placement financing	3,634,051	2,387,022
Share issue costs	(264,942)	(193,179)
Proceeds from exercise of options	-	20,000
Proceeds from exercise of warrants	-	1,072,104
Cash from (used in) financing activities	3,369,109	3,285,947
Increase (decrease) in cash and cash equivalents	(761,270)	356,007
Effects of foreign exchange on cash and cash equivalents	4,507	(2,527)
Cash - Beginning of period	1,787,472	1,790,432
Cash - End of period	1,030,709	2,143,912

Supplemental cash flow information (Note 12)

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

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Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

1 Nature of operations and going concern

Equity Metals Corporation (“Equity Metals Corporation” or the “Company”) was incorporated pursuant to the laws of British Columbia on April 7, 1964. On September 12, 2019, the Company changed its name from New Nadina Explorations Limited to Equity Metals Corporation and changed its stock symbol to “EQTY” from “NNA”. The Company is principally engaged in the acquisition, exploration, and development of mineral and diamond properties in British Columbia, Saskatchewan and the Northwest Territories. The Company’s common shares trade on the TSX Venture Exchange under the trading symbol “EQTY” and on the OTCQB Venture Marketplace in the United States of America under the trading symbol “EQMEF”. The Company is extra-provincially registered in the Province of Saskatchewan and extra-territorially registered in the Northwest Territories.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months.

During 2020, significant volatility in the stock market occurred for various reasons linked to the COVID-19 pandemic and other conditions effecting worldwide metal prices. However, increases in gold and silver prices are offsetting features to some of the negative conditions imposed by the pandemic. The ultimate impacts to the Company are not determinable at this date, but could be material to the Company's forecasted exploration work and the Company's financial position, results of operations and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.

The Company has incurred losses since inception and expects to incur further losses in the development of its business and at May 31, 2022, the Company had a working capital of \$848,379 and at that date, the Company also had an accumulated deficit of \$27,443,466 which has been funded primarily by the issuance of equity.

The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2 Basis of presentation

Statement of compliance

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2021, which have been prepared in accordance with IFRS.

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(Unaudited - Expressed in Canadian dollars)

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended August 31, 2021.

Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its 100% controlled subsidiary, 1157274 B.C. Ltd. which was incorporated by the Company on March 19, 2018. Subsidiaries are entities controlled by the Company and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company and its subsidiary apply the same accounting policies. All material intercompany balances are eliminated on consolidation.

3 Use of estimates, assumptions and judgments

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended August 31, 2021.

4 Property and equipment

	Building	Equipment & Vehicles	Total
	\$	\$	\$
Cost			
Balance at August 31, 2021	148,032	102,999	251,031
Additions	-	1,926	1,926
Write-off of equipment & vehicles	-	-	-
Balance as at May 31, 2022	148,032	104,925	252,957
Accumulated depreciation			
Balance at August 31, 2021	128,769	78,608	207,377
Depreciation	2,747	3,668	6,415
Balance as at May 31, 2022	131,516	82,276	213,792
Net book value			
Balance at August 31, 2021	19,263	24,391	43,654
Balance as at May 31, 2022	16,516	22,649	39,165

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5 Exploration and evaluation assets

Amounts capitalized to exploration and evaluation assets at May 31, 2022 and August 31, 2021 are as follows:

Acquisition cost of exploration and evaluation assets	May 31, 2022	August 31, 2021
Silver Queen property – BC (100% interest)	\$ 38,413	\$ 38,413
Monument Diamond property – NWT (57.49% interest)	1	1
WO Claim block – NWT (4.47% interest)	1	1
La Ronge Silica project – SK (100% interest)	-	-
	38,415	38,415

Silver Queen property, British Columbia - Omineca Mining Division (100%)

The Company has a 100% interest in the Silver Queen Property, located in the Omineca Mining Division, of British Columbia. The property includes 17 crown-granted titles, comprised of 2 surface and undersurface titles and 15 undersurface-only titles, and 45 tenure claims. As at May 31, 2022, reclamation deposits of \$53,500 (August 31, 2021 - \$53,500) are held in relation to the Silver Queen property.

La Ronge Silica project, Saskatchewan (100%)

The Company holds a 100% interest in a silica quarrying mineral lease which expires in December 2024.

Monument Diamond property, Lac de Gras NWT (57.49%)

In May 2002, the Company acquired from DHK Diamonds Inc. three claims and took them to lease in the Mackenzie District Mining Division, Northwest Territories. An Agreement provides for a 1% gross overriding royalty payable to each of DHK Diamonds Inc. and Royal Gold Inc. (Kennecott Canada Explorations Inc.), with the Company having an indirect 0.4337% interest in the royalty. Equity Metals is the operator and retains 57.49% with two other parties holding the remaining participating interest in the mineral claims.

In July 2017, the Company acquired 2 staked claims adjacent to the northern boundary of the 3 mineral leases.

The Company currently holds a five-year Type “A” Land Use Permit by the Wek’eezhii Land and Water Board which was renewed in September 2019 and expires on September 1, 2024.

As at May 31, 2022, reclamation deposits of \$93,980 (August 31, 2021 - \$93,980) are held by the Government of Northwest Territories in relation to the Monument property.

WO Claim block

The Company holds an indirect 4.47% (August 31, 2021 – 4.47%) of the WO claim block, a diamond property in the Northwest Territories managed by the De Beers Group. The Company has a cost contribution commitment, commensurate with its interest, to fund the costs of operating the WO claim block. No contributions were required for the three or nine months ended May 31, 2022 (2021 - \$nil).

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Exploration and evaluation expenditures:

During the nine months ended May 31, 2022, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	WO Claim block	Total
	\$	\$	\$	\$	\$
Assay analysis	-	515,260	-	-	515,260
Camp preparation	22	231,859	-	-	231,881
Depreciation	-	6,415	-	-	6,415
Drilling	-	1,883,209	-	-	1,883,209
General exploration	4,228	478,944	-	-	483,172
Geology	11,503	632,296	-	-	643,799
Property, assessment/taxes	210	381	7,615	-	8,206
	15,963	3,748,364	7,615	-	3,771,942

During the nine months ended May 31, 2021, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	WO Claim block	Total
	\$	\$	\$	\$	\$
Assay analysis	-	435,449	-	-	435,449
Camp preparation	-	93,975	-	-	93,975
Depreciation	-	8,740	-	-	8,740
Drilling	-	1,062,646	-	-	1,062,646
General exploration	-	225,278	21,461	-	246,739
Geology	774	652,711	2,299	-	655,784
Property, assessment/taxes	209	568	7,615	-	8,392
	983	2,479,367	31,375	-	2,511,725
Less: Recoveries from JV participants	-	(119,342)	-	-	(119,342)
	983	2,360,025	31,375	-	2,392,383

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During the three months ended May 31, 2022, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	WO Claim block	Total
	\$	\$	\$	\$	\$
Assay analysis	-	159,636	-	-	159,636
Camp preparation	22	41,590	-	-	41,612
Depreciation	-	2,061	-	-	2,061
Drilling	-	259,725	-	-	259,725
General exploration	3,750	105,266	-	-	109,016
Geology	2,780	211,872	-	-	214,652
Property, assessment/taxes	-	380	7,615	-	7,995
	6,552	780,530	7,615	-	794,697

During the three months ended May 31, 2021, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	WO Claim block	Total
	\$	\$	\$	\$	\$
Assay analysis	-	254,371	-	-	254,371
Camp preparation	-	35,877	-	-	35,877
Depreciation	-	1,951	-	-	1,951
Drilling	-	457,558	-	-	457,558
General exploration	-	78,164	21,461	-	99,625
Geology	184	236,708	857	-	237,749
Property, assessment/taxes	-	380	7,615	-	7,995
	184	1,065,009	29,933	-	1,095,126
Less: Recoveries from JV participants	-	(119,342)	-	-	(119,342)
	184	945,667	29,933	-	975,784

6 Flow-through premium liability

The Company is committed to incurring on or before December 31, 2022 qualifying Canadian exploration expenses as defined under the Income Tax Act (Canada) (the "Qualifying Expenditures") in the aggregate amount of \$3,550,000 with respect to the flow-through share financings completed on November 15, 2021 and on December 31, 2021. None of the qualifying CEE will be available to the Company for future deduction from taxable income. As at May 31, 2022 the Company had a remaining commitment to incur \$nil of Qualifying Expenditures.

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(Unaudited - Expressed in Canadian dollars)

During the nine months ended May 31, 2022, the Company recognized an initial flow-through premium of \$79,037 arising from the first tranche flow-through share offering closed on November 15, 2021 and, separately, a flow-through premium of \$121,000 arising from the second tranche flow-through share offering closed on December 22, 2021, for aggregate flow-through premiums of \$200,037 (Note 7). During the three and nine months ended May 31, 2022, the Company recognized \$51,390 and \$200,037, respectively, as flow-through premium recoveries in the consolidated statements of loss and comprehensive loss. The amounts recognized as a flow-through premium recovery represent the pro-rata portion of Qualifying CEE incurred during the nine months ended May 31, 2022.

7 Share capital

Authorized

An unlimited number of common shares without par value.

Financings

During the nine months ended May 31, 2022, shares were issued for the following:

On November 15, 2021, the Company closed the first tranche of the Private Placement by issuing 2,800,000 non-flow-through units ("NFT Units") at a price of \$0.14 per unit for gross proceeds of \$392,000 and by issuing 7,903,667 flow-through units ("FT Units") at a price of \$0.15 per unit for gross proceeds of \$1,185,550. In addition, the Company incurred cash finders' fees of \$90,339 and issued 610,423 non-flow-through finders' warrants, of which 213,710 are exercisable at a price of \$0.20 per share for a period of 2 years and 396,713 are exercisable at a price of \$0.15 per share for a period of 2 years.

On December 22, 2021, the Company closed its second and final tranche of its flow-through and non-flow-through private placements. The Company issued 1,725,002 NFT Units at a price of \$0.14 per NFT Unit for gross proceeds of \$241,500 and by issuing 12,100,002 FT Units at a price of \$0.15 per FT Unit for gross proceeds of \$1,815,000. Each NFT Unit is comprised of one non-flow-through common share and one-half of one non-flow-through warrant. Each FT Unit is comprised of one-flow through common share and one-half of one non-flow through warrant. The warrants for all units are the same with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years at a price of \$0.20. In addition, the Company incurred cash finders' fees of \$144,255 and issued 962,751 non-flow-through finders' warrants, with each warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years at a price of \$0.20.

During the nine months ended May 31, 2021, shares were issued for the following:

On December 10, 2020, the Company closed its non-brokered flow-through private placement issuing 13,144,567 Units at a price of \$0.18 per Unit for gross proceeds of \$2,366,022. Each Unit consisted of one flow-through common share and 1/2 a non-flow through share purchase warrant with each non-flow through share purchase warrant being exercisable for one common share at a price of \$0.25 per common share, expiring December 14, 2023. In addition, the Company incurred cash finders' fees of \$163,151, other cash issuance costs of \$28,589, and issued 906,392 finders' warrants with a fair value of \$148,285, exercisable at a price of \$0.18 per share for a period of 3 years. No amounts were allocated to flow-through premium or to non-flow through warrants included in the Units. During the nine months ended May 31, 2021, 9,490,900 warrants were exercised resulting

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in proceeds of \$1,072,104, and 200,000 options were exercised resulting in proceeds of \$20,000.

Stock options

The Company has established a share purchase option plan (the “Plan”) whereby the Board of Directors may from time-to-time grant options to directors, officers, employees or consultants. The maximum term of the options granted under the Plan is ten years from the date of grant, however the normal term of the options is five years, or such lesser period as determined by the Company’s Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date.

The Company’s stock options outstanding as at May 31, 2022 and the changes for the period then ended are as follows:

	Number of options	Weighted average exercise price (\$ per share)	Weighted average remaining life (years)
Balance - August 31, 2021	6,200,000	0.20	3.94
Granted	3,550,000	0.14	
Balance - May 31, 2022	9,750,000	0.18	3.55
Exercisable - May 31, 2022	9,750,000	0.18	3.55

During the nine months ended May 31, 2022, the Company recorded share-based compensation of \$461,933 (2021 - \$1,011,979) in respect of 3,550,000 newly granted options, of which (i) 3,000,000 of the options are exercisable at an exercise price of \$0.135 per share for a period of five years from the date of grant, (ii) 200,000 of the options are exercisable at an exercise price of \$0.20 per share, (iii) 200,000 of the options are exercisable at an exercise price of \$0.17 per share, and (iv) 150,000 of the options are exercisable at an exercise price of \$0.115 per share each of the 200,000 and 150,000 grants are exercisable for a period of two years from the date of grant, and all of the 3,550,000 options vested upon grant. The weighted average fair value of the options granted during the nine months ended May 31, 2022 was \$0.13, with the fair value of the options granted during the period estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: share price –\$0.14; exercise price –\$0.14; expected life – 4.54 years; risk-free rate –1.63%; expected volatility (based on historical volatility) – 262.45%; expected forfeitures – nil; and expected dividends – nil.

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The balance of options outstanding as at May 31, 2022 is as follows:

Expiry date	Exercise price \$	Number of options outstanding	Number of options exercisable
October 25, 2023	0.10	300,000	300,000
November 3, 2023	0.17	200,000	200,000
November 3, 2023	0.20	200,000	200,000
March 3, 2024	0.08	200,000	200,000
May 5, 2024	0.115	150,000	150,000
July 25, 2024 ⁽¹⁾	0.08	100,000	100,000
December 5, 2024	0.085	1,500,000	1,500,000
October 19, 2025	0.20	100,000	100,000
January 29, 2026	0.26	4,000,000	4,000,000
January 26, 2027	0.135	3,000,000	3,000,000
		9,750,000	9,750,000

⁽¹⁾ Subsequent to May 31, 2022, 100,000 options with an exercise price of \$0.08 per common share were exercised.

Options outstanding at May 31, 2022 are anti-dilutive as they would reduce the loss per share, and are therefore excluded from the calculation of diluted loss per share. Accordingly, the loss per share and diluted loss per share are the same amounts.

Share purchase warrants

The Company's warrants outstanding as at May 31, 2022 and the changes for the period then ended are as follows:

	Number of warrants	Weighted average exercise price (\$ per share)	Weighted average remaining life (years)
Balance - August 31, 2021	40,124,218	0.12	1.85
Issued	13,837,512	0.20	
Balance - May 31, 2022	53,961,730	0.14	1.21

Warrants to acquire common shares are outstanding at May 31, 2022 as follows:

Expiry date	Exercise price \$	Number of warrants outstanding
October 22, 2022	0.12	4,599,300
November 25, 2022	0.12	3,587,500
August 10, 2023	0.10	24,458,743
November 15, 2023	0.15	396,713
November 15, 2023	0.20	5,565,544
December 14, 2023	0.18	7,478,675
December 22, 2023	0.20	7,875,255
		53,961,730

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(Unaudited - Expressed in Canadian dollars)

The weighted average fair value of 12,264,336 warrants issued during the nine months ended May 31, 2022, being the warrants issued as part of the FT Units and Non-FT Units, was \$nil, determined using the residual value basis. 1,573,174 of the remaining warrants issued during the nine months ended May 31, 2022 was \$0.10, with the fair value of those warrants issued during the period estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: share price –\$0.14; exercise price – \$0.16; expected life – 2.00 years; risk-free rate – 0.74%; expected volatility (based on historical volatility) – 145.97%; expected forfeitures – nil; and expected dividends – nil.

8 Related party transactions and commitments

Key management includes the President, the Chief Financial Officer, the VP Exploration and the directors. The compensation paid or payable to key management for services during the three and nine months ended May 31, 2022 and 2021 is as follows:

	Three months ended		Nine months ended	
	May 31, 2022	May 31, 2021	May 31, 2022	May 31, 2021
	\$	\$	\$	\$
Management and professional fees to related parties	15,294	15,574	56,609	51,469
General exploration fees to related parties	18,039	20,720	46,835	54,057
Share-based payments to related parties	-	-	272,624	644,833
	33,333	36,294	376,068	750,359

During the three and nine months ended May 31, 2022, \$13,540 (2021 - \$12,859) and \$37,997 (2021 - \$33,347), respectively, in accounting support services was charged by Malaspina Consultants Inc., a company controlled by Killian Ruby, the CFO and a director of the Company. Further, during the three and nine months ended May 31, 2022, the following amounts were charged to the Company by Manex Resource Group Inc., a company indirectly controlled, as of November 1, 2021, by Killian Ruby, the CFO and a director of the Company and prior to that a company controlled by Larry Page, the Chairman of the board of directors: (i) \$19,757 (2021 - \$15,764) and \$49,136 (2021- \$50,708), respectively, being costs for general exploration services; (ii) \$15,000 (2021 - \$15,000) and \$45,000 (2021 - \$45,000), respectively, being costs for office rent services; (iii) \$6,170 (2021 - \$1,614) and \$19,474 (2021 -\$12,788), respectively, being costs for general office and administration support services; (iv) \$2,108 (2021 - \$8,136) and \$20,438 (2021 - \$40,797), respectively, being costs for legal support services; (v) \$23,811 (2021 - \$17,527) and \$69,630 (2021 - \$51,231), respectively, being costs for investor relation and promotion services and (vi) \$nil (2021 - \$1,440) and \$347 (2021 - \$5,010), respectively, being costs for corporate finance and associated services. Subsequent to May 31, 2022, 100,000 options with an exercise price of \$0.08 per common share were exercised by Killian Ruby, the CFO and a director of the Company.

Included in current liabilities at May 31, 2022 is (i) \$31,433 (August 31, 2021 - \$40,202) due to related parties. These amounts are unsecured and due under normal business terms.

At May 31, 2022 a total of \$5,487 (August 31, 2021 - \$5,487) was owing from DHK Diamonds Inc., a company with officers and Directors in common has been included in receivables and prepaids. At May 31, 2022, \$7,021 (2021 - \$7,021) was included in receivables and prepaids for expense advances paid to the President and a Director of the Company.

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9 Capital management

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its equity to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the nine months ended May 31, 2022.

10 Segmented information

The Company operates in one reportable segment, being the acquisition and exploration of exploration and evaluation assets in Canada.

11 Contingencies

During the year ended August 31, 2018 the Company received notice of a civil claim filed against the Company and the prior President of the Company by Intrepid Mines Limited. While the outcome of this matter is uncertain, no provisions have been accrued for in respect of the claim as the Company believes the claim to be without merit and intends to vigorously defend itself should further legal action be required. As at May 31, 2022, no updates have occurred in respect of this claim.

12 Supplemental cash flow information

	May 31, 2022	May 31, 2021
	\$	\$
Share-based payments	461,933	-
Issue costs - warrants	150,471	148,285
Flow through premium	200,037	-
Transfer from reserves on exercise of warrants	-	31,118
Transfer from reserves on exercise of options	-	19,620
Transfer from reserves on expiry of unexercised options	-	7,830