

Defense Metals Corp.

Condensed Interim Consolidated Financial Statements

For the Six Months Ended September 30, 2022

(unaudited)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DEFENSE METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars – Unaudited)

	Note	As at September 30, 2022	As at March 31, 2022
ASSETS		\$	\$
Current assets			
Cash		450,572	724,812
Sales tax receivable		129,815	206,784
Prepaid expenses and deposit		267,246	45,133
		847,633	976,729
Non-current assets			
Exploration and evaluation assets	5, 7	27,635,881	24,138,630
Prepaid exploration expenses	5	235,980	146,186
TOTAL ASSETS		28,719,494	25,261,545
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	91,237	668,616
Flow-through obligation	8	467,121	-
		558,358	668,616
SHAREHOLDERS' EQUITY			
Share capital	6	35,329,053	30,272,295
Share subscriptions received in advance	11	-	626,610
Reserves	6	3,869,582	3,621,385
Accumulated deficit		(11,037,499)	(9,927,361)
		28,161,136	24,592,929
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28,719,494	25,261,545

The accompanying notes are integral to these condensed interim consolidated financial statements.

Approved on Behalf of the Board of Directors:

/s/ Max Sali

Director

/s/ Craig Taylor

Director

DEFENSE METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars – Unaudited)

[Share Capital		Subscriptions Received in Advance	Reserves	Accumulated Deficit	Total
	Number of Shares	Amount				
		\$	\$	\$	\$	\$
Balance, March 31, 2021	64,647,939	8,508,317	-	1,452,453	(6,146,204)	3,814,566
Private placements	15,625,000	5,000,000	-	-	-	5,000,000
Finder's fees – cash	-	(400,000)	-	-	-	(400,000)
Finder's fees - warrants	-	(258,000)	-	258,000	-	-
Other share issuance costs	-	(325,839)	-	-	-	(325,839)
Warrant exercises	70,000	10,500	-	-	-	10,500
Stock-based compensation	-	-	-	174,129	-	174,129
Net and comprehensive loss for the period	-	-	-	-	(1,612,153)	(1,612,153)
Balance, September 30, 2021	80,342,939	12,534,978	-	1,884,582	(7,758,357)	6,661,203
Balance, March 31, 2022	161,316,221	30,272,295	626,610	3,621,385	(9,927,361)	24,592,929
Private placements	19,881,780	5,431,440	-	-	-	5,431,440
Finder's fees – cash	-	(252,152)	-	-	-	(252,152)
Finder's fees - warrants	-	(89,800)	-	89,800	-	-
Share issuance costs	-	(58,488)	-	-	-	(58,488)
Warrant and option exercises	2,176,600	333,390	-	-	-	333,390
Share subscriptions received in advance	-	626,610	(626,610)	-	-	-
Flow through share premium	-	(934,242)	-	-	-	(934,242)
Stock-based compensation	-	-	-	158,397	-	158,397
Net and comprehensive loss for the period	-	-	-	-	(1,110,138)	(1,110,138)
Balance, September 30, 2022	183,374,601	35,329,053	-	3,869,582	(11,037,499)	28,161,136

The accompanying notes are integral to these condensed interim consolidated financial statements.

DEFENSE METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars – Unaudited)

		For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the six months ended September 30, 2022	For the Six months ended September 30, 2021
	Note	\$	\$	\$	\$
EXPENSES					
Consulting	7	144,553	75,813	345,605	384,052
Communications, marketing, investor, and public relations		314,693	459,066	781,118	707,169
Office and administrative	7	45,464	39,943	112,239	71,412
Professional	7	73,953	59,992	141,956	196,252
Regulatory and filing		10,632	2,248	37,944	79,139
Stock-based compensation	6,7	28,513	165,161	158,397	174,129
Loss before other items		(617,808)	(802,223)	(1,577,259)	(1,612,153)
Other item:					
Flow-through share premium		467,121	-	467,121	-
Net and comprehensive loss for the period		(150,687)	(802,223)	(1,110,138)	(1,612,153)
Basic and Diluted Loss Per Share		(0.00)	(0.01)	(0.01)	(0.02)
Weighted Average Number of Shares Outstanding		183,674,601	80,432,939	178,110,048	77,691,108

The accompanying notes are integral to these condensed interim consolidated financial statements.

DEFENSE METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in Canadian Dollars – Unaudited)

	For the six months ended September 30, 2022	For the six months ended September 30, 2021
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	(1,110,138)	(1,612,153)
Non-cash items:		
Stock-based compensation	158,397	174,129
Flow-through share premium	(467,121)	-
Changes in non-cash working capital items:		
Sales tax receivable	76,969	(57,616)
Prepaid expenses and deposit	(311,907)	(56,670)
Accounts payable and accrued liabilities	(617,806)	2,134
	(2,271,606)	(1,550,176)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation assets	(3,456,824)	(695,698)
	(3,456,824)	(695,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement proceeds	5,431,340	5,000,000
Finder's fees and share issuance costs	(305,291)	(725,839)
Warrant and option exercises	328,141	10,500
	5,454,190	4,284,661
Net change in cash	(274,240)	2,038,787
Cash, beginning of the period	724,812	849,466
Cash, end of the period	450,572	2,888,253

The accompanying notes are integral to these condensed interim consolidated financial statements.

DEFENSE METALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in Canadian Dollars – Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Defense Metals Corp. (the “Company”) is a British Columbia company listed on the TSX Venture Exchange (“TSX-V”) trading under the symbol DEFN. The Company is engaged primarily in mineral exploration and development activity in Canada with a focus on the Wicheeda Project.

The head office and the principal address of the Company are located at 228 – 1122 Mainland Street, Vancouver, BC V6B 5L1, Canada.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2022, the Company had a working capital balance of \$289,275 (March 31, 2022 - \$308,113) but had not advanced its mineral properties to commercial production and is not able to finance day-to-day activities through operations. For the period ended September 30, 2022, the Company reported a comprehensive loss of \$1,110,138 (September 30, 2021 - \$1,612,153) and as of that date, has accumulated deficit of \$11,037,499 (March 31, 2022 - \$9,927,361).

The Company’s continuation as a going concern is dependent upon the results from its mineral property exploration and development activities and its ability to attain profitable operations and generate funds and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These uncertainties may cast a significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors, private placement of common shares and/or the sale of mineral property interests. These consolidated financial statements do not include any adjustments that might result from this uncertainty. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition, future financings, and exploration activities of the Company in future periods. The Company’s current focus is on its project located in British Columbia, Canada and as a result, access to the property is not prohibited at the current time.

2. BASIS OF PRESENTATION

Statement of compliance with International Financial Reporting Standards

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of November 29, 2022, the date the Board of Directors approved the statements.

DEFENSE METALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in Canadian Dollars – Unaudited)

2. BASIS OF PRESENTATION (continued)

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs except for certain financial instruments at fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise noted, which is the functional currency of the Company and its subsidiary.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its controlled entity. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation. The Company owns Spectrum Mining Corp. (“Spectrum”) which was acquired on January 14, 2022 (Note 5).

Use of estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates.

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

Critical accounting estimates

Valuation of share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s earnings and equity reserves.

Purchase price allocation in an acquisition transaction

Estimates are made in determining the fair value of the assets and liabilities acquired and the consideration paid as part of an acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

Critical judgments

Going Concern

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

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022
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2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

Critical judgments (continued)

Acquisition transactions

Management uses judgment to assess whether an acquisition transaction is an acquisition of an asset or an acquisition of a business. In considering its assessment, management applied an optional test (the concentration test), as permitted by IFRS 3 Business Combinations, to perform a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. Management assessed that the acquisition of Spectrum was an asset acquisition and not an acquisition of a business (Note 4).

Determination of control in acquisition transactions

Management had to apply judgment to determine which party obtained control of the combined entities after acquisition. Management applies judgment in determining control by assessing the following three factors: whether the Company has power over, whether the Company has exposure or rights to variable returns from its involvement, and whether the Company has the ability to use its powers over to affect the amount of its returns.

Flow-through shares

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Impairment of exploration and evaluation assets

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets. Management has determined that exploratory drilling, evaluation, development and related costs incurred, which have been capitalized, continue to be appropriately recorded on the consolidated statements of financial position at its carrying value as management has determined there are no indicators of impairment for its exploration and evaluation assets as September 30, 2022 and 2021.

Mining tax credits

The Company is eligible for refundable tax credits on qualified resource expenditures incurred in the province of British Columbia (the "Province"). Uncertainties exist with respect to the interpretation of tax regulations which could be disallowed by the Province in the calculation of credits. The calculation of the Company's refundable tax credits involves significant estimates and judgment on items whose tax treatment cannot be verified until a notice of assessment and subsequent payments have been received from the Province. Differences between management's estimates and the final assessment could result in adjustments to the mining exploration tax credit and the deferred income tax expense.

DEFENSE METALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in Canadian Dollars – Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined to be the Canadian dollar for the Company and its subsidiary. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in a currency other than the Canadian dollar are translated at the exchange rate at the reporting date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss in the period in which they arise.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value. Acquisition costs incurred are expensed.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Exploration and evaluations assets and equipment

The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Given the uncertainties surrounding the fair value of the Company's mineral properties, share-based acquisition payments were valued at the fair value of the instruments issued. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The carrying value of equipment is reviewed for indications of impairment at each reporting date. When impairment indicators exist, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less costs to sell and value in use. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is made with a charge to operations.

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Income taxes

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

DEFENSE METALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in Canadian Dollars – Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The Company currently has no measurable obligations for restoration and environmental costs.

Share-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes option pricing model which incorporates all market vesting conditions. Expected volatility in the Black-Scholes option pricing model was based on the historical stock price of the Company. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

DEFENSE METALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in Canadian Dollars – Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

The Company grants stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period.

Financial instruments

Financial assets

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income (“FVTOCI”) or measured at fair value through profit or loss (“FVTPL”).

(i) Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company’s business model for such financial assets, is to hold the assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

(ii) Financial assets measured at FVTPL

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company’s cash is measured at fair value are FVTPL financial instruments.

(iii) Financial assets measured at FVTOCI

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as “financial asset at fair value through other comprehensive income” in other comprehensive income.

DEFENSE METALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars – Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of comprehensive loss.

However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

(a) Recognition and measurement of financial liabilities

The Company recognizes a financial liability when it becomes a party to the contractual provisions of the instruments.

(b) Classification of financial liabilities

The Company recognizes a financial liability when it becomes a party to the contractual provisions of the instruments.

(i) Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

The Company's accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost.

(ii) Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company does not have any liabilities classified as financial liabilities measured at fair value through profit or loss.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of comprehensive loss.

DEFENSE METALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars – Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

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

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The diluted earnings per share are calculated based on the weighted average number of common shares outstanding during the period, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the period (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the period.

Flow-through shares and units

The Company will from time-to-time issue flow-through common shares and units to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are issued, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows: (i) share capital – the market trading price of the common share; (ii) warrant reserve – based on the valuation derived using the Black-Scholes option pricing model or value attributed to warrants issued in non-flow-through unit offering on the same date with similar terms; and (iii) flow-through premium – any excess, recorded as a liability.

Upon expenses being incurred, the Company derecognizes the liability and credits other income when the entity renounces the tax benefits to the shareholders. Costs incurred in connection with the issuance of flow-through shares reduce the flow-through liability on a pro-rata basis.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments. The Company is also subject to a Part XII.6 tax on unspent flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Share Capital

Agent's warrants issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as consideration for exploration and evaluation assets is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds from unit placements are allocated between shares and warrants issued using the residual method whereby proceeds are allocated first to common shares based on the market value of the common shares at the time the units are issued, and any excess is allocated to warrants.

4. FINANCIAL AND CAPITAL RISK MANAGEMENT

	Level	September 30, 2022	March 31, 2022
		\$	\$
Cash	1	450,572	724,812
Accounts payable and accrued liabilities	1	91,237	668,616

The fair values of the Company's financial instruments approximate their carrying values due to the short-term nature of the financial instruments.

Management of Industry and Financial Risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash and the Company's liabilities. The Company's cash is held in corporate bank accounts available on demand. As at September 30, 2022, the Company has cash balance of \$450,572 (March 31, 2022 - \$724,812) to fulfill accounts payable and accrued liabilities obligations of \$91,237 (March 31, 2022 - \$668,616). Liquidity risk has been assessed as low. The financial liabilities as at September 30, 2022 are due within 90 days.

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4. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Price Risk

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the period ended September 30, 2022. The Company is not subject to any externally imposed capital requirements.

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5. EXPLORATION AND EVALUATION ASSETS

	Wicheeda Option
	\$
Balance at March 31, 2021	2,879,561
Acquisition costs	18,038,374
Drilling	1,178,297
Environmental	61,092
Field and camp costs	92,642
Geological (Note 6)	896,722
Helicopter survey	425,915
Geochemical	96,087
Management and administration (Note 6)	173,658
Mapping and reports	2,500
Preliminary economic assessment	231,204
BC Mining Tax Credit adjustment	62,578
Balance at March 31, 2022	24,138,630
Drilling	760,972
Environmental	113,228
Field and camp costs	477,774
Geological (Note 6)	654,123
Helicopter survey	530,674
Geochemical	342,525
Management and administration (Note 6)	75,000
Permitting related	34,281
Pilot plant	250,000
Preliminary economic assessment	258,674
Balance at September 30, 2022	27,635,881

Acquisition of Spectrum Mining Corporation

On November 22, 2018, the Company entered into an option agreement to acquire all the issued and outstanding shares of Spectrum Mining Corporation (“Spectrum”), which is the beneficial and registered holder of 100% interest in six mining claims located in the Cariboo Mining Division of British Columbia, Canada known as the Wicheeda Rare Earth Element Project (the “Property”). In order to exercise the option, the Company must meet the following requirements:

- a) Incur expenditures in respect of the Property totaling \$1,930,000 as follows:
 - i. \$680,000 within 12 months of the date of TSXV approval (“Effective Date”) (fully incurred)
 - ii. An additional \$625,000 within 24 months of the Effective Date (fully incurred); and
 - iii. An additional \$625,000 within 36 months of the Effective Date (fully incurred).
 - v. \$100,000 in cash on or before the third anniversary of the Effective Date (paid).

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5. EXPLORATION AND EVALUATION ASSETS (continued)

(b) Pay to Spectrum an aggregate of \$370,000 as follows:

- i. \$25,000 in cash (paid);
- ii. \$95,000 in cash within five (5) business days of the Effective Date (paid);
- iii. \$50,000 in cash on or before the first anniversary of the Effective Date (paid);
- iv. \$100,000 in cash on or before the second anniversary of the Effective Date (paid); and

(c) Issue to Spectrum:

- i. 200,000 common shares of the Company on the Effective Date (issued); and
- ii. 400,000 in common shares of the Company on or before the first anniversary of the Effective Date (issued).

On January 14, 2022, the Company exercised its option and acquired 100% of the Wicheeda Rare Earth Element Project through the acquisition of 100% of the issued and outstanding shares of Spectrum through the following issuances and payment:

- (a) Issued to the shareholders of Spectrum (the “Vendor”) on a pro rata basis, such number of common shares of the Company equal to 49% of the issued and outstanding common shares on a post-issuance basis (78,115,549 common share issued);
- (b) Paid \$100,000 in cash; and
- (c) Issued 1,171,733 common shares pursuant to a finder’s fee agreement with Mulgravian Ventures Corporation (“Mulgravian”), entered into in connection with the November 22, 2018 option agreement.

The acquisition was considered to be outside the scope of IFRS 3 Business Combinations (“IFRS 3”) since Spectrum’s operations did not meet the definition of a business for accounting purposes and as such, the acquisition was accounted for as an asset acquisition.

The consideration for the asset acquisition, and the related assets and liabilities acquired at January 14, 2022, are as follows:

Consideration paid to acquire Spectrum shares:	\$
Cash paid to Spectrum shareholders	100,000
Fair value of shares issued to Spectrum shareholders	17,575,999
Fair value of shares issued to Mulgravian	263,640
Total fair value of consideration	<u>17,939,639</u>
 Allocated as follows to Spectrum assets and liabilities:	
Cash	41
Other receivables	1,224
Exploration and evaluation asset	17,938,374
Net assets acquired	<u>17,939,639</u>

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5. EXPLORATION AND EVALUATION ASSETS (continued)

The Wicheeda Property is subject to a 2.0% net smelter returns royalty ("NSR Royalty") payable upon the commencement of any commercial production. The Company shall have the irrevocable right to purchase one-half (1/2) of the NSR Royalty from the Vendors, on a basis pro rata to their prior shareholdings in Spectrum (being 1.0% of Net Smelter Returns) for \$1,000,000, leaving the Vendors with an aggregate 1.0% NSR Royalty.

6. EQUITY

Share Capital

Authorized share capital of the Company consists of an unlimited number of fully paid Class A common shares without par value and an unlimited number of Class B preferred shares without par value of which none are issued and outstanding.

Subsequent to September 30, 2022

On November 22, 2022, the Company announced a private placement financing for gross proceeds of up to \$6,000,000 comprising: (i) up to 12,500,000 flow through common share ("FT Share") at a price of \$0.28 per FT Share for gross proceeds of up to C\$3.5 million; and (ii) up to 11,363,637 units (the "Units") at a price of \$0.22 per Unit for gross proceeds of up to \$2,500,000. Each Unit will consist of one common share and one-half of a non-transferrable Common Share purchase warrant. Each whole Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.32 exercisable over two years following the Closing Date.

For the period ended September 30, 2022

On April 5, 2022, the Company closed a non-brokered private placement of 8,996,267 units and 6,340,057 flow-through shares for gross proceeds of \$4,558,050. Each unit was priced at \$0.26 and is comprised of one common share and one transferable common share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at a price of \$0.40 per share for a period of 24 months from the date of closing the private placement. No value was allocated to warrants. Each flow-through share was priced at \$0.35 per share. The Company paid aggregate cash finder's fees of \$162,152 and issued 487,087 broker warrants exercisable at a price \$0.35 per share for 24 months.

On May 20, 2022, the Company closed a non-brokered private placement of 4,545,456 flow-through shares for gross proceeds of \$1,500,000. Each flow-through share was priced at \$0.33 per share. The Company paid a cash finder's fee of \$90,000 and issued 272,727 broker warrants exercisable at a price \$0.33 per share for 24 months.

During the period ended September 30, 2022, 1,826,600 share purchase warrants were exercised for \$0.15 per share for gross proceeds of \$273,990.

During the period ended September 30, 2022, 350,000 stock options were exercised for \$0.17 per share for gross proceeds of \$59,500.

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6. EQUITY (continued)

For the year ended March 31, 2022

On May 18, 2021, the Company closed a \$5,000,000 private placement with institutional investors by issuing 15,625,000 units at a price of \$0.32 per unit. Each unit comprises of one common share and one common share purchase warrant exercisable at \$0.425 per share for three years from the date of issuance. The agent was paid a cash finder's fee of \$400,000 and issued 1,250,000 compensation warrants fair valued at \$239,400 exercisable for \$0.32 per share for three years from the date of issuance. A residual value of \$390,625 was allocated to common share purchase warrants.

The Company incurred other share issuance cost of \$405,135 in addition to the cash finder's fees discussed above.

During the year ended March 31, 2022, 1,756,000 share purchase warrants were exercised for gross proceeds of \$359,500.

In connection with the acquisition of Spectrum, on January 14, 2022, the Company issued 78,115,549 common shares to the former shareholders of Spectrum and 1,171,733 common shares to Mulgravian pursuant to a finder's fee agreement (Note 4).

Options

For the period ended September 30, 2022

On April 12, 2022, the Company granted 900,000 options to consultants of the Company. Of these options granted, 100,000 were granted to a third-party investor relations company and vest over a period of twelve months in equal portions every three months starting three months from the date of grant. Another 300,000 were granted to another marketing consulting company and vest over a period of six months in equal portions every three months starting from the date of grant. These options are exercisable at \$0.29 per share for a period of two years. These options had a grant date fair value of \$130,550 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.29; ii) share price: \$0.29; iii) term: 2 years; iv) volatility: 93%; v) discount rate: 2.336%.

For the year ended March 31, 2022

On July 16, 2021, the Company granted 950,000 options to officers and consultants of the Company. 900,000 options vest at the date of grant and are exercisable at \$0.25 per share for a period of three years. These options had a fair value of \$148,525 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.25; ii) share price: \$0.23; iii) term: 3 years; iv) volatility: 111%; v) discount rate: 0.41%. 50,000 options granted to a third-party investor relations consultant will vest in stages over a period of twelve months in equal portions every three months starting three months from the date of grant.

On August 9, 2021, the Company granted 100,000 options to consultants of the Company which are exercisable at \$0.24 per share for a period of two years. These options had a fair value of \$14,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.24; ii) share price: \$0.24; iii) term: 2 years; iv) volatility: 118%; v) discount rate: 0.41%.

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6. EQUITY (continued)

On October 25, 2021, the Company granted 300,000 options to a director of the Company. These options vest at the date of grant and are exercisable at \$0.27 per share for a period of three years. These options had a fair value of \$59,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.27; ii) share price: \$0.27; iii) term: 3 years; iv) volatility: 112%; v) discount rate: 1.27%.

On January 17, 2022, the Company granted 300,000 options to a Director of the Company. These options vest at the date of grant and are exercisable at \$0.22 per share for a period of three years. These options had a fair value of \$44,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.22; ii) share price: \$0.235; iii) term: 3 years; iv) volatility: 112%; v) discount rate: 1.267%.

On January 21, 2022, the Company granted 8,000,000 options to officers and consultants of the Company. Of these options granted, 500,000 were granted to a third-party investor relations company and vest over a period of twelve months in equal portions every three months starting three months from the date of grant; the remainder of the options vest immediately. These options are exercisable at \$0.26 per share for a period of three years. These options had a grant date fair value of \$1,304,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.26; ii) share price: \$0.255; iii) term: 3 years; iv) volatility: 104%; v) discount rate: 1.469%.

On April 29, 2020, the Company granted 550,000 options to officers and consultants of the Company. Of these options granted, 75,000 were granted to a third-party investor relations company and vest over a period of twelve months in equal portions every three months starting three months from the date of grant. These options had a fair value of \$71,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.17; ii) share price: \$0.16; iii) term: 2 years; iv) volatility: 118%; v) discount rate: 0.41%.

On July 21, 2020, the Company granted 400,000 options to consultants of the Company which vest over a period of twelve months in equal portions every three months starting on the date of grant. These options had a fair value of \$39,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.20; ii) share price: \$0.175; iii) term: 2 years; iv) volatility: 114%; v) discount rate: 0.25%.

On September 29, 2020, the Company granted 550,000 options to directors, officers and consultants of the Company. These options had a fair value of \$68,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.20; ii) share price: \$0.16; iii) term: 5 years; iv) volatility: 113%; v) discount rate: 0.25%.

On November 26, 2020, the Company granted 495,000 options to directors, officers and consultants of the Company. Of these options granted, 25,000 were granted to a third-party investor relations company and vest over a period of twelve months in equal portions every three months starting three months from the date of grant. These options had a fair value of \$65,500 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.20; ii) share price: \$0.20; iii) term: 3 years; iv) volatility: 110%; v) discount rate: 0.25%.

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6. EQUITY (continued)

On February 6, 2021, the Company granted 200,000 stock options to officers, directors, and consultants to purchase common shares in the Company at a price of \$0.40 per common share. These options had a fair value of \$55,000 using the Black-Scholes model with the following inputs: i) exercise price: \$0.40; ii) share price: \$0.40; iii) term: 3 years; iv) volatility: 116%; v) discount rate: 0.41%.

On February 22, 2021, the Company granted 525,000 stock options to officers, directors, and consultants to purchase common shares in the Company at a price of \$0.65 per common share. 50,000 of these options vest in stages over a period of twelve months, every three months, commencing on grant date. These options had a fair value of \$226,000 using the Black-Scholes model with the following inputs: i) exercise price: \$0.65; ii) share price: \$0.63; iii) term: 3 years; iv) volatility: 116%; v) discount rate: 0.41%.

On March 11, 2021, the Company granted 300,000 stock options to officers, directors, and consultants to purchase common shares in the Company at a price of \$0.46 per common share. These options had a fair value of \$95,000 using the Black-Scholes model with the following inputs: i) exercise price: \$0.46; ii) share price: \$0.46; iii) term: 3 years; iv) volatility: 116%; v) discount rate: 0.41%.

In estimating the fair value of options issued using the Black-Scholes option pricing model, the Company is required to make assumptions. The expected volatility assumption is based on the historical volatility of similar companies operating in the same industry as the Company. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has historically not paid dividends on its common stock.

The Company granted the following incentive stock options to officers, directors, and consultants:

	Number of Options	Weight Average Exercise Price	Weighted Average Life (years)
Balance, March 31, 2021	5,816,333	0.25	3.00
Granted	9,650,000	0.26	2.74
Balance, March 31, 2022	15,466,333	0.26	2.46
Granted	900,000	0.29	1.79
Exercised	(350,000)	0.17	-
Expired	(450,000)	0.19	-
Balance, September 30, 2022	15,566,333	0.26	2.05

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6. EQUITY (continued)

The following stock options were outstanding and exercisable at September 30, 2022:

Number of Options Outstanding	Number of Options Vested and Exercisable	Exercise Price	Expiry Date
500,000	500,000	\$0.20	September 28, 2023
371,333	371,333	\$0.25	January 24, 2024
400,000	400,000	\$0.20	May 29, 2024
850,000	850,000	\$0.16	December 24, 2024
600,000	600,000	\$0.18	February 13, 2025
325,000	325,000	\$0.15	April 7, 2025
450,000	450,000	\$0.20	September 21, 2025
495,000	495,000	\$0.20	November 26, 2023
200,000	200,000	\$0.40	February 6, 2023
525,000	525,000	\$0.65	February 22, 2024
300,000	300,000	\$0.46	March 11, 2024
950,000	950,000	\$0.25	July 16, 2024
100,000	100,000	\$0.24	August 9, 2023
300,000	300,000	\$0.27	October 25, 2024
300,000	300,000	\$0.22	January 17, 2025
8,000,000	7,833,333	\$0.26	January 21, 2025
900,000	766,667	\$0.29	April 12, 2024
15,566,333	15,266,333		

Warrants

The Company issued the following warrants:

	Number of Warrants	Weight Average Exercise Price	Weighted Average Life (years)
Balance, March 31, 2021	10,074,950	0.26	0.99
Exercised	(1,756,000)	0.23	n/a
Expired	(2,337,350)	0.27	n/a
Issued	16,875,000	0.42	2.37
Balance, March 31, 2022	22,856,600	0.38	1.62
Granted	9,756,081	0.39	1.77
Exercised	(1,826,600)	0.15	-
Expired	(4,155,000)	0.34	-
Balance, September 30, 2022	26,631,081	0.41	1.59

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6. EQUITY (continued)

On April 5, 2022, the Company granted 487,087 broker warrants related to the closing of the private placement on the same day. The broker warrants have a term of two years and are exercisable at \$0.35 per share. These warrants had an aggregate fair value of \$60,800 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.35 per share; ii) share price: \$0.27; iii) term: 2 years; iv) volatility: 98.57%; v) discount rate: 2.348%.

On May 17, 2021, the Company granted 1,250,000 broker warrants. The broker warrants have a term of three years and are exercisable at \$0.32 per share. These warrants had an aggregate fair value of \$239,400 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.32 per share; ii) share price: \$0.30; iii) term: 3 years; iv) volatility: 110%; v) discount rate: 0.56%.

In estimating the fair value of broker warrants issued using the Black-Scholes option pricing model, the Company is required to make assumptions. The expected volatility assumption is based on the historical volatility of similar companies operating in the same industry as the Company. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate warrant exercise, forfeiture and employee termination within the valuation model. The Company has historically not paid dividends on its common stock.

The following warrants were outstanding and exercisable at September 30, 2022:

Number	Exercise Price	Expiry Date
15,625,000	\$0.43	May 17, 2024
1,250,000	\$0.32	May 17, 2024
8,996,267	\$0.40	April 5, 2024
487,087	\$0.35	April 5, 2024
272,727	\$0.33	May 20, 2024
26,631,081		

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7. RELATED PARTY TRANSACTIONS

Parties are considered to be 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. Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers and companies controlled by them. The table below summarizes key management compensation for various services received by the Company:

	Six months ended September 30, 2022	Six months ended September 30, 2021
	\$	\$
Exploration and evaluation	564,139	238,380
Share issuance cost	-	120,000
Office and administrative	6,300	6,300
Consulting	150,000	60,000
Professional fees	49,000	37,000

As at September 30, 2022, \$7,463 (March 31, 2022 - \$2,280) was owing to a private company owned by the Chief Financial Officer for expenses paid on behalf of the Company; \$19,275 (March 31, 2022 - \$19,750) was owing to a director; \$Nil (March 31, 2022 - \$424,167) was owing to a company of which a director was a principal of. Amounts owing to related parties are unsecured, non-interest bearing, and carry no fixed terms of repayment.

8. COMMITMENTS

As of September 30, 2022, the Company has a flow-through obligation of \$467,121 (March 31, 2022 - \$Nil) relating to unspent exploration commitments. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares. The expenditures must be incurred by December 31, 2023.

9. SEGMENTED INFORMATION

The Company operates in one business segment. The exploration, development and evaluation of the Wicheeda Project is located in British Columbia, Canada.

10. SUBSEQUENT EVENTS

See Note 6.