



**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Energy Metals Corporation:

### Opinion

We have audited the consolidated financial statements of Global Energy Metals Corporation (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that as at June 30, 2022 the Company has not achieved profitable operations, had an accumulated deficit of \$5,816,537 at June 30, 2022. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Steven Reichert.

**DMCL**

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

October 28, 2022



An independent firm  
associated with Moore  
Global Network Limited

**Global Energy Metals Corporation**  
**Consolidated Statement of Financial Position**  
**As at June 30, 2022 and 2021**  
(Expressed in Canadian dollars)

	June 30, 2022 - \$ -	June 30, 2021 - \$ -
<b>ASSETS</b>		
Current assets		
Cash	382,179	631,546
Receivables (Note 4,10)	87,487	158,707
Prepaid expenses (Note 4)	77,627	150,000
Marketable securities (Note 4)	425,095	378,244
	972,388	1,318,497
Deposits (Note 8)	13,013	13,013
Right-of-use asset (Notes 5,8)	34,114	69,618
Exploration and evaluation assets (Note 6)	7,918,866	7,165,394
<b>Total assets</b>	<b>8,938,381</b>	<b>8,566,522</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7,10)	264,222	351,058
Lease obligations - current portion (Notes 5,8)	32,940	46,092
	297,162	397,150
Long-term liabilities		
Lease obligations (Notes 5, 8)	-	35,733
<b>Total liabilities</b>	<b>297,162</b>	<b>432,883</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	12,499,177	10,563,361
Reserves (Note 9)	1,958,579	2,153,351
Deficit	(5,816,537)	(4,583,073)
<b>Total shareholders' equity</b>	<b>8,641,219</b>	<b>8,133,639</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,938,381</b>	<b>8,566,522</b>

Nature of operation and going concern (Note 1)  
Approved on behalf of the Board of Directors on October 28, 2022:

"Erin Chutter"                      "Paul Sarjeant"  
Erin Chutter, Director              Paul Sarjeant, Director

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

**Global Energy Metals Corporation**  
**Consolidated Statement of Loss and Comprehensive Loss**  
**For the years ended June 30, 2022 and 2021**  
(Expressed in Canadian dollars)

	Year ended June 30,	
	2022	2021
	- \$ -	- \$ -
General administrative and office	41,224	34,871
Depreciation expense (Note 5)	35,504	46,292
Consulting fees*	47,423	75,000
Management fees (Note 10)*	145,000	117,000
Marketing and advertising*	599,824	201,181
Corporate development*	122,000	95,000
Professional fees (Note 10)*	178,063	194,136
Filing fees*	69,379	54,182
Stock based compensation (Note 9)	-	324,230
Foreign exchange loss	-	9,508
Travel	12,375	1,017
Loss from operations	(1,250,793)	(1,152,417)
Other income	21,526	76,152
Interest on lease obligation (Note 8)	(4,196)	(8,148)
Gain from debt settlement (Note 9)	-	7,843
Loss for the year	(1,233,463)	(1,076,570)
Other comprehensive loss		
Items that will be not reclassified to profit or loss:		
Change in fair value of investment (Note 4)	(218,345)	143,994
Comprehensive loss	(1,451,808)	(932,576)
Loss per share - basic and diluted	(0.04)	(0.07)
Weighted average common shares outstanding - basic and diluted	28,878,780	16,306,082

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

**Global Energy Metals Corporation**  
**Consolidated Statement of Cash Flows**  
**For the years ended June 30, 2022 and 2021**  
(Expressed in Canadian dollars)

	2022	2021
	- \$ -	- \$ -
Cash flows from operating activities		
Net loss from continuing operations	(1,233,463)	(1,076,570)
Items not involving cash:		
Gain for debt settlement	-	(7,843)
Stock-based compensation	-	324,230
Depreciation	35,504	46,292
Interest on lease obligation	4,196	8,148
Lease payment forgiven	-	(24,565)
Net change in non-cash working capital		
Amounts receivable	71,219	(52,438)
Prepaid expenses	72,373	(150,000)
Accounts payable and accrued liabilities	105,556	(64,277)
	(944,615)	(997,023)
Interest paid	(4,196)	(8,148)
Cash used in operating activities	(948,811)	(1,005,171)
Cash flows from investing activities		
Exploration and evaluation expenditures	(534,559)	(34,241)
Cash used in investing activities	(534,559)	(34,241)
Cash flows from financing activities		
Share capital issued for cash, net of costs	1,192,588	1,620,359
Warrants exercised	90,300	83,496
Repayment of lease obligations net of interest accrual	(48,885)	(33,211)
Cash provided by financing activities	1,234,003	1,670,644
Increase (decrease) in cash	(249,367)	631,232
Cash, beginning	631,546	314
Cash, ending	382,179	631,546

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

**Global Energy Metals Corporation**  
**Consolidated Statement of Changes in Shareholders' Equity**  
**For the years ended June 30, 2022 and 2021**  
(Expressed in Canadian dollars)

	Share capital		Reserves				Deficit	Total equity
	Number of shares	Amount - \$ -	Options reserve - \$ -	Warrants valuation - \$ -	Accumulated other comprehensive (loss) income - \$ -	Total reserves - \$ -		
Balance, June 30, 2020	9,730,109	8,032,575	640,725	613,995	(88,319)	1,166,401	(3,506,503)	5,692,473
Net loss for the period	-	-	-	-	-	-	(1,076,570)	(1,076,570)
Shares issued for cash, net of issuance costs (Note 9)	9,678,000	1,692,987	-	27,373	-	27,373	-	1,720,360
Shares issued for asset acquisition (Notes 6 and 9)	3,500,000	668,500	-	-	-	-	-	668,500
Shares issued for debt settlement (Notes 9 and 10)	277,020	76,181	-	-	-	-	-	76,181
Shares issued for warrant exercised (Note 9)	556,640	93,118	-	(9,622)	-	(9,622)	-	83,496
Warrants issued for asset acquisition (Note 9)	-	-	-	500,974	-	500,974	-	500,974
Change in fair value of investments (Notes 4 and 6)	-	-	-	-	143,994	143,994	-	143,994
Stock-based compensation (Notes 9 and 10)	-	-	324,231	-	-	324,231	-	324,231
Balance June 30, 2021	23,741,769	10,563,361	964,956	1,132,720	55,675	2,153,351	(4,583,073)	8,133,639
Net loss for the period	-	-	-	-	-	-	(1,233,463)	(1,233,463)
Private placements, net of issuance cost (Note 9)	4,882,500	1,169,015	-	-	-	-	-	1,169,015
Shares issued for asset acquisition (Notes 6 and 9)	3,300,000	676,500	-	-	-	-	-	676,500
Shares issued from warrant exercised (Note 9)	570,000	85,500	-	-	-	-	-	85,500
Shares issued from broker warrant exercised (Note 9)	32,000	4,800	-	-	-	-	-	4,800
Warrants issued from private placement (note 9)	-	-	-	23,573	-	23,573	-	23,573
Change in fair value of investments (Note 4)	-	-	-	-	(218,345)	(218,345)	-	(218,345)
Balance, June 30, 2022	32,526,269	12,499,176	964,956	1,156,293	(162,670)	1,958,579	(5,816,536)	8,641,219

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

# Global Energy Metals Corporation

## Notes to the Consolidated Financial Statements

### For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

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## 1. NATURE OF OPERATIONS AND GOING CONCERN

Global Energy Metals Corporation (the “Company”) was incorporated under the Business Corporations Act of British Columbia on April 27, 2015. The Company (or “Global”) is in the business of exploring resource properties. The Company’s resource properties are located in Canada, United States, Norway and Australia. The Company’s head office, principal address and records of office is 1501 – 128 West Pender Street, Vancouver, British Columbia, Canada, V6B 1R8.

On February 20, 2018 the Company was listed for trading on the OTCQB Venture Market (the “OTCQB Venture”) in the United States under the symbol “GBLEF”. The Company’s common shares continue to trade on the TSX Venture Exchange (“TSX-V”) under the symbol “GEMC” as well as the Frankfurt Exchange under the symbol “5GE1”.

On June 27, 2019 the Company completed the acquisition of Element Minerals Australia Pty Ltd. an Australian private corporation including the Millennium and Mount Isa projects located in Queensland, Australia, which was until this date a fully owned subsidiary of Hammer Metals Limited (“Hammer”). Element Metals Australia Pty Ltd. (“Element”) became a wholly owned subsidiary of the Company (Note 6).

On October 1, 2020, the Company formed a new, wholly-owned U.S. subsidiary – U.S. Battery Metals Corp. with the purposes of searching for business opportunities in United States of America.

The 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 its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2022, the Company had not advanced its resource properties to commercial production and is not able to finance day to day activities through operations. The Company had a working capital of \$675,226 as at June 30, 2022 and an accumulated deficit of \$5,816,537. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and private placements of common shares.

## 2. BASIS OF PREPARATION

### ***Statement of Compliance***

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The consolidated financial statements were authorized for issue by the Board of Directors on October 28, 2022.

### ***Basis of Consolidation***

During the year ended June 30, 2021, the Company incorporated a wholly owned subsidiary in the United States.

As of June 30, 2022 the Company’s subsidiaries are listed below:

**Global Energy Metals Corporation**  
Notes to the Consolidated Financial Statements  
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(Expressed in Canadian dollars)

**2. BASIS OF PREPARATION (CONTINUED)**

<b>Name</b>	<b>Country of Incorporation</b>	<b>Interest</b>
U.S. Battery Metals Corp.	United States of America	100%
Element Minerals Australia Pty Ltd.	Australia	100%

***Basis of Measurement***

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

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

***Sources of Estimation Uncertainty***

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

Realization of exploration and evaluation assets

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

Site restoration obligations

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

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

As at June 30, 2022 and 2021, the Company is not aware of any environmental concerns relating to any of its exploration and evaluation assets that may result in a liability to the Company.

Valuation of share-based payments

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

**Global Energy Metals Corporation**  
Notes to the Consolidated Financial Statements  
For the years ended June 30, 2022 and 2021  
(Expressed in Canadian dollars)

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**2. BASIS OF PREPARATION (CONTINUED)**

***Sources of Estimation Uncertainty (Continued)***

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing losses.

Critical Accounting Judgments

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

Assessment of going concern

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

Assessment of functional currency

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

***Financial Instruments***

Classification

The Company classifies its financial instruments in the following categories: at FVTPL, FVTOCI or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

**Global Energy Metals Corporation**  
Notes to the Consolidated Financial Statements  
For the years ended June 30, 2022 and 2021  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Financial Instruments (Continued)*

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Receivables	Amortized cost
Marketable securities	FVTOCI
Deposits	Amortized cost
Accounts payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

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

Equity investments at FVTOCI

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

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements 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.

**Global Energy Metals Corporation**  
Notes to the Consolidated Financial Statements  
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(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

Financial liabilities

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

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

**Cash**

Cash consists of bank deposits, petty cash or highly liquid investments that are readily convertible to known amounts of cash with original maturities of 90 days or less and which are subject to an insignificant risk of change in value.

Exploration and Evaluation Assets ('E&E')

Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase.

Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur. The costs are accumulated by exploration area and are not depleted pending determination of technical feasibility and commercial viability.

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

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

**Global Energy Metals Corporation**  
Notes to the Consolidated Financial Statements  
For the years ended June 30, 2022 and 2021  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

**Impairment of Non-Financial Assets**

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

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

***Reclamation Obligations***

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

***Share Capital***

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

***Valuation of Equity Units issued in Private Placements***

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

***Share-based Payments***

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options

**Global Energy Metals Corporation**  
Notes to the Consolidated Financial Statements  
For the years ended June 30, 2022 and 2021  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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

***Loss per Share***

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

***Income Taxes***

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

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Foreign Currency Translation***

Transactions in currencies are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date.

Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired, or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

***Provisions***

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

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

***Leases***

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the consolidated statement of comprehensive loss. Short term leases are defined as leases with a lease term of 12 months or less.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. The depreciation is recognized from the commencement date of the lease.

# Global Energy Metals Corporation

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## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *New Standards and Interpretations*

New accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## 4. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### *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, receivables, and deposits. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

### *Foreign Exchange Risk*

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar, limited current assets are in Australian dollars and the Company is therefore exposed to foreign currency risk on those assets.

### *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: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

There were no changes in the Company's approach to risk management during the reporting period.

### *Capital Management*

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon external financing or the sale of assets to fund activities. In order to

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4. Financial Risk and Capital Management (CONTINUED)

carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at June 30, 2022:

	Within 60 days -\$-	Between 61-90 days -\$-	More than 90 days -\$-
Accounts payable	133,519	85,703	-
Accrued liabilities	45,000	-	-
	178,519	85,703	-

*Receivables*

The receivables are as follows:

	June 30, 2022 -\$-	June 30, 2021 -\$-
Receivables:		
GST Receivable	44,614	20,470
Rent Reimbursement (Note 10)	42,873	38,237
Share subscription receivables	-	100,000
	87,487	158,707

As at June 30, 2022, prepaid expenses consist of \$77,627 (2021- \$150,000) in marketing, promotion and advertising activities.

*Marketable Securities*

At June 30, 2022 marketable securities consist of 1,150,000 shares from Electric Royalties Ltd ("Electric Royalties") as part of the agreement to sell a portfolio of royalty interests to Electric Royalties on the Millennium Cobalt Project and 200,000 common shares as part of the 1% NSR royalty agreement for the acquisition of the Rana Nickel project by Electric Royalties Ltd. the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project. 257,178 shares of Marquee Resources Ltd. as part of the joint venture agreement on the Werner Lake Project, 31,250,000 shares from Metal Bank Limited, as part of the Earn-In and Joint Venture agreement, to earn up to 80% interest in the Millennium Copper, Cobalt and Gold Project in Mount Isa (Note 6). At June 30, 2022, the fair market value of the equity investments were calculated based on the quoted market price of the shares as follows: For Marquee Resources Ltd, \$0.05, for Electric Royalties Ltd. \$0.24 and for Metal Bank Ltd. \$0.004. The following table describes the fair market value of the securities at June 30, 2022, additions and disposals during the year and changes in OCI. The Company recorded a loss of \$218,345 for these shares in OCI.

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**4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)**

Marketable Securities: Fair Market Value	June 30, 2020	Addition (disposal)	Changes recorded in OCI	June 30, 2021	Addition (disposal)	Changes recorded in OCI	June 30, 2022
	\$	\$	\$	\$	\$	\$	\$
Marquee Resources Ltd	9,652	-	3,496	13,148	-	557	13,705
Electric Royalties Ltd	-	224,598	140,498	365,096	65,739	(130,596)	300,240
Metal Bank Limited	-	-	-	-	199,457	(88,307)	111,150
<b>Total Fair Market Value of Marketable Securities</b>	<b>9,652</b>	<b>224,598</b>	<b>143,994</b>	<b>378,244</b>	<b>265,196</b>	<b>(218,345)</b>	<b>425,095</b>

As per IAS 10.11 - Events after the reporting period, a decline in fair value of investments between the end of the reporting period and the date when the financial statements are authorised for issue. As of October 19, 2022, the price of Metal Bank Limited and Marquee Resources Ltd remain unchanged and the price of Electric Royalties Ltd. increased to \$0.25 per share.

**5. RIGHT-OF-USE ASSET**

	June 30, 2022	June 30, 2021
Cost:		
Balance, beginning	\$ 160,778	\$ 160,778
Additions	-	-
Balance, ending	160,778	160,778
Accumulated amortization:		
Balance, beginning	91,160	44,868
Additions	35,504	46,292
Balance, ending	126,664	91,160
Net book value:		
Balance, beginning	69,618	115,910
Balance, ending	\$ 34,114	\$ 69,618

The right-of-use asset relates to leased office space. The lease is reflected as a right-of-use asset, with an associated lease liability (Note 8). The discount rate applied to the lease is 8% per annum.

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**6. EXPLORATION AND EVALUATION ASSETS**

	June 30, 2020	Addition (disposal)	June 30, 2021	Addition (disposal)	June 30, 2022
	-\$-	-\$-	-\$-	-\$-	-\$-
<b>Werner Lake Project</b>					
Acquisition costs	2,658,365	-	2,658,365	-	2,658,365
Exploration expenditures	140,521	-	140,521	-	140,521
Permits and Licences	69	12,262	12,331	14,509	26,840
Camp cost	17,844	(1,947)	15,897	-	15,897
Geological services	244,624	3,500	248,124	5,000	253,124
Total Werner lake	3,061,423	13,815	3,075,238	19,509	3,094,747
<b>Millennium Project</b>					
Acquisition costs	1,430,568	-	1,430,568	-	1,430,568
Drilling	753,308	-	753,308	-	753,308
Permits and Licences	40,390	-	40,390	-	40,390
Property maintenance	47,568	52,673	100,241	47,671	147,912
Travel	17,613	-	17,613	-	17,613
Geological services	112,567	12,643	125,210	-	125,210
Option payment recoveries	-	(18,226)	(18,226)	-	(18,226)
Royalties	-	(374,595)	(374,595)	(199,456)	(574,051)
Total Millennium Project	2,402,014	(327,505)	2,074,509	(151,785)	1,922,724
<b>Lovelock Mine and Treasure Box Project</b>					
Acquisitions	154,495	6,614	161,109	-	161,109
Drilling	-	-	-	105,875	105,875
Acquisition of technology	200,000	229,687	429,687	-	429,687
Permits and Licences	-	-	-	7,268	7,268
Exploration expenditures	156,181	115,890	272,071	171,845	443,916
Total Lovelock Mine and Treasure Box Project	510,676	352,191	862,867	284,988	1,147,855
<b>Rana Project</b>					
Acquisitions	-	2,993	2,993	676,500	679,493
Royalties	-	-	-	(75,740)	(75,740)
Total Rana Project	-	2,993	2,993	600,760	603,753
<b>Monument PK - Chance LK &amp; Amiral</b>					
Acquisitions	-	1,149,787	1,149,787	-	1,149,787
Total Monument PK - Chance LK & Amiral	-	1,149,787	1,149,787	-	1,149,787
	<b>5,974,113</b>	<b>1,191,281</b>	<b>7,165,394</b>	<b>753,472</b>	<b>7,918,866</b>

*Werner Lake Project*

On January 19, 2016, the Company acquired exploration and evaluation assets in the Werner Lake mineral belt in the Kenora Mining Division, Ontario, Canada from Global Cobalt Corp. ("GCO") with a fair value of \$2,953,185. From 2008 to 2010, GCO acquired certain claims in the Werner Lake mineral belt from three optionors: Benton Resources Corp. ("Benton"), Commerce Capital Inc. ("Commerce"), and Teck Resources Ltd. ("Teck"), together the Werner Lake Project ("Werner Lake"). Pursuant to an agreement between Puget Ventures Inc. ("Puget", later known as GCO) and Commerce, Puget acquired all of Commerce interest in the property. Commerce received a payment of \$1 million and the claims

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**6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

*Werner Lake Project (continued)*

acquired from Commerce are subject to a 2% net smelter return (“NSR”) on all ores, minerals or concentrates produced from the property. Puget retained the right to acquire 50% of the NSR for a price of \$2 million. The Company has assumed this right.

On November 17, 2017, the Company entered into an option agreement with Marquee Resources Ltd. (“Marquee”) for the right to acquire up to a 70% interest in the Werner Lake Project.

On February 28, 2018, all conditions precedent were met in the Werner Lake transaction with Marquee. As consideration for Marquee’s option to earn either a 30% or a 70% interest in Werner Lake, the Company received a cash payment totalling \$196,848 (AUD200,000) and common shares in Marquee valued at \$97,972 (AUD100,000). The shares were revalued at June 30, 2022 to \$13,705 (2021: \$13,148) and the Company recorded an unrealized gain of \$557 (2021: gain of \$3,496) in OCI during the year ended June 30, 2022.

In order to maintain and enforce the option granted, Marquee must incur expenditures of AUD1,000,000 to earn a 30% interest in Werner Lake within year one and a further AUD 1,500,000 (for a total of AUD2,500,000) to earn a 70% interest in Werner Lake by year two.

The parties will enter into a customary joint venture agreement once Marquee exercises its option to acquire either a 30% or 70% interest in Werner Lake. In addition, upon obtaining a pre-feasibility study according to a commercially reasonable standard, Marquee will pay the Company AUD150,000.

On November 5, 2018, Marquee announced that stage one expenditure commitment of AUD1,000,000 had been reached and gave notice to the Company of its intention to earn the 70% interest in the project by incurring the second stage of expenditure (AUD1,500,000) on the project.

After meeting the expenditure commitment of AUD1,000,000, Marquee now owns 30% of the property and the Company retains the remaining 70%. On April 20, 2022 the Company announced that Marquee would cease earning into the project and maintain a 30% ownership.

*Millennium Project*

On June 27, 2019, the Company completed the acquisition of the 100% interest of Millennium and Mount Isa projects (collectively “Millennium Project”) via the 100% acquisition of Element (holder of said properties), an Australian private company, a wholly owned subsidiary of Hammer which holds 100% ownership on Millennium and Mount Isa projects. Pursuant to the terms of the Millennium Acquisition Agreement, the Company issued to Hammer 1,922,564 common shares of the Company with a fair value of \$1,155,338.

*Initial Royalty*

On February 2, 2021, the Company completed the sale of a portfolio of royalty interests to Electric Royalties on the Millennium Cobalt Project, the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project located in Queensland Australia. Pursuant to the terms of the agreement, in consideration for a 0.5% gross metal royalty (the “Royalty”) on Millennium and the Mount Isa Projects, Electric Royalties will issue to the Company 1,150,000 shares (the “Consideration Shares”) in Electric Royalties and make a \$150,000 cash payment. The Consideration shares will be escrowed and have a staged vesting period over eighteen months as follows:

- 25% of the shares will vest 6 months after the closing date;
- 25 of the shares will vest 12 months after the closing date; and
- 50% of the shares will vest 18 months after the closing.

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## 6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

### *Millennium Project (continued)*

Total cash and share consideration received was \$374,595.

#### Additional Royalties Option

Electric Royalties, has also been granted a call option ("First Option"), exercisable at any time, for a period of two years from the Effective Date, to acquire a 0.5% royalty on the Net Smelter Returns from the Millennium Cobalt Project (the "Millennium NSR"), by paying C\$500,000 to the Company, payable up to 25% in shares of Electric Royalties, at Electric Royalties' election.

Upon exercise of the First Option, Electric Royalties will have a call option, exercisable on the earlier of: (i) the third anniversary of the Closing Date and (ii) six months from the date that a preliminary economic analysis or similar study on the Millennium Project is provided to Electric Royalties, to increase the Millennium NSR by a further 1%, by paying \$1,000,000 to Global, payable up to 25% in shares of Electric Royalties, at the election of Electric Royalties.

On June 28, 2021, the Company entered into an option agreement with Metal Bank Limited ("MBK"). The Company granted MBK exclusive option to earn up to 80% interest in the Millennium Project. Total consideration is cash of \$10,000 and completion of \$120,000 of work program. During the year ended June 30, 2021, the Company received \$18,226 from MBK. On December 13, 2021, the Company entered into a formal earn-in and joint venture agreement ("JV Agreement") with MBK Millennium Pty Ltd. ("MBKM"), a wholly owned subsidiary of Metal Bank Limited ("Metal Bank" and/or "MBK") in favour of MBKM to earn-in up to an 80% interest in the Millennium Copper, Cobalt and Gold Project in Mount Isa, Queensland ("Millennium Project") owned by the Company's wholly owned subsidiary, Element.

The JV Agreement provides for three stages as follows:

- Stage 1 Earn-in, during which MBKM will sole fund exploration expenditure to earn a 51% Joint Venture interest and the right to either:  
form the JV and move to Stage 2, at which time MBK must issue shares to the Company (or its nominee) equivalent in value to \$350,000, based on the 30 day VWAP of MBK shares at the date of MBKM giving notice to move to Stage 2; or  
give notice to buy-out 29% of Element remaining interest, with MBKM taking an 80% interest in the project in consideration of the payment by MBKM of \$1M in cash and the issue of MBK shares to the Company (or its nominee) equivalent in value to \$250,000, based on the 30 day VWAP of MBK shares at the date of MBKM giving the buy-out notice. In the event such notice is given and the consideration is paid, the Stage 3 Joint Venture will be formed on an 80% MBK, 20% Element basis.
- Stage 2 Joint Venture, with MBKM holding a 51% JV interest. During this Stage MBKM will sole fund exploration expenditure of \$2M to earn an additional 29% interest in the JV, taking MBKM's JV interest to 80%.
- Stage 3 Joint Venture, where MBKM holds an 80% JV interest and Element holds a 20% JV interest and each party contributes its percentage share of expenditure.

In addition to the above, upon MBKM completing its Stage 2 expenditure commitment and moving to an 80% JV interest, Element may elect to require MBK to buy out Element's remaining 20% interest for shares in MBK at a value to be agreed, or failing agreement to be determined by an expert. If Element does not exercise this right, the Stage 3 Joint Venture will proceed with both parties jointly funding exploration, feasibility and development expenditure in their proportionate shares.

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**6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

*Millennium Project (continued)*

As at June 30, 2022, the Stage 1 earn-in phase had commenced. During this stage, MBK will solely fund exploration expenditures of \$1M over the next year to earn a 51% interest in the Project.

As part of its Stage 1 earn-in obligations, MBK issued 31,250,000 shares to the Company based on an issue price of \$0.008, being the 30 day VWAP as at close of business on December 10, 2021.

*Lovelock Mine and Treasure Box Project*

On January 21, 2019 (“the “Effective Date”), the Company entered into a Definite Agreement with Nevada Sunrise Gold Corporation (“Nevada Sunrise”) to acquire an 85% interest in the Lovelock Cobalt Mine and the Treasure Box Project, located in Nevada.

During the year ended June 30, 2019, the Company issued 200,000 units with a fair value of \$150,000 and paid \$50,000 in cash for the acquisition of the right to use technology for the exploration activities in the Lovelock Cobalt Mine and the Treasure Box Project. The Company issued additional 38,462 common shares with a fair value of \$23,001 and paid \$27,018 in cash to Nevada Sunrise in connection with this agreement.

On April 7, 2020 the Company negotiated and entered into an agreement (the “Agreement”) with Nevada Sunrise and Primus Resources Ltd (“Primus) pursuant to which the Company will accelerate and acquire an ownership interest in the Nevada-based Lovelock and Treasure Box battery minerals projects (the “Property”). This Agreement replaced and superseded the original option agreement made as of January 21, 2019 pursuant to which Nevada Sunrise granted to the Company an option to purchase an undivided 85% interest in the Property.

*Main Terms of the Agreement*

Upon the satisfactory completion of certain closing conditions, the Agreement provides, among other things, that the Company will purchase an 85% interest in the Property, with Nevada Sunrise retaining 15% in the Property, subject to a 2% net smelter royalty in favour of Primus provided for in the underlying option agreement between Primus and Nevada Sunrise. A joint venture between the Company and Nevada Sunrise will be formed to further explore and develop the Property.

In consideration for entering into this Agreement and for the transfer of the Property as to an undivided 85% interest and Nevada Sunrise as to an undivided 15% interest, the Company shall on Closing:

1. Pay to Primus the sum of USD \$35,000 (the “Cash Payment”) (Paid);
2. Issue to Primus 1,000,000 Common Shares of the Company after the share consolidation completed (Note 9), at the deemed price of CDN \$0.10 a share; and
3. Issue to Nevada Sunrise 750,000 Common Shares of the Company after the share consolidation completed (Note 9), at the deemed price of CDN \$0.10 a share and forego the originally contemplated exploration expenditures of USD \$1 million. All 3 items were completed during the fiscal year ended June 30, 2021.

Upon the earlier of 1 year or \$1 million of project expenditures incurred by the Company, both the Company (85%) and Nevada Sunrise (15%) would fund joint venture expenditures pro rata to their joint

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**6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

*Lovelock Mine and Treasure Box Project (continued)*

venture interest or be diluted to a 1% net smelter royalty. The net smelter return can be repurchased by either party for \$1 million.

Primus will maintain its current net smelter royalty on the Nevada Projects being 2% with the Company having the right, exercisable at any time, to purchase up to 50% of the Royalty granted to Primus by payment to Primus of \$1,500,000 subject to a protection hedge against inflation of the U.S. Dollar, using an agreed upon price of \$3.25 per pound copper. Upon payment of \$1,500,000 or the cash value of 462,000 (four hundred, sixty-two thousand) pounds of copper, whichever value is greater at the time of the purchase of half of the royalty, the royalty shall be reduced to 1% of net smelter returns.

*Monument PK – Chance Lk & Amiral*

On March 2<sup>nd</sup>, 2021, the Company entered into a Mineral Claim Purchase Agreement with DG Resource Management Ltd. (“DG Resource Management”) for the acquisition of a 50% interest in a portfolio of battery metal projects, which include:

- Monument Peak, Idaho, USA (Copper, Silver, Gold)
- Chance Lake, Quebec (Nickel, Copper, Cobalt)
- Amiral, Quebec (Nickel, Copper, PGE’s)

Terms of the Acquisition:

In consideration of the Acquisition, the Company has agreed to make, cash payments in the aggregate amount of \$200,000 of which \$98,654 are outstanding and included in accounts payable, and issued 1,750,000 common shares (Note 9) and 1,750,000 common share purchase warrants (Note 9) with each warrant being exercisable at \$0.30, subject to acceleration, for a period of two years for a common share. \$100,000 of the cash payment will be applied to project advancement initiatives including the completion of a technical report on the Monument Peak project.

The Payment Shares are subject to resale restrictions of 4 months plus one day in accordance with applicable securities legislation and will also be subject to a voluntary pooling arrangement, pursuant to which the shares will be endorsed with applicable legends and released as follows:

- 25% of the Payment Shares shall be released on that day that is four months and one day following the date of issuance thereof;
- 25% of the Payment Shares shall be released on the day that is eight months and one day following the date of issuance thereof; and
- 50% of the Payment Shares shall be released on the day that is twelve months and one day following the date of issuance thereof.

*The Råna Nickel Project*

On March 22, 2021 the Company entered into a Mineral Claims Purchase Agreement to acquire a 10% interest in a portfolio of four exploration licences from Scandinavian Resource Holdings Pty Ltd. (“SRHP”) and to acquire a 1% royalty on the Net Smelter Returns from the Property (the “NSR”) from Chinchinchee Nominee Pty Ltd. (the “Royalty Holder”).

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**6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

*Rana Nickel Project, (continued)*

*Terms:*

In consideration of the 10% interest and 1% NSR on the Råna Nickel Project, the Company will issue to the SRHP 3,300,000 common shares (the "Payment Shares"), subject to statutory and voluntary escrow Provisions. The Company shall have a carried interest on the Råna Nickel Project and will not be responsible for any project costs, including without limitation, construction costs, exploration costs, mine costs and operating costs on the property, until the Vendor, or an affiliate of the Vendor, incurs greater than \$1,500,000 of project expenditures.

Either the SRHP or the Royalty Holder has the right to purchase half of the NSR, which is a 0.5% royalty on Net Smelter Returns, for the purchase price of 1,000,000 on or before the date on which Commercial Production commences.

The Payment Shares will be subject to resale restrictions of 4 months plus one day in accordance with applicable securities legislation and will also be subject to a voluntary pooling arrangement, pursuant to which the shares will be endorsed with applicable legends and released as follows:

- 50% of the Payment Shares shall be released on that day that is four months and one day following the date of issuance thereof;
- 25% of the Payment Shares shall be released on the day that is eight months and one day following the date of issuance thereof; and
- 25% of the Payment Shares shall be released on the day that is twelve months and one day following the date of issuance thereof.

On July 8, 2021, the Company completed, its strategic acquisition of a 10% strategic interest in the Råna Nickel-Copper-Cobalt project including the past-producing Bruvann Nickel Mine in the Råna mafic-ultramafic intrusion in Northern Norway.

As part of the transaction, GEMC will also acquire a 1% royalty on the Net Smelter Returns from the Property (the "NSR") from Chincerinchee Nominee Pty Ltd. (the "Royalty Holder").

As consideration for the acquisition, GEMC issued an aggregate of 3,300,000 common shares of GEMC to Scandinavian Resource Holdings Pty Ltd., (the "Vendor"), all of which are subject to a statutory hold period of 4 months and one day from the date of the issuance. In addition, 850,000 shares are subject to an additional voluntary hold period expiring on March 3, 2022 and a further 850,000 shares are subject to a voluntary hold period expiring on July 3, 2022.

On January 31, 2022, the Company announced the closing of the Rana Nickel Royalty acquisition by Electric Royalties Ltd. ("Electric Royalties" and/or "ELEC, Scandinavian Resource Holdings ("SRH") and GEMC created and agreed to sell to Electric Royalties a new 1% net smelter return royalty (the "1% NSR") on four exploration licenses totaling 25 square kilometers in the Råna mafic-ultramafic intrusion in Northern Norway, including the past producing Bruvann Nickel mine (the "Råna Project" or "Råna"), jointly held by GEMC and SRH.

In connection with closing, ELEC issued total consideration of 2,000,000 common shares of the company ("Consideration Shares") and \$100,000 cash payable to GEMC and SRH in proportion to project ownership. The Consideration Shares are subject to a voluntary escrow lock-up agreement which

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**6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

*Rana Nickel Project, (continued)*

provides that 50% of the common shares will be subject to a hold period of 4 months and one day, 25% for 8 months and the remaining 25% for 12 months.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	June 30, 2022	June 30, 2021
	-\$-	-\$-
Accounts payable (Note 10)	219,222	313,558
Accrued liabilities	45,000	37,500
	264,222	351,058

Included in accounts payable is \$113,888 (2021 - \$62,688) due to related parties (Note 10).

**8. LEASE OBLIGATIONS**

Beginning July 1, 2019, the lease liability was measured as the present value of the future lease payments that were not paid at that date. These lease payments are discounted using a discounted rate of 8% per annum, which represents the Company's estimated incremental borrowing rate.

The following is a continuity schedule of lease liabilities for the year ended June 30, 2022:

	June 30, 2022		June 30, 2021	
Balance, beginning	\$	81,825	\$	139,601
Lease Payments		(53,081)		(41,359)
Interest on lease liability		4,196		8,148
Payments forgiven		-		(24,565)
Current portion of lease liability		32,940		46,092
Long term Portion of lease liability		-		35,733
Balance, ending	\$	32,940	\$	81,825

The Company paid rental deposits totalling \$13,013 in respect of this office lease.

**9. SHARE CAPITAL**

***Authorized***

An unlimited number of common shares without par value.

***Issued***

Fiscal Year 2022

***Private Placements***

In March 2022 the Company issued a total of 4,882,500 units for \$1,220,625, less share issuance costs of \$51,609 for a net total of \$1,169,015, in two tranches as follows:

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**9. SHARE CAPITAL (CONTINUED)**

On March 25, 2022, the Company issued 662,500 units for a total of \$165,625 as part of the second and final tranche of its private placement.

On March 8, 2022, the Company issued 4,220,000 units for a total of \$1,055,000 as part of the first tranche of its private placement. Each unit consists of a common share and 1 common share purchase warrant. Each common share purchase warrant entitles the holder to acquire 1 common share of the Company at \$0.40 for a period of 24 months from the date of issuance subject to an acceleration clause. A Value of \$nil was attributable to the share purchase warrants using the residual method.

The Company paid \$28,037 and 132,800 broker warrants as finder's fees on this private placement. Each Broker warrant entitles the holder to 1 common shares at \$0.40 for a period of 12 months from the date of issuance, subject to the same acceleration clause. The fair value of the broker warrants was determined to be \$23,573 using the Black Scholes Option Pricing Model following assumptions: risk free rate of 0.32%, expected life of one year, expected volatility of 172% and dividend yield of nil.

On January 26, 2022, 60,000 warrants were exercised at \$0.15 valued at \$9,000.

On December 21, 2021, 150,000 warrants were exercised at \$0.15 valued at \$22,500.

On December 3, 2021, 200,000 warrants were exercised at \$0.15 valued at \$30,000.

On December 2, 2021, 160,000 warrants were exercised at \$0.15 valued at \$24,000.

On September 2, 2021, 32,000 broker warrants were exercised at \$0.15 valued at \$4,800.

On July 2, 2021, the Company issued an aggregate of 3,300,000 common shares to SRHP, all of which are subject to a statutory hold period of 4 months and one day from the date of the issuance. In addition, 850,000 shares are subject to an additional voluntary hold period expiring on March 3, 2022 and a further 850,000 shares are subject to a voluntary hold period expiring on July 3, 2022 (Note 6).

**Fiscal year 2021**

On May 13, 2021, the Company issued 4,400,000 units for \$1,100,000. Each unit consists of a common share and 1 common share purchase warrant. Each common share purchase warrants entitles the holder to acquire 1 common share of the Company at \$0.30 for a period of 24 months from the date of issuance.

The Company paid \$13,500 and 32,000 broker warrants as finder's fees on this private placement with the same conditions as the private placement. Each warrant entitles the holder to 1 common shares at \$0.30 for a period of 12 months from the date of issuance, subject to the same acceleration clause disclosed above. The fair value of the broker warrants was determined to be \$6,653 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.32%, expected life of one year, expected volatility of 172% and dividend yield of nil.

On September 28, 2020, the Company issued 5,278,000 shares as part of a private placement at a price of \$0.125 per unit for a total of \$659,750. Each unit consisted of one common share and one transferable common share purchase warrant at an exercise price of \$0.15 for 3 years from the date of issuance. A value of \$nil was attributable to the share purchase warrants using the residual method.

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**9. SHARE CAPITAL (CONTINUED)**

The Company paid finders' fees as follows: \$25,891 and 153,280 broker warrants, each broker warrant at an exercise price of \$0.15 for 12 months from the date of issuance. The fair value of the broker warrants was determined to be \$20,719 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.31-0.33%, expected life of one year, expected volatility of 242-243% and dividend yield of nil.

*Shares issued for asset acquisition*

On May 25, 2021, The Company issued to DG Resource Management 1,750,000 common shares and 1,750,000 common share purchase warrants with each warrant being exercisable at \$0.30, subject to acceleration, for a period of two years for a common share, as part of the acquisition of a 50% interest in a portfolio of battery metal projects (Note 6).

The fair value of the common shares and warrants issued were \$438,813 and \$500,974 respectively. The common shares and warrants are subject to resale restrictions (Note 6). The share value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restriction.

On September 16, 2020, the Company issued 1,000,000 common shares to Primus and 750,000 common shares to Nevada Sunrise as part of the acquisition agreement dated April 7, 2020 (Note 6). The fair value of the common shares issued were \$229,687. The common shares are subject to resale restrictions (Note 6). The share value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restriction.

*Others*

During the year June 30, 2021, 556,640 warrants were exercised at a price of \$0.15 for gross proceeds of \$83,496. The value of the warrants were transferred from the reserve to share capital.

During the year June 30, 2021, the Company issued 277,020 common shares to settle debt of \$76,181.

On August 20, 2020, the Company announced that effective on August 25, 2020, the implementation of share consolidation of all of the issued and outstanding share capital on a 10 old for 1 new basis.

The post-consolidation share capital of the Company at June 30, 2021 is described in the below table:

	Pre-Consolidation	Post-Consolidation
<i>At June 30, 2020:</i>		
Common Shares	97,301,171	9,730,109
Options	4,806,482	480,648
Warrants	18,270,000	1,827,000
<i>At June 30, 2021:</i>		
Common Shares	-	23,741,769
Options	-	1,175,000
Warrants	-	12,883,640

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**9. SHARE CAPITAL (CONTINUED)**

**Options**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers and employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The maximum discount allowed varies with share price, with a maximum of 25% and minimum price of \$0.05.

Options may be exercised no later than 30 days following cessation of the optionee's position with the Company or other reasonable time of period approved by the Board of Directors. Pursuant to the stock option plan, options granted in respect of investor relation activities are subject to vesting in a stage of one year from the grant date. Vesting restrictions may also be applied to other options grants, at the discretion of the Board of Directors.

On November 20, 2020 the Company announced the cancellation of 480,648 stock options including those held by directors, officers, advisors and consultants. In addition to the cancellation of these options and pursuant to its stock option plan, the Company has granted stock options to directors, officers, advisors and consultants of the Company, in the amount of 1,175,000 common shares, exercisable at \$0.275 per share for a period of five years vesting at grant date. The fair value of the stock options was determined to be \$324,230 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.38%, expected life of 5 years, expected volatility of 163% and dividend yield of nil. The options vested immediately.

The following table is a summary of stock options transactions during the years ended June 30, 2022 and 2021:

	June 30, 2022		June 30, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning	1,175,000	\$ 0.275	480,648	\$ 1.50
Issued	-	-	1,175,000	0.275
Cancelled	-	-	(480,648)	1.50
Balance, ending	1,175,000	\$ 0.275	1,175,000	\$ 0.275

The following summarizes information about stock options outstanding at June 30, 2022:

	June 30, 2022		June 30, 2021	
Issue Date	Expiry Date	Exercise Price	Number of Options Outstanding	
20-Nov-20	19-Nov-25	\$0.275	1,175,000	1,175,000
Weighted average remaining contractual life of options			3.39 yrs.	4.39 yrs.

**Warrants**

The following is a summary of share purchase warrants transactions during the years ended June 30, 2022 and 2021:

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**9. SHARE CAPITAL (CONTINUED)**

	June 30, 2022		June 30, 2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning	12,883,640	\$ 0.34	1,827,000	\$ 1.00
Issued	5,015,300	0.40	11,613,280	0.15
Exercised	(602,000)	0.15	(556,640)	0.15
Expired	(1,907,640)	0.15	-	-
Balance, ending	15,389,300	\$ 0.31	12,883,640	\$ 0.34

The following summarizes information about share purchase warrants outstanding at June 30, 2022:

Issue Date	Expiry Date	Exercise Price	June 30, 2022	June 30, 2021
			Number of Warrants Outstanding	
16-Apr-19	15-Apr-22	\$1.00	-	1,627,000
7-Jun-19	6-Jun-22	\$1.00	-	200,000
9-Sep-20	8-Sep-23	\$0.15	1,616,000	1,966,000
9-Sep-20	8-Sep-21	\$0.15	-	77,440
28-Sep-20	27-Sep-23	\$0.15	2,608,000	2,828,000
28-Sep-20	27-Sep-21	\$0.15	-	3,200
13-May-21	12-May-23	\$0.30	3,480,000	3,480,000
14-May-21	13-May-23	\$0.30	920,000	920,000
14-May-21	13-May-22	\$0.30	-	32,000
18-May-21	17-May-23	\$0.30	1,750,000	1,750,000
8-Mar-22	7-Mar-23	\$0.40	128,000	-
8-Mar-22	7-Mar-24	\$0.40	4,220,000	-
25-Mar-22	24-Mar-23	\$0.40	4,800	-
25-Mar-22	24-Mar-24	\$0.40	662,500	-
			15,389,300	12,883,640
Weighted average remaining contractual life of warrants (years)			1.10 yrs.	1.24 yrs.

**Basic and diluted loss per share**

The calculation of basic and diluted loss per shares for the year ended June 30, 2022, was based on the loss attributable to common shareholders of \$1,233,463 (2021 - \$1,076,570) and the weighted average number of common shares outstanding of 28,878,780 (2021 - 16,306,082).

**Share-based payment reserve**

The share-based payment reserve records items recognized as share-based compensation expense until such time the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

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**9. SHARE CAPITAL (CONTINUED)**

**Warrant reserve**

The warrant reserve records the proceeds allocated to warrants on the issuance of units in private placements until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**10. RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2022, the Company entered into the following transactions with related parties:

Incurred \$121,000 (2021 – \$90,000) to the CFO of the Company for professional fees.

Incurred \$145,000 (2021 – \$117,000) to the president and CEO of the Company, for management fees.

During the year the Company received proceeds of \$70,000 (2021 -\$108,625) from officers and directors of the Company as part of private placements.

During the year the Company settled outstanding accounts payables with officers of the company with a value of \$nil (2021- \$13,625, by the issuance of 54,500 shares)

*Related party balances*

At June 30, 2022, accounts payable balance to related parties consist of \$113,888 (June 30, 2021 - \$62,688) owed to directors and officers of the Company and companies with directors in common. These amounts are unsecured, non-interest bearing and due on demand (Note 7).

As at June 30, 2022, included in receivables, is an amount of \$38,237 (June 30, 2021- \$38,237) owed by a company with a common officer (Note 4).

During the year ended June 30, 2022, the Company recognized \$nil (June 30, 2021: \$179,361) of stock-based compensation from options granted to officers and directors (Note 9).

**11. SEGMENTED INFORMATION**

The Company currently conducts its operations in Canada, the United States, Australia and Norway in one business segment being the exploration of resource properties.

**Geographic segments**

The following exploration and evaluation assets, are located in the following countries:

	June 30, 2022	June 30, 2021
	-\$ -	-\$ -
Canada (Note 6)	3,861,273	3,841,763
Norway (Note 6)	603,753	2,993
Australia (Note 6)	1,922,724	2,074,509
United States (Note 6)	1,531,117	1,246,129
	7,918,866	7,165,394

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**12. INCOME TAXES**

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year Ended June 30, 2022	Year Ended June 30, 2021
	- \$ -	- \$ -
Loss before income taxes	(1,233,463)	(1,076,570)
Expected income tax recovery	(333,035)	(290,674)
Change in valuation allowance	356,015	239,457
Non-deductible items and other	(22,980)	51,217
Total income tax recovery	-	-

The significant components of the Company's deferred income tax asset unrecognized are as follow:

	June 30, 2022	June 30, 2021
	- \$ -	- \$ -
Non-capital loss carry-forwards	1,634,520	1,299,657
Share issuance costs	14,701	15,314
Marketable securities	55,901	25,040
Mineral properties	(90,266)	(82,554)
	1,614,856	1,257,457

The Company has non-capital carry forward losses of \$1,634,520 starting from the year 2037 to the year 2042.

**13. FINANCIAL INSTRUMENTS**

The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

Level 1 – quoted prices in active markets for identical assets and liabilities.

Level 2 – observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 – unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The Company has classified its cash as measured at fair value in the consolidated statement of financial position, using level 1 inputs. Marketable securities are classified as level 1. Receivables, accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments. The carrying value of lease obligations where interest is charged at a fixed rate is not significantly different than fair value.