

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three and Six months ended February 28, 2023 and 2022

(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	February 28, 2023	August 31, 2022
Assets			
Current			
Cash		2,786,478	497,520
Receivables and prepaids		69,565	81,869
		2,856,043	579,389
Non-current assets			
Reclamation deposits		147,480	147,480
Property and equipment	4	33,576	37,206
Exploration and evaluation assets	5	38,415	38,415
		3,075,514	802,490
Liabilities			
Current			
Accounts payable and accrued liabilities		57,449	75,730
Amounts due to related parties	8	29,814	21,134
Reclamation provision	5	30,000	-
Flow-through premium liability	6	375,450	-
		492,713	96,864
Equity			
Share capital	7	25,947,804	23,701,133
Shares issuable for warrant proceeds received	7	20,000	-
Reserves	7	4,983,767	4,927,552
Accumulated other comprehensive loss		(103,800)	(103,800)
Deficit		(28,264,970)	(27,819,259)
		2,582,801	705,626
		3,075,514	802,490

Going concern (Note 1)

Subsequent event (Note 13)

Approved by the Board of Directors on April 27, 2023:

(signed) "Courtney Shearer"

(signed) "Joseph A. Kizis"

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

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended		Six months ended	
		February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
		\$	\$	\$	\$
Exploration Expenses					
Exploration expenses, net of recoveries	5,8	9,801	1,414,087	110,427	2,977,245
Administration expenses					
Consulting		-	-	-	-
Insurance		1,862	1,548	4,241	2,986
Legal, audit and accounting	8	58,308	65,225	94,004	101,785
Licences, fees and other		23,671	18,425	32,101	30,523
Management fees	8	10,092	10,452	14,372	20,398
Office rent and building expenses	8	12,000	15,000	26,000	30,000
Printing, stationery and office		8,903	12,200	16,393	20,992
Share-based compensation	7,8	-	420,052	-	450,096
Telephone		578	794	1,167	1,679
Transfer agent fees		11,950	8,651	14,212	11,087
Travel, marketing and promotion		63,147	119,646	149,725	207,327
		(190,511)	(671,993)	(352,215)	(876,873)
Interest income and miscellaneous		3,135	(82)	3,061	-
Foreign exchange gain/(loss)		(832)	(747)	(2,030)	(1,445)
Flow-through premium recovery	6	12,676	94,040	12,676	148,647
Net loss and total comprehensive loss for the period		(185,333)	(1,992,869)	(448,935)	(3,706,916)
Basic and diluted net loss per share		-	(0.02)	-	(0.04)
Weighted average number of shares outstanding		119,080,051	99,532,779	110,924,521	90,182,647

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Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

	Share Capital Number	Share Capital \$	Proceeds received in advance \$	Reserves \$	AOCL ⁽¹⁾ \$	Deficit \$	Total \$
Balance, August 31, 2021	78,229,942	20,667,233		4,322,467	(103,800)	(22,812,202)	2,073,698
Shares issued on private placement	24,528,671	3,634,050	-	-	-	-	3,634,050
Less: Issue costs - cash	-	(264,941)	-	-	-	-	(264,941)
Less: Issue costs - warrants	-	(150,471)	-	150,471	-	-	-
Flow through premium	-	(200,037)	-	-	-	-	(200,037)
Share-based payments	-	-	-	450,096	-	-	450,096
Net loss for the period	-	-	-	-	-	(3,706,916)	(3,706,916)
Balance, February 28, 2022	102,758,613	23,685,834	-	4,923,034	(103,800)	(26,519,118)	1,985,950
Private placement issue costs - cash	-	(20)	-	-	-	-	(20)
Exercise of options	100,000	15,319	-	(7,319)	-	-	8,000
Share-based payments	-	-	-	11,837	-	-	11,837
Net loss for the period	-	-	-	-	-	(1,300,141)	(1,300,141)
Balance, August 31, 2022	102,858,613	23,701,133	-	4,927,552	(103,800)	(27,819,259)	705,626
Receipts of private placement funding	23,545,233	2,742,649	-	-	-	-	2,742,649
Less: Issue costs - cash	-	(120,168)	-	-	-	-	(120,168)
Less: Issue costs - warrants	-	(73,119)	-	73,119	-	-	-
Flow through premium	-	(388,126)	-	-	-	-	(388,126)
Exercise of warrants	717,545	85,435	-	(13,680)	-	-	71,755
Shares issuable for warrant proceeds received	-	-	20,000	-	-	-	20,000
Transfer of value on expired finders' warrants	-	-	-	(3,224)	-	3,224	-
Net loss for the period	-	-	-	-	-	(448,935)	(448,935)
Balance, February 28, 2023	127,121,391	25,947,804	20,000	4,983,767	(103,800)	(28,264,970)	2,582,801

⁽¹⁾ Accumulated other comprehensive loss

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

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Statement of Cash Flows

For the six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

	February 28, 2023	February 28, 2022
	\$	\$
Cash flows from operating activities		
Net loss and total comprehensive loss for the period	(448,935)	(3,706,916)
Items not affecting cash		
Depreciation	3,630	4,354
Share-based payments	-	450,096
Foreign exchange loss	2,030	(1,445)
Flow-through premium recovery	(12,676)	(148,647)
	(455,951)	(3,402,558)
Changes in non-cash operating working capital		
Change in receivables and prepaids	12,304	(38,585)
Change in reclamation provision	30,000	-
Change in accounts payable and accrued liabilities	(18,281)	683,681
Change in amounts due to related parties	8,680	(9,680)
Cash used in operating activities	(423,248)	(2,767,142)
Cash flows from investing activities		
Purchase of equipment	-	(1,926)
Cash from (used in) investing activities	-	(1,926)
Cash flows from financing activities		
Receipts from private placement financing	2,742,649	3,634,051
Share issue costs	(120,168)	(264,942)
Proceeds from exercise of warrants	71,755	-
Advance warrant proceeds received	20,000	-
Cash from financing activities	2,714,236	3,369,109
Increase (decrease) in cash and cash equivalents	2,290,988	600,041
Effects of foreign exchange on cash and cash equivalents	(2,030)	1,445
Cash - Beginning of period	497,520	1,787,472
Cash - End of period	2,786,478	2,388,958

Supplemental cash flow information (Note 12)

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

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(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.

The Company has incurred losses since inception and expects to incur further losses in the development of its business and at February 28, 2023, the Company had a working capital of \$2,363,330 and at that date, the Company also had an accumulated deficit of \$28,264,970 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 unaudited condensed interim 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 unaudited 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 unaudited condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2022, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended August 31, 2022.

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

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

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 unaudited 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, 2022.

4 Property and equipment

	Building	Equipment & Vehicles	Total
	\$	\$	\$
Cost			
Balance at August 31, 2022	148,032	104,925	252,957
Additions	-	-	-
Balance at February 28, 2023	148,032	104,925	252,957
Accumulated depreciation			
Balance at August 31, 2022	132,342	83,409	215,751
Depreciation	1,530	2,100	3,630
Balance at February 28, 2023	133,872	85,509	219,381
Net book value			
Balance at August 31, 2022	15,690	21,516	37,206
Balance at February 28, 2023	14,160	19,416	33,576

5 Exploration and evaluation assets

Amounts capitalized to exploration and evaluation assets at February 28, 2023 and August 31, 2022 are as follows:

	February 28, 2023	August 31, 2022
Acquisition cost of exploration and evaluation assets	\$	\$
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

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

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 February 28, 2023, reclamation deposits of \$53,500 (August 31, 2022 - \$53,500) are held in relation to the Silver Queen property. During the three months ended February 28, 2023 the Company recorded a reclamation provision for \$30,000 representing management's estimate of the cost of work to be undertaken on the property during the year ending August 31, 2023.

La Ronge Silica project, Saskatchewan (100%)

The Company holds a 100% interest in a renewable mineral lease (21.85 ha) covering a silica quarry 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 3 mining leases, subject to making annual lease payments, have been renewed to May 9, 2043, and the 2 staked claims have work credits in good standing until May 2, 2027.

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 February 28, 2023, reclamation deposits of \$93,980 (August 31, 2022 - \$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, 2022 - 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. The Company was not requested to make any contributions for the six months ended February 28, 2023 (2022 - \$nil).

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

Exploration and evaluation expenditures:

During the six months ended February 28, 2023, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	WO Claim block	Total
	\$	\$	\$	\$	\$
Assay analysis	-	-	-	-	-
Camp preparation	-	3,751	-	-	3,751
Depreciation	-	3,630	-	-	3,630
General exploration	-	23,981	-	-	23,981
Geology	1,072	180,536	883	-	182,491
Environmental and reclamation	-	34,053	-	-	34,053
Property, assessment/taxes	210	381	125	-	716
	1,282	246,332	1,008	-	248,622
Government assistance*	-	(138,195)	-	-	(138,195)
	1,282	108,137	1,008	-	110,427

* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits.

During the six months ended February 28, 2022, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	WO Claim block	Total
	\$	\$	\$	\$	\$
Assay analysis	-	355,624	-	-	355,624
Camp preparation	-	190,271	-	-	190,271
Depreciation	-	4,354	-	-	4,354
Drilling	-	1,623,484	-	-	1,623,484
General exploration	478	373,678	-	-	374,156
Geology	8,722	420,424	-	-	429,146
Property, assessment/taxes	210	-	-	-	210
	9,410	2,967,835	-	-	2,977,245

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

During the three months ended February 28, 2023, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	WO Claim block	Total
	\$	\$	\$	\$	\$
Assay analysis	-	-	-	-	-
Camp preparation	-	881	-	-	881
Depreciation	-	1,768	-	-	1,768
Drilling	-	-	-	-	-
General exploration	-	6,840	-	-	6,840
Geology	260	107,434	676	-	108,370
Environmental and reclamation	-	30,000	-	-	30,000
Property, assessment/taxes	-	12	125	-	137
	260	146,935	801	-	147,996
Government assistance	-	(138,195)	-	-	(138,195)
	260	8,740	801	-	9,801

* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits.

During the three months ended February 28, 2022, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	WO Claim block	Total
	\$	\$	\$	\$	\$
Assay analysis	-	217,120	-	-	217,120
Camp preparation	-	83,238	-	-	83,238
Depreciation	-	2,171	-	-	2,171
Drilling	-	680,540	-	-	680,540
General exploration	-	198,555	-	-	198,555
Geology	1,333	231,130	-	-	232,463
Property, assessment/taxes	-	-	-	-	-
	1,333	1,412,754	-	-	1,414,087

6 Flow-through premium

The flow-through premium liability as at February 28, 2023 of \$375,450 (August 31, 2022 - \$nil) arose in connection with flow-through share offerings which the Company closed on December 29, 2022 (Note 7). The reported amount is the unamortized balance of the premium received from issuing the flow-through shares. This balance does not represent a cash liability to the Company. The flow-through premium liability will be amortized to the statement of loss and comprehensive loss pro-rata with the amount of related qualifying flow-through expenditures that are incurred by the Company.

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

The Company was committed to incur on or before December 31, 2023 qualifying Canadian exploration expenses as defined under the Income Tax Act (Canada) (the “Qualifying Expenditures”) in the aggregate amount of \$1,692,649 with respect to the flow-through share financings completed on December 29, 2022 (Note 7). None of the Qualifying Expenditures will be available to the Company for future deduction from taxable income. As of February 28, 2023, the Company had remaining commitments of \$1,637,369 (August 31, 2022 - \$nil) to be incurred Qualifying Expenditures.

During the six months ended February 28, 2023, the Company recognized, in the condensed interim consolidated statements of changes in equity, an initial flow-through premium of \$388,126 arising from the first tranche flow-through share offering closed on December 29, 2022 (Note 7). During each of the three and six months ended February 28, 2023, the Company recognized \$12,676 as flow-through premium recoveries in the condensed interim consolidated statements of loss and comprehensive loss.

During the six months ended February 28, 2022, the Company recognized, in the condensed interim consolidated statements of changes in equity, 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).

Separately, during the six months ended February 28, 2022, the Company recognized, in the condensed interim consolidated statements of loss and comprehensive loss, a flow-through premium recovery of \$79,037 in connection with the first tranche flow-through share offering the Company completed on November 15, 2021 and recognized a flow-through premium recovery of \$69,610 in connection with the second tranche flow-through share offering the Company closed on December 22, 2021 for aggregate flow-through premium recovery of \$148,647 (Note 7) recognized, in the condensed interim consolidated statements of loss and comprehensive loss.

During the three months ended February 28, 2022, the Company recognized, in the condensed interim consolidated statements of loss and comprehensive loss, a flow-through premium recovery of \$24,430 in connection with the first tranche flow-through share offering the Company completed on November 15, 2021 and recognized a flow-through premium recovery of \$69,610 in connection with the second tranche flow-through share offering the Company closed on December 22, 2021 for aggregate flow-through premium recovery of \$94,040 (Note 7) recognized, in the condensed interim 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 applicable period for the applicable period presented in these financial statements.

7 Share capital

Authorized

An unlimited number of common shares without par value.

Financings

During the six months ended February 28, 2023, the Company issued the following shares:

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

On December 29, 2022, the Company closed the first tranche of its non-brokered private placement by issuing a total of 13,045,233 flow through units. The first tranche consists of a total of 8,333,333 flow through units (the “FT Units”) sold at a price of \$0.12 per FT Unit for gross proceeds of \$1,000,000; and 4,711,900 premium flow through units (the “PFT Units”) sold at a price of \$0.147 per PFT Unit for gross proceeds of \$692,649 for aggregate total gross proceeds of \$1,692,649. Each FT Unit and PFT Unit consists of one flow-through common share and one warrant. The warrants for all units are the same with each warrant entitling the holder to purchase one non-flow through common share for a period of 3 years, until December 29, 2025, at a price of \$0.15. In addition, the Company incurred cash finders’ fees of \$42,476 and issued 353,964 finders’ warrants which are exercisable at \$0.15 for a period of 3 years, until December 29, 2025. The fair value of the finders’ warrants was calculated using the Black-Scholes Model and the following assumptions: share price - \$0.19; expected life – 3 years; volatility – 144.8%; discount rate – 3.60%; dividend rate – \$nil.

On January 16, 2023, the Company closed its final tranche of the private placement by issuing 10,500,000 non-flow through units (the “NFT Units”) at a price of \$0.10 per NFT Unit for gross proceeds of \$1,050,000. Each NFT Unit consists of one non-flow through common share and one warrant. The warrants for the NFT Units entitle the holder to purchase one non-flow through common share for a period of 3 years, until January 26, 2023, at a price of \$0.15. In addition, the Company incurred cash finders’ fees of \$13,680 and issued 136,800 finders’ warrants which are exercisable at \$0.15 for a period of 3 years, until January 26, 2023. The fair value of the finders’ warrants was calculated using the Black-Scholes Model and the following assumptions: share price - \$0.16; expected life – 3 years; volatility – 145.1%; discount rate – 3.21%; dividend rate – \$nil.

During the six months ended February 28, 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. The fair value of the finders’ warrants was calculated using the Black-Scholes Model and the following assumptions: share price - \$0.14; expected life – 2 years; volatility – 147.5%; discount rate – 0.34%; dividend rate – \$nil.

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. The fair value of the finders’ warrants was calculated using the Black-Scholes Model and the following assumptions: share price - \$0.14; expected life – 2 years; volatility – 145.0%; discount rate – 0.99%; dividend rate - \$nil.

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

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 February 28, 2023 and the changes for the years then ended are as follow:

	Number of options	Weighted average exercise price (\$ per share)	Weighted average remaining life (years)
Balance - August 31, 2022	9,650,000	0.18	3.31
Balance - February 28, 2023	9,650,000	0.18	2.82
Exercisable - February 28, 2023	9,650,000	0.18	2.82

The balance of options outstanding as at February 28, 2023 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
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
		9,650,000	9,650,000

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

Share purchase warrants

The Company's warrants outstanding as at February 28, 2023 and the changes for the years then ended are as follows:

	Number of warrants	Weighted average exercise price (\$ per share)	Weighted average remaining life (years)
Balance - August 31, 2022	53,961,730	0.14	0.95
Granted	24,035,997	0.15	
Exercised	(717,545)	0.10	
Expired	(51,800)	0.12	
Balance - February 28, 2023	77,228,382	0.14	1.42

Warrants to acquire common shares are outstanding at February 28, 2023 as follows:

Expiry date	Exercise price \$	Number of warrants outstanding
August 10, 2023	0.10	23,741,198
November 15, 2023	0.15	396,713
November 15, 2023	0.20	5,565,544
December 9, 2023	0.18	7,478,675
December 22, 2023	0.20	7,875,255
October 22, 2024	0.12	4,547,500
November 25, 2024	0.12	3,587,500
December 29, 2025	0.15	13,399,197
January 16, 2026	0.15	10,636,800
		77,228,382

* On October 5, 2022, the expiry date of 4,547,500 non-finders' warrants were extended from October 22, 2022 to October 22, 2024 and the expiry date of 3,587,500 non-finders' warrants were extended from November 25, 2022 to November 25, 2024. The amended costs resulting from these transactions have been offset against the additional value created for the warrants.

Options and warrants outstanding at February 28, 2023 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.

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 six months ended February 28, 2023 and 2022 are as follows:

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

	Three months ended		Six months ended	
	February 28 2023	February 28 2022	February 28 2023	February 28 2022
	\$	\$	\$	\$
Management and professional fees to related parties	22,253	21,683	32,816	41,315
General exploration fees to related parties	10,385	12,982	20,795	28,796
Share-based payments to related parties	-	272,624	-	272,624
	32,638	307,289	53,611	342,735

During the three and six months ended February 28, 2023, \$10,191 (2022 – \$14,419) and \$23,998 (2022 - \$24,457), 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 six months ended February 28, 2023 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) \$13,460 (2022 - \$16,276) and \$20,180 (2022 - \$29,379), respectively, being costs for general exploration services; (ii) \$12,000 (2022 - \$15,000) and \$26,000 (2022 - \$30,000), respectively, being costs for office rent services; (iii) \$2,998 (2022 - \$8,462) and \$6,270 (2022 - \$13,304), respectively, being costs for general office and administration support services; (iv) \$795 (2022 - \$8,812) and \$5,670 (2022 - \$18,330), respectively, being costs for legal and corporate secretarial support services; (v) \$42,561 (2022 - \$26,837) and \$70,381 (2022 - \$45,819), respectively, being costs for investor relation and promotion services and (vi) \$26,145 (2022 - \$nil) and \$26,145 (2022 - \$347), respectively, being costs for corporate finance and associated financing support services.

Included in current liabilities at February 28, 2023 is (i) \$29,814 (August 31, 2022 - \$21,134) due to related parties. These amounts are unsecured and due under normal business terms.

At February 28, 2023, \$7,021 (August 31, 2022 - \$7,021) was included in receivables and prepaids for expense advances paid to the President and a Director of the Company.

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 six months ended February 28, 2023.

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

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 February 28, 2023, no proceedings have occurred in respect of this claim.

12 Supplemental cash flow information

	February 28, 2023	February 28, 2022
	\$	\$
Share-based payments	-	450,096
Issue costs – warrants	73,119	176,427
Reclamation provision	30,000	-
Flow through premium	388,126	200,037
Transfer of value from reserves on exercise of warrants	13,680	-
Transfer of value from reserves on expiry of finders' warrants	3,224	-

13 Subsequent Events

Subsequent to February 28, 2023 the Company issued 3,647,600 shares arising from the exercise of the same number of warrants for proceeds of \$364,760, as follows:

Exercise Date	Exercise Price \$	Warrants Exercised	Proceeds \$
March 6, 2023	0.10	228,600	22,860
March 22, 2023	0.10	134,000	13,400
March 27, 2023	0.10	666,000	66,600
March 31, 2023	0.10	14,000	1,400
April 3, 2023	0.10	200,000	20,000
April 6, 2023	0.10	600,000	60,000
April 12, 2023	0.10	825,000	82,500
April 14, 2023	0.10	980,000	98,000
		3,647,600	364,760

Equity Metals Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

On March 20, 2023, the Company granted 2,975,000 share options to Directors, Officers and consultants of the Company. The share options are exercisable at \$0.20 per share over a period of five years from the date of grant until March 20, 2028. All options vested upon grant.

On April 5, 2023, 100,000 options with an exercise price of \$0.10 per common share were exercised for gross proceeds of \$10,000.