BENZ MINING CORP.

Financial Statements

April 30, 2021

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the shareholders of Benz Mining Corp.:

Opinion

We have audited the financial statements of Benz Mining Corp. [the "Company"], which comprise the statements of financial position as at April 30, 2021 and 2020, and the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

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.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report.

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 audits 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. If, based on the work we have performed, we conclude that there is a material misstatement of this, 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 these financial statements in accordance with IFRSs, 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 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 Michael J. David.

/s/ Lancaster & David

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
July 29, 2021

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	Note	Year ended April 30, 2021	2020
Operating Costs			
Exploration and evaluation costs	4,5	$ 7,573,430	$ 177,537
Listing and filing fees		250,969	31,388
Management & consulting fees	5	801,516	319,142
Office and miscellaneous		47,542	72,023
Professional fees		67,726	50,773
Share-based payments	7	2,158,003	350,228
Shareholder information		26,896	38,561
Loss from operations		(10,926,082)	(1,039,652)
Other income			
Foreign exchange		(25,349)	-
Interest Income		22,840	5,505
Write-down on exploration and evaluation assets	4	-	(269,703)
Settlement of flow-through share liability	6	1,469,472	-
Net loss and comprehensive loss		(9,459,119)	(1,303,850)
Loss per share - basic and diluted		$ (0.11)	$ (0.05)
Weighted average number of shares outstanding - basic and diluted		84,413,756	28,104,509

See accompanying notes to the financial statements

	Note		April 30, 2021		April 30, 2020
ASSETS					
Current Assets					
Cash and cash equivalents		$	13,144,767	$	2,350,371
Sales taxes recoverable			376,697		23,619
Prepaid expenses and deposits			22,757		5,150
			13,544,221		2,379,140
Exploration and evaluation assets	4		1,555,903		330,000
		$	15,100,124	$	2,709,140
LIABILITIES					
Current Liabilities					
Trade and other payables	5	$	1,168,547	$	243,785
Flow-through share premium liability	6		3,359,099		-
			4,527,646		243,785
EQUITY					
Common shares	7		18,285,495		7,388,166
Equity reserves	7		8,648,770		1,981,393
Deficit			(16,361,787)		(6,904,204)
			10,572,478		2,465,355
		$	15,100,124	$	2,709,140

Nature of Operations (Note 1)
Subsequent Events (Note 11)

These financial statements are authorized for issue by the Board of Directors on July 28, 2021

Approved by the Board of Directors:

(Signed) Evan Cranston
Evan Cranston, Chairman of the Board

(Signed) Mathew O'Hara
Mathew O'Hara, Director

See accompanying notes to the financial statements

	Note		Year ended April 30, 2021		2020
Cash Flow from Operating Activities					
Net loss for the period		$	(9,459,119)	$	(1,303,850)
Adjustments for non-cash items:					
Share based payments	7		2,158,003		350,228
Settlement of flow-through share liability	6		(1,469,472)		-
Write-down of exploration and evaluation assets ("E&E assets")	4		-		269,703
Changes in non-cash working capital:					
Sales taxes recoverable			(353,078)		(7,936)
Prepaid expenses			(17,607)		28,355
Trade and other payables			924,762		20,505
Net cash flows used in operating activities			(8,216,511)		(642,995)
Cash Flow from Investing Activities					
Additions to exploration and evaluation assets	4		(225,000)		(75,000)
Net cash flows used in investing activities			(225,000)		(75,000)
Cash Flow from Financing Activities					
Issuance of common shares for cash, net costs	7		18,018,784		2,110,750
Proceeds from exercise of options & warrants	7		1,217,123		12,500
Net cash flows provided by financing activities			19,235,907		2,123,250
Net change in cash and cash equivalents			10,794,396		1,405,255
Cash and Cash Equivalents, Beginning of Year			2,350,371		945,116
Cash and Cash Equivalents, End of Year		$	13,144,767	$	2,350,371
Cash and cash equivalents consist of:					
Cash		$	13,119,767	$	2,350,371
Redeemable guaranteed investment certificate ("GIC")			25,000		-
Total Cash and Cash Equivalents		$	13,144,767	$	2,350,371
Non-cash Investing and Financing Activities:					
Issuance of common shares for E&E assets	4	$	461,825	$	255,000
Issuance of warrants for E&E assets	4	$	539,078	$	-

See accompanying notes to the financial statements

	Note	Common Shares Number	Common Shares Amount	Equity Reserves	Deficit	Total Equity
Balance, April 30, 2019		**26,317,094**	**$ 6,420,305**	**$ 2,412,444**	**$ (7,603,646)**	**$ 1,229,103**
Common shares issued for cash:						
Private placement	7	27,773,024	1,246,313	864,437	-	2,110,750
Share issuance costs	7	-	(557,291)	368,915	-	(188,376)
Exercise of options	7	125,000	23,839	(11,339)	-	12,500
Shares issued for exploration and evaluation assets	7	3,000,000	255,000	-	-	255,000
Share based payments	7	-	-	350,228	-	350,228
Expired warrants and stock options	7	-	-	(2,003,292)	2,003,292	-
Net loss for the year		-	-	-	(1,303,850)	(1,303,850)
Balance, April 30, 2020		**57,215,118**	**$ 7,388,166**	**$ 1,981,393**	**$ (6,904,204)**	**$ 2,465,355**
Common shares issued for cash:						
Flow-through private placement	7	26,857,142	12,172,147	4,427,853	-	16,600,000
Premium on flow-through shares	6	-	(4,828,571)	-	-	(4,828,571)
Private placement	7	400,000	220,000	-	-	220,000
Prospectus offering	7	4,000,000	1,929,000	-	-	1,929,000
Share issuance costs	7	-	(1,157,936)	427,720	-	(730,216)
Exercise of options	7	3,550,500	1,178,207	(568,829)	-	609,378
Exercise of warrants	7	4,791,819	922,657	(314,912)	-	607,745
Shares issued for exploration and evaluation assets	4	2,124,177	461,825	-	-	461,825
Warrants issued for exploration and evaluation assets	4	-	-	539,078	-	539,078
Share based payments	7	-	-	2,158,003	-	2,158,003
Expired stock options	7	-	-	(1,536)	1,536	-
Net loss for the year		-	-	-	(9,459,119)	(9,459,119)
Balance, April 30, 2021		**98,938,756**	**$ 18,285,495**	**$ 8,648,770**	**$ (16,361,787)**	**$ 10,572,478**

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS

Benz Mining Corp. ("Benz" or the "Company") is involved in the acquisition, exploration and exploitation of mineral properties located in the Americas. The Company's head and registered offices are located at 927 Poirier Street, Coquitlam, British Columbia, V3J 6C3. The Company's common shares are traded on the TSX-V Exchange and the Australian Securities Exchange.

2. BASIS OF PRESENTATION

Statement of compliance

These audited financial statements for the year ended April 30, 2021 ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These Financial Statements are expressed in Canadian dollars, the Company's functional currency, and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value.

Significant Accounting Judgements and Estimates

Significant assumptions about the future and 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 assumptions made, relate to, but are not limited to, the following:

a) Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's exploration and evaluation assets are impaired. External sources of information that management considers include changes in the market, economic and legal environment, in which the Company operates, that are not within its control, and affect the recoverable amount of its mining interests.

b) Valuation of share-based payments

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

c) ***Recognition and measurement of deferred tax assets and liabilities***

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Weight is attached to tax planning opportunities that are within the Company's control and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets/liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are cashable and readily convertible into a known amount of cash.

Exploration and evaluation assets

The cost of a property acquired as an individual asset purchase or as part of a business combination represents the property's fair value at the date of acquisition. This cost is capitalized until the viability of the mining property is determined. When it is determined that a property is not economically viable, the amount capitalized is written off which includes expenditures which were capitalized to the carrying amount of the property subsequent to its acquisition.

The Company expenses all costs relating to the exploration for and evaluation of mineral claims until such time as a technical feasibility study has been completed and commercial viability of extracting the mineral resources is demonstrable. Such costs include, but are not limited to, geological, geophysical studies, exploratory drilling and sampling. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation expenses attributable to that area of interest will be capitalized to mineral properties. Costs will continue to be capitalized until the property to which they relate is ready for its intended use, sold, abandoned, or management has determined there is impairment. If economically recoverable reserves are developed, capitalized costs of the property are depleted using the units of production method.

The Company capitalizes acquisition costs related to mineral properties.

Impairment

Non-financial assets are reviewed for impairment at the end of each reporting period and throughout the year if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, any intangible asset with an indefinite useful life, or any intangible asset not yet available for use is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset or cash-generating unit's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. Impairment of goodwill cannot be reversed.

Financial instruments

Financial assets and financial liabilities are classified into three categories: Amortized Cost, Fair Value through Other Comprehensive Income ("FVOCI") and Fair Value through Profit and Loss ("FVPL"). The classification of financial assets is determined by their context in the Company's business model and by the characteristics of the financial asset's contractual cash flows.

Financial assets and financial liabilities are measured at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification.

Cash and cash equivalents, trade and other receivables, and trade and other payables are measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company has no financial instruments measured at FVPL or FVOCI.

Impairment of financial assets is determined by measuring the assets' expected credit loss ("ECL"). Trade and other accounts receivable are due within one year or less; therefore, these financial assets are not considered to have a significant financing component and a lifetime ECL is measured at the date of initial recognition of the accounts receivable.

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Unit offerings

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from equity reserves to share capital. If the warrants expire unexercised, the Company will transfer the value attributed to those warrants from equity reserves to deficit.

Share-based payment transactions

The share option plan allows Company employees, directors, and consultants to acquire shares of the Company. All options granted are measured at fair value and are recognized in expenses as share-based payments with a corresponding increase in equity reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. For non-employees, share-based payments are measured at the fair value of goods and services received or the fair value of the equity instruments issued, if it is determined that the fair value cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of the options is accrued and charged either to operations or exploration and evaluation assets, with the offset credit to equity reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. Upon the expiration or cancellation of unexercised stock options, the Company will transfer the value attributed to those stock options from equity reserves to deficit.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. In the

Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using rates substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced using a valuation allowance.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

New accounting standards

There were no new or amended IFRS pronouncements effective for the year ended April 30, 2021 that impacted the Company’s financial statements.

4. EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition expenditures:

		Mel Property		Eastmain Property
Balance, April 30, 2019	$	269,703	$	-
Acquisition costs		-		330,000
Write-down		(269,703)		-
Balance, April 30, 2020	$	-	$	330,000
Acquisition costs		-		1,250,903
Balance, April 30, 2021	**$**	**-**	**$**	**1,555,903**

Mel Property

In November 2019, the Company relinquished its rights to the option purchase agreement of the Mel Property and recognized a write-down of $269,703.

Eastmain Property

In August 2019, the Company entered into an option agreement (the "Option Agreement") to acquire a 100% interest in the former producing Eastmain Gold project (the "Project") located in James Bay District, Quebec for $5,000,000. In April 2020, Benz entered into an amending agreement (the "Amending Agreement") in connection with the Eastmain Mine project pursuant to which it acquired a further option to earn a 100% interest in the Ruby Hill West and Ruby Hill East properties, located west of the Eastmain gold mine project.

Pursuant to the Option and Amendment Agreements, the Company retains the right and option to earn a 75% interest in the Project and Ruby Hill properties by issuing the following cash and common shares payments to the vendor (the "Option Payments"):

	Option Payments Payable in Cash	Option Payments Payable in Cash or Shares
Option Agreement Effective date – October 23, 2019 (paid)	$75,000	-
Amending Agreement approval date by TSX-V Exchange – May 21, 2020 (paid)	$75,000	-
On or before the 1st Anniversary of the Effective Date (paid)	$150,000	$100,000
On or before the 2nd Anniversary of the Effective Date	$150,000	$110,000
On or before the 3rd Anniversary of the Effective Date	$200,000	$110,000
On or before the 4th Anniversary of the Effective Date	$1,250,000	$475,000
Total Price*	**$1,900,000**	**$795,000**

* Total in cash and shares is $2,695,000.

In addition to the Option Payments, the Company issued to the vendor 3,000,000 common shares, with a value of $255,000 on grant date. Per the terms of the Amending Agreement, Benz made a share payment of 2,000,000 common shares valued at $360,000 and issued 4,000,000 share purchase warrants. Each warrant enables the holder to purchase one common share of Benz at a price of $0.12 until April 27, 2023. The additional 2,000,000 shares and 4,000,000 warrants were issued on May 21, 2020. The warrants were valued at $539,078 using the Black-Scholes pricing model with a share price of $0.18, risk-free rate of 0.29%, volatility of 117.92% and expected life of 2.93 years.

If and when the Company has made the Option Payments, issued shares and warrants and incurred expenditures as described above, the Company will be deemed to have exercised the options and a 75% right, title and interest to the Project and Ruby Hill properties. The Company has the right to accelerate expenditures at any time.

Following the exercise of the options, the Company will be obligated to make the following additional payments to the vendor on the occurrence of the following events:

- $1,000,000 within five (5) business days of the closing of project financing to place the Property or any part thereof into commercial production in accordance with a feasibility study completed by the Optionee within 24 months of the exercise of the Option. With this payment, Benz will have acquired 100% of Eastmain Resources recorded and/or leasehold interest in the Project. If Benz fails to make this milestone payment, Eastmain Resources will have the right to buy back Company's 75% interest in the Project for $3,500,000, of which up to $1,225,000 may be paid in common shares of Eastmain Resources; and
- $1,500,000 within five (5) business days of the Commencement of Commercial Production.

The Company may, at its election, pay up to 25% of this payment in common shares of the Company. The number of common shares required to be issued will be determined by the share equivalent of such payment on the date of issuance.

The vendor would retain a 2% Net Smelter Return royalty in respect of the Project. The Company may, at any time, purchase one half of the NSR Royalty, thereby reducing the NSR Royalty to a 1% net smelter returns royalty, for $1,500,000.

Benz will have the right to earn an additional 25% interest in the Ruby Hill West and Ruby Hill East properties by paying an additional $100,000 to Eastmain by October 23, 2025, which can be paid in shares at the election of Eastmain based on the prevailing VWAP of the Company's shares up to a maximum of 500,000 shares.

Following the acquisition of a 100% interest in the Ruby Hill West and Ruby Hill East properties Eastmain will retain a 1% net smelter return royalty, of which one half may be purchased for $500,000 thereby reducing it to a 0.5% net smelter returns royalty. The net smelter returns royalty is also offset by any pre-existing royalties which may reduce the royalty burden.

The Project property expenditure schedule, as defined in the Option Agreement and updated in the Amending Agreement totals $3,500,000 as follows:

	Cash Spend
On or before the 1st Anniversary of the Effective Date	$0
On or before the 2nd Anniversary of the Effective Date	$1,000,000
On or before the 3rd Anniversary of the Effective Date	$1,500,000
On or before the 4th Anniversary of the Effective Date	$1,000,000
Total Property Expenditure	**$3,500,000**

During the year ended April 30, 2021, Benz completed exploration and evaluation activities totaling $7,573,430 at the Eastmain property.

5. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions are measured at the estimated fair values of the services provided or goods received. Related party transactions not disclosed elsewhere in these Financial Statements are as follows:

a) Key Management Compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing, and controlling the activities of the Company. The remuneration of directors and officers for years ended April 30, 2021 and 2020 was as follows:

	April 30, 2021	April 30, 2020
Salaries, bonuses, fees and benefits		
Management fees to the officers and directors of the Company (including $219,105 (2020 - $nil) classified with exploration and evaluation expenditures)	$ 988,184	$ 283,349
Share-based payments		
Officers and directors of the Company	1,838,283	177,605
	$ 2,826,467	$ 460,954

b) In the normal course of operations, the Company transacts with companies related to its directors or officers. The following amounts are payable to related parties, and are included in trade and other payables:

	April 30, 2021	April 30, 2020
Management fees	$ 187,989	$ 5,000
Expenses paid on behalf of the Company	-	800
	$ 187,989	$ 5,800

6. FLOW-THROUGH SHARE LIABILITY

The following is a continuity schedule of the liability portion of the flow-through share issuances.

Balance, April 30, 2019, and 2020	$ -
Liability incurred on flow-through shares issued	4,828,571
Settlement of flow-through liability upon incurring exploration expenditures	(1,469,472)
Balance, April 30, 2021	**$ 3,359,099**

7. SHARE CAPITAL

a) Authorized: Unlimited common shares, without par value
Unlimited preferred shares, without par value

b) Issued:

In October 2019, the Company issued 3,000,000 common shares pursuant to the terms of the Eastmain option agreement (see Note 4) with a value of $255,000.

In April 2020, the Company issued 125,000 shares on the exercise of options for $12,500. The fair value of these options totaling $11,339 was transferred to share capital from reserves. The weighted-average share price at the date of exercise for options exercised was $0.13.

In April 2020, the Company completed a non-brokered private placement financing through the issuance of 27,773,024 units at the price of $0.076 per unit, for total cash proceeds of $2,110,750. Each unit was comprised of one common share of the Company and one common share purchase warrant, with each warrant being exercisable into one common share of the Company at an exercise price of $0.12 per share until April 27, 2025. The Company incurred share issuance costs of $188,375 in the form of finders' fees and professional fees in addition to issuing compensation units valued at $368,915.

In May 2020, the Company issued 2,000,000 common shares pursuant to the terms of the Eastmain option agreement (see Note 4) with a value of $360,000. In October 2020, a further 124,177 shares with a value of $101,825 were issued pursuant to the terms of the agreement.

In June 2020, the Company closed a non-brokered flow-through private placement of 12,000,000 flow through units at a price of $0.30 per unit, for gross proceeds of $3,600,000. Each flow-through unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one non-flow through common share at a price of $0.17 per share until June 1, 2023. The Company incurred share issuance costs of $181,633 in the form of finders' fees and professional fees in addition to issuing compensation units valued at $427,720.

In October 2020, the Company closed a non-brokered flow-through private placement of 14,857,142 flow through units at a price of $0.875 and 400,000 hard dollar units at $0.55 per unit, for aggregate gross proceeds of $13,219,999. Each flow-through unit and hard dollar unit consists of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow through common share at a price of $1.00 per share until October 29, 2022. The Company incurred share issuance costs of $457,417 in the form of finders' fees and professional fees.

In December 2020, the Company issued 4,000,000 common shares pursuant to a prospectus offering lodged with the Australian Securities and Investments Commission in relation to its dual listing on the Australian Securities Exchange. In exchange for the common shares, the Company received $1,929,000 and incurred share issuance costs of $91,166 in the form of finders' fees and professional fees.

During the year ended April 30, 2021, the Company issued 3,550,500 shares on the exercise of options for $609,378. The fair value of these options totaling $568,829 was transferred to share capital from reserves. The weighted-average share price at the date of exercise for options exercised was $0.47.

During the year ended April 30, 2021, the Company issued 4,791,819 shares on the exercise of warrants for $607,746. The fair value of these warrants totaling $314,912 was transferred to share capital from reserves.

Escrow Shares

As at April 30, 2021, an amount of 222,857 common shares are held in escrow subject to an escrow agreement with Tusk Exploration Ltd. These shares continue to be held due to unmet contractual obligations.

c) Share purchase warrants and compensation warrants

A summary of changes in share purchase warrants and compensation warrants is as follows:

	Underlying Shares	Weighted Average Exercise Price
Balance, April 30, 2019	16,951,544	$ 0.37
Issued	27,773,024	0.12
Expired	(16,951,544)	0.37
Balance, April 20, 2020	27,773,024	$ 0.12
Issued	23,628,571	0.43
Exercised	(4,791,819)	0.13
Balance, April 30, 2021	**46,609,776**	**$ 0.28**

On April 27, 2020, the Company issued 27,773,024 warrants through the financing described in the previous section. Each warrant entitles the holder to acquire one additional share at the price of $0.12 until April 27, 2023.

On May 21, 2020, the Company issued 4,000,000 warrants pursuant to the terms of the Eastmain option agreement (see Note 4). Each warrant entitles the holder to acquire one additional share at the price of $0.12 until April 27, 2023.

On June 1, 2020, the Company issued 12,000,000 warrants through the financing described in the previous section. Each warrant entitles the holder to acquire one additional share at the price of $0.17 until June 1, 2023.

On October 29, 2020, the Company issued 15,257,142 half warrants through the financing described in the previous section. Each whole warrant entitles the holder to acquire one additional share at the price of $1.00 until October 29, 2022.

The warrants have been valued using the Black-Scholes pricing model, with a gross amount of $5,831,368 included in reserves based on the relative fair values of the shares and warrants issued. The following assumptions were used for the Black-Scholes valuation of the warrants granted:

	April 30, 2021	April 30, 2020
Weighted average assumptions:		
Risk-free interest rate	0.31%	0.34%
Expected dividend yield	$0.00	$0.00
Expected option life (years)	2.67	3
Expected stock price volatility	121%	118%
Weighted average fair value at measurement date	$0.23	$0.08

Warrants outstanding as at April 30, 2021 and 2020, are:

	Exercise Price	Outstanding and Exercisable	
Expiry Date	**per Share**	**April 30, 2021**	**April 30, 2020**
October 29, 2022	$1.00	7,628,571	-
April 27, 2023	$0.12	27,635,750	27,773,024
June 1, 2023	$0.17	11,345,455	-
		46,609,776	**16,951,544**

d) Compensation Units

Pursuant to the private place of 27,773,024 units, the Company paid finders' fees consisting of a cash payment in the aggregate amount of $160,257 and 2,115,652 compensation units with a fair value of $368,915. Each compensation unit is exercisable at a price of $0.076 until April 27, 2023 and entitles the holder to purchase one unit (comprised of one share and one warrant). Each warrant received upon the exercise of a compensation unit entitles the holder to purchase one share at price of $0.12 per warrant until April 27, 2023.

Pursuant to the private place of 12,000,000 flow-through units, the Company paid finders' fees consisting of a cash payment in the aggregate amount of $144,000 and 1,440,000 compensation units with a fair value of $427,720. Each compensation unit is exercisable at a price of $0.17 until June 1, 2023 and entitles the holder to purchase one unit (comprised of one share and one warrant). Each warrant received upon the exercise of a compensation unit entitles the holder to purchase one share at price of $0.17 per warrant until June 1, 2023.

The following assumptions were used for the Black-Scholes valuation of the compensation units granted:

	April 30, 2021	**April 30, 2020**
Weighted average assumptions:		
Risk-free interest rate	0.34%	0.34%
Expected dividend yield	$0.00	$0.00
Expected option life (years)	3	3
Expected stock price volatility	118%	118%
Weighted average fair value at measurement date	$0.15	$0.08

e) Stock options

The Company's stock option plan authorizes for the granting of options to directors, officers, employees, and consultants. Pursuant to the terms of the Stock Option Plan, the Board of Directors may from time to time, in its discretion, and in accordance with Exchange policies, grant incentive stock options ("Options") to purchase the Company's common shares to directors, officers, employees, and consultants. Under the Stock Option Plan, a maximum of 10% of the outstanding shares can be reserved for issuance. The number of shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding shares and the number of shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding shares.

A summary of changes in stock options is as follows:

	Underlying Shares	Weighted Average Exercise Price
Stock options outstanding, April 30, 2019	2,593,276	$0.33
Granted	3,684,000	$0.11
Exercised	(125,000)	$0.10
Expired	(200,000)	$0.11
Cancelled	(231,678)	$1.29
Stock options outstanding, April 30, 2020	5,720,598	$0.16
Granted	5,300,000	$0.53
Exercised	(3,550,500)	$0.17
Cancelled	(12,885)	$3.00
Stock options outstanding, April 30, 2021	**7,457,213**	**$0.41**
Stock options exercisable, April 30, 2021	**7,422,838**	**$0.41**

In September 2019, Benz cancelled an aggregate of 231,678 stock options previously held by directors and officers.

On September 7, 2019, the Company granted 200,000 stock options to a consultant, exercisable at a price of $0.11 per share for a period of two years. The option expired prior to vesting.

On March 3, 2020, the Company granted 570,000 stock options to eligible parties, exercisable at a price of $0.076 per share for a period of five years.

On April 27, 2020, the Company granted 2,914,000 stock options to eligible parties, exercisable at a price of $0.12 per share for a period of five years.

In May 2020, Benz cancelled an aggregate of 12,885 stock options previously held by a consultant.

In June 2020, the Company granted 1,400,000 stock options to eligible parties, exercisable at a price of $0.21 per share for a period of five years.

In October 2020, the Company granted 3,900,000 stock options to eligible parties, exercisable at a price of $0.64 per share for a period of three years.

During the year ended April 30, 2021, 3,550,500 stock options were exercised for proceeds of $609,378.

During the year ended April 30, 2021, the Company recorded share-based payments of $2,158,003 (2020 - $350,228), of which $1,838,283 (2020 - $177,605) pertains to directors and officers of the Company. The fair value of stock options was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	April 30, 2021	**April 30, 2020**
Weighted average assumptions:		
Risk-free interest rate	0.50%	0.53%
Expected dividend yield	$0.00	$0.00
Expected option life (years)	4.17	5.72
Expected stock price volatility	123%	129%
Weighted average fair value at measurement date	$0.46	$0.10

A summary of stock options outstanding as at April 30, 2021, is as follows:

Number of Stock Options Outstanding	**Number of Stock Options Exercisable**	**Exercise Price**	**Weighted Average Remaining Contractual Life (in years)**	**Intrinsic Value**	**Expiry Date**
9,713	9,713	$3.00	3.72	$0.00	January 18, 2025
137,500	103,125	$0.265	6.34	$0.54	August 31, 2027
70,000	70,000	$0.076	3.84	$0.65	March 3, 2025
2,200,000	2,200,000	$0.12	3.99	$0.61	April 27, 2025
1,140,000	1,140,000	$0.21	4.09	$0.52	June 1, 2025
3,900,000	3,900,000	$0.64	2.42	$0.09	October 2, 2023
7,457,213	**7,422,838**		**3.23**		

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the year ended April 30, 2021.

9. FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash and cash equivalents, and trade and other payables. The fair value of the financial instruments approximates their carrying values, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

The Company's credit risk is mainly attributable to its liquid financial assets: cash and cash equivalents. The Company deposits cash with high credit quality financial institutions and credit risk is considered to be minimal. The Company's maximum exposure to credit risk is $13,144,767, which is the carrying value of the Company's cash and cash equivalents at April 30, 2021.

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2021, the Company had a cash and cash equivalents balance of $13,144,767 (April 30, 2020 - $2,350,371) to settle current liabilities of $4,527,645 (April 30, 2020 - $243,785).

c) Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at April 30, 2021, the Company is exposed to currency risk as some transactions and balances are denominated in Australian dollars. As at April 30, 2021, a 10% change of the Canadian dollar relative to the Australian dollar would have net financial impact of approximately $147,000 (2020 - $nil). The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

10. INCOME TAXES

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

	April 30, 2021	**April 30, 2020**
Statutory rates	27%	27%
Loss before income taxes	$(9,459,119)	$ (1,303,850)
Expected income tax recovery at statutory rate	2,553,962	352,040
Non-deductible items and permanent differences	(2,120,904)	(169,665)
Effect of change in tax rates	-	-
Change in valuation allowance	(433,058)	(182,375)
Future income tax recovery	$ -	$ -

The significant components of the Company's future income tax assets are as follows:

	April 30, 2021	April 30, 2020
Future income tax asset:		
Non-capital loss carryforwards	$ 1,365,478	$ 932,420
Exploration expenditure pool	588,612	494,879
Undeducted financing costs	357,096	154,365
	2,311,187	1,581,664
Less: valuation allowance	(2,311,187)	(1,581,664)
Net future income tax assets	$ -	$ -

The Company has non-capital losses for tax purposes of approximately $5,057,300 (2020 - $3,453,400), which may be used to reduce future taxable income in Canada, expiring beginning in 2022. The Company has unclaimed exploration expenditures of approximately 2,162,800 (2020 - $1,832,800), which can be deducted for income tax purposes in Canada in future years at the Company's discretion.

11. SUBSEQUENT EVENTS

In May 2021, the Company issued 300,000 common shares upon the exercise of 300,000 warrants for proceeds of $51,000.