Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

AFTERMATH SILVER LTD.

(An Exploration Stage Company)

Nine months ended February 28, 2022 and 2021

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

As at		February 28, 2022		May 31, 2021
ASSETS				
Current assets:				
Cash	$	5,236,513	$	11,737,858
Receivables		233,739		23,183
Prepaid expenses and advances (note 9)		82,912		142,952
		5,553,164		11,903,993
Mineral property (note 4)		2,493,842		2,493,842
Deferred acquisition costs (note 5)		22,533,888		22,533,888
Equipment (note 6)		61,438		-
	$	**30,642,332**	**$**	**36,931,723**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	$	333,264	$	114,195
Due to related parties (note 8)		27,738		13,677
Current portion of acquisition costs payable (note 5)		3,061,619		2,694,874
Current portion of promissory note (note 4)		291,618		267,856
		3,714,239		3,090,602
Acquisition costs payable (note 5)		5,458,273		7,439,793
Promissory note (note 4)		261,275		240,104
		9,433,787		10,770,499
Shareholders' equity:				
Share capital (note 7)		38,732,756		38,575,990
Reserves		6,062,935		5,351,178
Deficit		(23,587,146)		(17,765,944)
		21,208,545		26,161,224
	$	**30,642,332**	**$**	**36,931,723**

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"David Terry" Director

"Michael J. Williams Director

See accompanying notes to the condensed consolidated interim financial statements.

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three-month period ended		Nine-month period ended	
	Feb 28, 2022	**Feb 28, 2021**	**Feb 28, 2022**	**Feb 28, 2021**
Expenses:				
Accounting and legal (note 8)	$ 1,902	$ 115,443	$ 116,005	$ 166,950
Accretion expense (notes 4 and 5)	253,461	14,946	895,153	44,077
Conference and exhibition	990	-	38,877	12,878
Consulting fees (note 8)	57,597	308,079	255,963	611,757
Corporate secretarial (note 8)	8,250	8,250	24,750	22,500
Depreciation (note 6)	422	-	422	-
Directors’ fees (note 8)	22,500	15,000	66,250	35,000
Foreign exchange (recovery)	307,357	(6,252)	591,086	1,944
Geological exploration (note 4)	36,805	52,389	134,663	204,966
Insurance	4,052	4,032	12,052	11,282
Investor relations	80,457	212,666	223,429	455,006
Listing and filing fees	22,805	18,924	57,583	67,901
Office and sundry (note 8)	17,526	10,773	76,908	67,269
Pre-acquisition exploration (note 5)	1,681,368	144,716	2,308,166	920,998
Share-based payments (notes 7 and 8)	97,356	1,330,439	744,023	2,796,321
Travel and meals	30,114	-	100,996	4,840
Wages and salaries (note 8)	52,841	21,998	174,876	21,998
	(2,675,803)	(2,251,403)	(5,821,202)	(5,445,687)
Gain on recovery of accounts payable	-	-	-	123,031
Loss and Comprehensive loss for the period	$ (2,675,803)	$ (2,251,403)	$ (5,821,202)	$ (5,322,656)
Loss per share – basic and diluted	$ (0.02)	$ (0.02)	$ (0.04)	$ (0.05)
Weighted average number of shares outstanding	135,856,446	132,228,047	135,612,883	115,903,717

See accompanying notes to condensed consolidated interim financial statements.

AFTERMATH SILVER LTD.

Condensed consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars)

	Share Capital								
	Shares		Amount		Reserves		Deficit		Total
May 31, 2020	**91,179,419**	**$**	**14,657,966**	**$**	**2,040,235**	**$**	**(10,866,736)**	**$**	**5,831,465**
Private placement shares issued	26,362,442		17,135,588		-		-		17,135,588
Finders share issued	290,360		188,734		-		-		188,734
Warrant exercised	9,891,020		1,427,487		(90,909)		-		1,336,578
Stock options exercised	337,500		234,979		(104,479)				130,500
Share issuance costs – cash	-		(821,201)		-		-		(821,201)
Share issuance costs – finders' shares	-		(188,734)		-		-		(188,734)
Shares issued for deferred acquisition costs	4,633,328		4,445,361		-		-		4,445,361
Share-based payments	-		-		2,796,321		-		2,796,321
Loss for the period	-		-		-		(5,322,656)		(5,322,656)
February 28, 2021	**132,694,069**		**37,080,180**		**4,641,168**		**(16,189,392)**		**25,531,956**
Warrants exercised	415,000		98,550		-		-		98,550
Shares issued for deferred acquisition costs	2,054,794		1,397,260		-		-		1,397,260
Share-based payments	-		-		710,010		-		710,010
Loss for the period	-		-		-		(1,576,552)		(1,576,552)
May 31, 2021	**135,163,863**		**38,575,990**		**5,351,178**		**(17,765,944)**		**26,161,224**
Warrants exercised	702,500		84,300		-		-		84,300
Options exercised	120,000		72,466		(32,266)		-		40,200
Share-based payments	-		-		744,023				744,023
Loss for the period	-		-		-		(5,821,202)		(5,821,202)
February 28, 2022	**135,986,363**	**$**	**38,732,756**	**$**	**6,062,935**	**$**	**(23,587,146)**	**$**	**21,208,545**

See accompanying notes to condensed consolidated interim financial statements.

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

For the three months ended		February 28, 2022		February 28, 2021
Cash flows from operating activities:				
Loss for the period	$	(5,821,202)	$	(5,322,656)
Items not affected by cash:				
Share-based payments		744,023		2,796,321
Gain on recovery of accounts payable		-		(123,031)
Accretion expense		895,153		44,077
Depreciation		422		-
Unrealized foreign exchange		541,360		-
Changes in non-cash working capital items:				
Receivables		(210,556)		21,286
Prepaid expenses and advances		60,040		(5,883)
Accounts payable and accrued liabilities		219,069		(5,600)
Due to related parties		14,061		(1,038)
Cash used in operating activities		**(3,557,630)**		**(2,596,524)**
Cash flows from investing activities				
Deferred costs for mineral property acquisition		-		(3,566,855)
Purchase of equipment		(61,860)		-
Payments made towards acquisition costs payable		(3,006,355)		-
Cash used in investing activities		**(3,068,215)**		**(3,566,855)**
Cash flows from financing activities				
Proceeds from private placements		-		17,135,588
Proceeds from warrant exercises		84,300		1,336,578
Proceeds from stock option exercises		40,200		130,500
Share subscriptions received in advance		-		-
Share issuance costs		-		(841,241)
Cash provided by financing activities	**$**	**124,500**	**$**	**17,761,425**
Change in cash		(6,501,345)		11,598,046
Cash, beginning of the period		11,737,858		2,965,675
Cash, end of the period	**$**	**5,236,513**	**$**	**14,563,721**
Supplemental schedule of non-cash activities				
Share issue costs in accounts payable	$	-	$	20,040
Fair value of finder's warrants reclassified to reserves on exercise	$	-	$	90,909
Fair value of stock options reclassified to reserves on exercise	$	32,266	$	-
Fair value of shares issued for deferred acquisition costs	$	-	$	4,445,361
Fair value of stock options reclassified to reserves on exercise	$		$	104,479

See accompanying notes to condensed consolidated interim financial statements.

1. Nature of operations and going concern:

Aftermath Silver Ltd. ("the Company" or "Aftermath") was incorporated under the laws of British Columbia on January 27, 2011. Its principal business activity is the acquisition, exploration and development of mineral properties. The Company's shares are currently traded on the TSX Venture Exchange ("TSX-V") under the symbol AAG and on the OTCQB under the symbol AAGFF. The Company's registered and records address is: Suite 1500 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

The Company is in the exploration stage and engages principally in the acquisition and exploration of mineral properties. The recoverability of the amounts shown for mineral properties is ultimately dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the mineral properties, obtaining necessary financing to explore and develop the mineral properties, entering into agreements with others to explore and develop the mineral properties, and upon future profitable production or proceeds from disposition of the mineral properties.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. The Company has no operating revenue and has a history of losses. As at February 28, 2022, the Company has a net working capital of $1,838,925. Management has forecasted that the Company's current working capital will be sufficient to execute its planned expenditures for the coming year. These condensed consolidated interim financial statements do not reflect adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations in the long term.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business.

2. Basis of Preparation:

(a) Basis of presentation:

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and Interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied are the same as those applied in the Company's annual consolidated financial statements for the year ended May 31, 2021.

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on April 25, 2022.

3. Significant accounting estimates and judgments:

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported periods. The Company reviews its estimates and assumptions regularly; however, actual results could differ from those estimates. Significant judgments are used are as follows:

<u>Valuation of convertible debentures</u>

The equity portion of the convertible debenture is calculated using a discounted cash flow method which requires management to make an estimate on an appropriate discount rate.

<u>Going concern</u>

The assessment of the Company's ability to continue as a going concern involves judgment based on historical experience. Significant judgments are used in the Company's assessment of its ability to continue as a going concern, which are described in Note 1.

<u>Functional currency</u>

The functional currency of an entity is assessed on a standalone basis to determine the economic substance of the currency in which each entity performs its operations.

<u>Acquisition of subsidiary entities</u>

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the year ended May 31, 2020, the Company completed the acquisition of Minera Cachinal (note 4) and determined that the transaction did not qualify as a business combination under IFRS 3, "Business Combinations."

<u>Deferred Income tax</u>

The determination of income tax is inherently complex and requires making certain judgments about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

<u>Mineral properties</u>

The recognition of mineral properties requires judgments regarding future recoverability and carrying cost. The cost model is utilized and the value of the mineral properties is based on the acquisition expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Significant accounting estimates are used as follows:

(Unaudited - expressed in Canadian dollars)

3. Significant accounting estimates and judgments (continued):

Share-based payments

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Shares issued in non-cash transactions

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

4. Mineral Property:

On October 30, 2019, the Company entered into an agreement for the acquisition ("Minera Cachinal Acquisition") of an 80% ownership stake in the Cachinal De La Sierra silver-gold project (the "Cachinal property") located in Chile, through the acquisition of an 80% ownership in Minera Cachinal S.A. ("Minera Cachinal") from Halo Labs Inc. ("Halo"). In consideration for 80% ownership of Minera Cachinal, the Company will pay Halo a total of $1,575,000 as a convertible note, consisting of $250,000 due on October 30, 2019 (paid), $250,000 due on or before April 30, 2020 (paid), $525,000 due on or before October 30, 2020, and $550,000 due on or before April 30, 2021, and assume certain debts. During the year ended May 31, 2020, the convertible note was amended and was settled by the issuance of 4,000,000 common shares. As at May 31, 2020, the Company had also incurred $95,170 in transaction costs, of which $21,079 had been deferred at May 31, 2019.

Minera Cachinal was not considered to be a business under IFRS 3 *Business Combinations*; accordingly, the Minera Cachinal Acquisition is accounted for as an asset acquisition.

Consideration:	
Convertible note	$ 1,575,000
Transaction costs	197,670
	1,772,670
Net assets of Minera Cachinal acquired:	
Cash and other current assets	189
Mineral Property	2,493,842
Accounts payable and accrued liabilities	(63,967)
Due to investors	(214,226)
Non-controlling interest	(443,168)
Total net assets acquired	1,772,670

(Unaudited - expressed in Canadian dollars)

4. Mineral Property (continued):

On May 25, 2020, the Company entered into an agreement with the non-controlling interest ("NCI") holder, SSR Mining Inc. ("SSR"), whereby it would acquire the remaining 20% stake by paying $100,000 (paid) and issuing a promissory note for $600,000 payable as follows: $50,000 on execution (paid), $50,000 on the first year anniversary (paid), $300,000 on the two-year anniversary, and $300,000 on the three-year anniversary. The Company recognized a fair value acquisition payable of $547,335 on the date of the acquisition using a discount rate of 12%. As at February 28, 022, $291,618 (May 31, 2021 - $267,856) has been presented as current and $261,275 (May 31, 2021 - $240,104) as a long-term liability. The Company recorded accretion of $44,933 for the period ended February 28, 2022 (May 31, 2021 - $59,698). $137,861 in amounts previously recorded as due to investors within Minera Cachinal were forgiven as a result of the transaction, and accordingly, the Company recognized $137,861 within gain on settlement of accounts payable recognized on the statement of loss and comprehensive loss for the year ended May 31, 2020. The Company had a reclassification to reserves of $124,260 determined by the difference between the consideration paid less the value of the NCI on the acquisition date. The allocation of consideration has been calculated as follows:

Acquisition payable	$	547,335
NCI – initial balance		(443,168)
Loss attributable to NCI for period from October 29, 2019 to May 25, 2020		20,093
Reclassified to reserves on elimination of NCI	$	124,260

The Company incurred the following exploration expenditures on the Cachinal Mineral project during the periods ended February 28, 2022 and 2021:

Period ended		**February 28, 2022**		**February 28, 2021**
Analysis	$	1,733	$	-
General and field office administration		60,225		97,260
Geological consulting		37,305		22,226
Legal fees		21,988		10,466
Maps and reports		2,062		22,625
Permits and licenses		11,350		-
	$	134,663	$	152,577

5. Deferred acquisition costs, Investigation costs:

Challacollo Property Acquisition, Chile

On November 8, 2019, the Company entered into a share purchase agreement with Mandalay Resources Corp. (“Mandalay”), pursuant to which the Company will acquire Minera Mandalay Challacollo Limitada (“MMC”), which owns the Challacollo silver-gold project in Chile.

In consideration, the Company will pay Mandalay a total of $7,500,000, consisting of $1,000,000 in cash on or before July 31, 2020 (paid), $1,000,000 in cash on or before December 30, 2020 (paid), a final payment of $5,500,000 (of which up to $2,750,000 may be paid in shares at Mandalay’s option) on or before April 30, 2021, and a net smelter royalty (“NSR”) of 3% capped at $3,000,000. The Company elected, at an additional cost of $500,000, to vary the final payment of $5,500,000 such that $3,000,000 (of which up to $1,500,000 may be paid in shares at the Company’s option) is due on or before April 30, 2021, and $3,000,000 (of which up to $1,500,000 may be paid in shares at the Company’s option), including the aforementioned additional cost of $500,000, is due on or before April 30, 2022. During the year ended May 31, 2021, the Company paid cash in the amount of $1,500,000 and issued 2,054,794 common shares with a fair value of $1,397,260. The cumulative share issuances pursuant to the agreement may not exceed 49% of the Company’s issued and outstanding shares.

Ownership in MMC will not transfer until such time the Company has completed its payments. If the Company fails to make its payments under the agreement, Mandalay will retain 100% ownership of MMC.

The Company has agreed to pay a finder’s fee of $407,500 (paid $282,500). As at May 31, 2020, the Company has also incurred $91,211 in transaction costs, of which $24,182 had been deferred at May 31, 2019.

Berenguela Property Acquisition, Peru

On July 22, 2020, the Company entered into a binding Letter of Intent (the “LOI”) with SSR to acquire 100% of the Berenguela silver-copper project located in Puno, Peru, through the purchase of 100% of SSR’s shares in its Peruvian holding company, Sociedad Minera Berenguela S.A (“SMB”). On September 30, 2020, the acquisition agreement with SSR was signed.

The Company has agreed to pay US$12,725,000 made in staged cash payments, 4,287,049 Aftermath Silver common shares, and a sliding scale net NSR on production, as follows:

i. US$1,000,000 deposit, to be paid withing 48 hours of signing the LOI *(paid – CAD $1,341,670)*;

ii. US$725,000 cash on the initial closing date (*paid – CAD $953,375*) and 4,287,049 Aftermath common shares (*issued with value of $4,029,826)*;

iii. US$2,250,000 cash to be paid on November 30, 2021 *(paid – CAD$2,862,585)*;

iv. US$2,500,000 cash to be paid on November 30, 2022;

v. US$3,000,000 cash to be paid on November 30, 2024;

vi. Completion of a Preliminary Feasibility Study (“PFS”) and filing on SEDAR of a NI 43-101 technical report summarizing the PFS by November 30, 2024;

vii. US$3,250,000 cash to be paid on November 30, 2026;

(Unaudited - expressed in Canadian dollars)

5. Deferred acquisition costs, Investigation costs (continued):

viii. A sliding scale NSR on all mineral production from the Berenguela Project for the life of mine commencing at the declaration of commercial production, based on the following:

a. 1.0% NSR, on all mineral production when the Silver Market Price is up to and including US$25/ounce; and

b. 1.25% NSR on all mineral production when the Silver Market Price is over US$25/ounce and when the Copper Market Price is above $2.00/lb.

On the initial closing date, the Company recognized a total of $10,300,701 to deferred acquisition costs related to the present value of future US$11,000,000 in payments plus US$550,000 in future finders' fees discounted using a rate of 12%. A continuity of acquisition costs payable for the period ended February 28, 2022 is as follows:

Acquisition costs payable	February 28, 2022	May 31, 2021
Acquisition costs payable, beginning of the period	$ 10,134,667	$ -
Recognized on initial closing date	-	10,300,701
Payments towards acquisition payable	(2,862,585)	
Payments of finders' fees	(143,770)	
Accretion expense	850,220	581,534
Foreign exchange recognized	541,360	(747,568)
	8,519,892	10,134,667
Current portion of acquisition costs payable	(3,061,619)	(2,694,874)
Acquisition costs payable, end of the period	$ 5,458,273	$ 7,439,793

The Company has agreed to pay a finders' fee of US$659,478 over the term of the agreement of which US$109,478 ($144,347) was paid during the year ended May 31, 2021, and issue 346,279 common shares (issued during the year ended May 31, 2021, with a value of $415,535). The remaining US$550,000 was discounted and recognized within acquisition costs payable. During the period ended February 28, 2022, the Company made a payment of US$112,500 ($143,770) pursuant to the terms of the agreement.

Ownership in SMB will not transfer until such time the Company has completed its payments.

Up until the point ownership transfers, all of the Company's exploration costs towards the Challacollo and Berenguela projects are included in pre-acquisition exploration costs as they are not required pursuant to the acquisition agreement.

(Unaudited - expressed in Canadian dollars)

5. Deferred acquisition costs, Investigation costs (continued):

The Company incurred the following pre-acquisition exploration costs for the nine-month period ended February 28, 2022 and 2021:

Period ended February 28, 2022	**Challacollo Project**	**Berenguela Project**	**Total**
Analysis	$ 117,449	$ 99,131	$ 216,580
Drilling	-	738,524	738,524
Field supplies and equipment	17,962	107,190	125,152
Field staff and benefits	-	228,065	228,065
General and administrative	8,059	7,195	15,254
Geological consulting	82,520	411,345	493,865
Legal fees	24,110	51,068	75,178
Maps and reports	1,031	48,946	49,977
Permits and licences	105,988	161,310	267,298
Travel and meals	2,731	95,542	98,273
	$ 359,850	$ 1,948,316	$ 2,308,166

Period ended February 28, 2021	**Challacollo Project**	**Berenguela Project**	**Total**
Concession fees	-	212,896	212,896
Field supplies and equipment	465	2,712	3,177
General and administrative	5,917	33,263	39,180
Geological consulting	322,938	273,979	596,917
Legal	4,750	52,278	57,028
Maps and reports	9,300	2,500	11,800
	$ 343,370	$ 577,628	$ 920,998

Deferred acquisition costs incurred as at February 28, 2022 and May 31, 2021 are as follows:

	Challacollo Project	**Berenguela Project**	**Total**
Balance, May 31, 2020	1,173,711	-	1,173,711
Cash payments	2,500,000	2,295,045	4,795,045
Shares issued as deferred acquisition costs	1,397,260	4,029,826	5,427,086
Acquisition cost payable	-	10,300,701	10,300,701
Transaction costs	-	77,463	77,463
Finders’ fees – cash	200,000	144,347	344,347
Finders’ fees – common shares	-	415,535	415,535
Balance, May 31, 2021 and February 28, 2022	$ 5,270,971	$ 17,262,917	$ 22,533,888

(Unaudited - expressed in Canadian dollars)

6. Equipment:

		Office Furniture		Computer Equipment		Field Equipment		Total
Cost								
Balance, May 31, 2020 and 2021	$	-	$	-	$	-	$	-
Additions		7,281		23,332		31,247		61,860
Balance, February 28, 2022		7,281		23,332		31,247		61,860
Accumulated Depreciation								
Balance, May 31, 2020 and 2021		-		-		-		-
Depreciation		422		-		-		422
Balance, February 28, 2022		422		-		-		422
Net Book Value								
May 31, 2021	$	-	$	-	$	-	$	-
February 28, 2022	$	6,859	$	23,332	$	31,247	$	61,438

7. Share capital:

(a) Authorized share capital:

Unlimited number of voting common shares without par value.

(b) Issued share capital:

Excluding option and warrant exercises, there were no share issuances for the period ended February 28, 2022.

Share issuances for the year ended May 31, 2021 were as follows:

a) On September 14, 2020, the Company closed a non-brokered private placement by issuing 26,362,442 shares for gross proceeds of $17,135,588. In connection with the offering, the Company paid an aggregate of $776,796 in finders' fees and issued 290,360 finders' shares valued at $188,734. In connection with the closing, the Company incurred other transaction costs of $44,205.

b) On November 23, 2020, the Company issued an aggregate of 4,287,049 common shares with a value of $4,029,826 to SSR pursuant to the Berenguela agreement (Note 5).

c) On January 14, 2021, the Company issued an aggregate of 346,279 common shares with a value of $415,535 to a finder pursuant to a finders' fee agreement on the Berenguela project (Note 5).

d) On April 30, 2021, the Company issued an aggregate of 2,054,794 common shares with a value of $1,397,260 to MMC pursuant to the Challacollo agreement (Note 5).

(Unaudited - expressed in Canadian dollars)

7. Share capital (continued):

(c) Warrants:

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2020	26,148,525	$ 0.18
Exercised	(10,306,020)	0.14
Balance, May 31, 2021	15,842,505	0.21
Exercised	(702,500)	0.12
Balance, February 28, 2022	15,140,005	$ 0.21

At February 28, 2022, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
4,145,406	$0.12	October 30, 2022*
7,921,199	$0.25	November 14, 2022
3,073,400	$0.25	May 7, 2023
15,140,005		

*subsequent to February 28, 2022, 62,500 of these warrants were exercised for proceeds of $7,500.

(d) Stock options:

The Board of Directors may grant options to purchase shares from time to time, subject to the aggregate number of common shares of the Company issuable under all outstanding stock options of the Company not exceeding 10% of the issued and outstanding common shares of the Company at the time of the grant.

The options are exercisable over periods of up to ten years to buy shares of the Company at a price not less than the closing market price prevailing on the date the option is granted, less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange.

	Number of Stock Options	Weighted Average Exercise Price
Balance, May 31, 2020	5,950,000	$ 0.335
Granted	5,500,000	0.80
Exercised	(337,500)	0.39
Balance, May 31, 2021	11,112,500	0.56
Granted	1,150,000	0.65
Exercised	(120,000)	0.335
Balance, February 28, 2022	12,142,500	$ 0.57
Exercisable, February 28, 2022	11,455,000	$ 0.57

(Unaudited - expressed in Canadian dollars)

7. Share capital (continued):

(d) Stock options (continued):

At February 28, 2022, stock options were outstanding enabling holders to acquire common shares as follows:

Number of Stock Options	Exercise Price	Expiry Date
5,530,000	$0.335	December 11, 2024*
5,462,500	$0.80	October 9, 2025
700,000	$0.65	June 16, 2025
450,000	$0.65	October 27, 2026
12,142,500		

*Subsequent to February 28, 2022 630,000 of these options were exercised for proceeds of $211,050.

(e) Share-based payments:

During the period ended February 28, 2022, the Company granted a total of 1,150,000 (year ended May 31, 2021 – 5,500,000) stock options with a weighted average fair value of $0.65 per option (year ended May 31, 2021 – $0.64). For the period ended February 28, 2022, the Company recognized share-based payments expense of options granted and vesting of $744,023 (2021 - $2,796,321).

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted:

	February 28, 2022	**May 31, 2021**
Risk-free interest rate	0.85%	0.33%
Expected life of option	2.5 years	2.5 years
Expected annualized volatility	112.14%	124.75%
Dividend	-	-

8. Related party balances and transactions:

Key management personnel consist of directors and senior management including the Executive Chairman, President and Chief Executive Officer, Chief Financial Officer, and Corporate Secretary.

During the period ended February 28, 2022 and 2021, the Company paid or accrued the following amounts to key management personnel or companies controlled by them:

	February 28, 2022	**February 28, 2021**
Accounting and legal	$ 54,000	$ 44,000
Consulting	135,000	390,000
Geological consulting fees included in property investigation costs	48,125	-
Corporate secretarial	24,750	22,500
Directors fees	66,250	35,000
Share-based payments	493,690	1,780,990
Wages and salaries	180,000	20,000
	$ 1,001,815	$ 2,292,490

8. Related party balances and transactions (continued):

In addition, payments to companies with common directors and officers for rent, office, and administration totaled $56,863 (2021 - $42,551).

As at February 28, 2022, due to related parties included $27,738 (May 31, 2021 - $13,677) due to key management personnel. As at February 28, 2022, the Company has recorded $30,227 (May 31, 2021 - $29,839) in prepaid expenses and advances to related parties.

9. Financial instruments:

The Company's cash is classified at level one of the fair value hierarchy. The carrying values of receivables, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to their short terms to maturity. The promissory note and acquisition payable was valued using a valuation technique.

(a) Financial instrument risk exposure and risk management:

Credit risk

Credit risk arises from the possibility that counterparties may be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company manages and limits exposure to credit risk by maintaining its cash with high-credit quality financial institutions. There is minimal credit risk with respect to GST receivable as this amount is recoverable from Canadian governmental agencies. At February 28, 2022, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined in note 9(b) of these condensed consolidated interim financial statements.

(a) Financial instrument risk exposure and risk management (continued):

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 has no interest-bearing financial assets as at February 28, 2022.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of shareholders' equity.

9. Financial instruments (continued):

(a) Financial instrument risk exposure and risk management (continued):

The Company's main risks are associated with fluctuations in the US dollar ("US"), the Chilean peso ("CLP"), the Peruvian Sol ("PEN"), and the Mexican peso ("MXN"). The Company does not enter into any foreign exchange hedging contracts. As at February 28, 2022, the Company had foreign current assets totaling approximately CLP6,267,363 and PEN1,076,254 and amounts payable totaling approximately US$6,835,190, CLP8,691,743, MXN263,984 and PEN167,313. The Company has determined that a 10% increase or decrease in these currencies against the Canadian dollar on these instruments, as at February 28, 2022, would result in a $839,127 change to profit or loss for the period.

(b) Capital management:

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's exploration and evaluation of its resource properties and support any expansion plans. The capital of the Company consists of the items included in shareholders' equity.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its financial objectives. Notwithstanding the risks described in note 1 of the condensed consolidated interim financial statements, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

10. Segmented information:

The Company operates in one segment being the acquisition and exploration of mineral properties. Geographical information can be found in notes 4 and 5.