

# **METALLIC MINERALS CORP.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND  
2021**

**(Unaudited - Expressed in Canadian Dollars)**

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## **NOTICE OF NO AUDITOR REVIEW**

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

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

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)

	Note	April 30, 2022	July 31, 2021
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		1,639,747	4,023,315
Receivables	4	310,517	48,327
Due from related parties	11b	690,751	628,138
Prepaid expenses and deposits	5	269,318	377,161
		<b>2,910,333</b>	5,076,941
<b>Non-current</b>			
Deposit	5	30,736	30,736
Exploration and evaluation assets	6	3,399,586	3,269,516
		<b>6,340,655</b>	8,377,193
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		163,380	178,570
Due to a related party	11b	30,962	15,000
		<b>194,342</b>	193,570
<b>Non-current</b>			
Reclamation deposit	9	60,000	60,000
		<b>254,342</b>	253,570
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	33,343,609	30,909,690
Share-based payment reserve	10	2,836,224	3,240,035
Accumulated deficit		(30,093,520)	(26,026,102)
		<b>6,086,313</b>	8,123,623
		<b>6,340,655</b>	8,377,193

Nature of Operations and Going Concern – Note 1  
Subsequent event (Note 16)

Approved on behalf of the Board:  
Gregor Hamilton, Director  
Greg Johnson, Director

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 and 2021**  
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended April 30,		Nine months ended April 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>EXPENSES</b>					
Consulting	11a	96,916	76,101	221,835	299,701
Depreciation		-	-	-	2,694
Exploration expenditures	7,11a	228,415	255,286	3,527,551	4,607,371
Investor relations and corporate development		49,206	125,881	286,234	343,489
Office and administration		5,297	5,911	32,882	62,722
Professional fees		16,785	8,240	52,164	49,017
Property evaluation		-	69	436	294
Share-based payment expense	10e,11a	117,535	461,568	488,041	1,604,895
Transfer agent, regulatory and filing fees		19,532	22,734	47,005	71,773
Travel and accommodation		2,075	-	7,920	3,252
		<b>(535,761)</b>	<b>(955,790)</b>	<b>(4,664,068)</b>	<b>(7,045,208)</b>
<b>Other Items</b>					
Other income	8	-	30,322	-	562,608
Interest and miscellaneous income		1,101	4,243	4,518	14,483
Gain on share issuance		-	-	-	5,195
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>					
		<b>(534,660)</b>	<b>(921,225)</b>	<b>(4,659,550)</b>	<b>(6,462,922)</b>
<b>Basic and diluted loss per share</b>					
		<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.05)</b>
<b>Weighted average number of shares outstanding</b>					
		<b>137,821,259</b>	<b>126,334,118</b>	<b>135,413,069</b>	<b>122,958,816</b>

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited - Expressed in Canadian dollars)

	Note	Common shares number	Share Capital \$	Share-based payment reserve \$	Deficit \$	Total \$
<b>Balance, July 31, 2020</b>		<b>99,644,804</b>	<b>18,894,405</b>	<b>1,912,290</b>	<b>(18,553,823)</b>	<b>2,252,872</b>
Private placements, net of issuance costs	10b	23,896,104	9,554,897	569,313	-	10,124,210
Flow-through share premium liability	10b	-	(506,494)	-	-	(506,494)
Shares issued for share issuance costs	10b	51,948	(5,195)	-	-	(5,195)
Shares issued pursuant to exercise of options	10b	1,990,694	856,829	(408,829)	-	448,000
Shares issued pursuant to exercise of warrants	10b	1,581,425	1,042,366	(359,639)	-	682,727
Share-based payment expense	10e	-	-	1,604,895	-	1,604,895
Net loss and comprehensive loss for the period		-	-	-	(6,462,922)	(6,462,922)
<b>Balance, April 30, 2021</b>		<b>127,164,975</b>	<b>29,836,808</b>	<b>3,318,030</b>	<b>(25,016,745)</b>	<b>8,138,093</b>
Units issued for properties		2,500,000	1,100,000	212,956	-	1,312,956
Shares issued pursuant to exercise of options		-	(27,118)	27,118	-	-
Share-based payment expense		-	-	(298,329)	-	(298,329)
Reclassification of expired options		-	-	(19,740)	19,740	-
Net loss and comprehensive loss for the period		-	-	-	(1,029,097)	(1,029,097)
<b>Balance, July 31, 2021</b>		<b>129,664,975</b>	<b>30,909,690</b>	<b>3,240,035</b>	<b>(26,026,102)</b>	<b>8,123,623</b>
Shares issued pursuant to exercise of options	10b	187,824	61,045	(43,045)	-	18,000
Shares issued pursuant to exercise of warrants	10b	7,988,481	2,372,874	(256,675)	-	2,116,199
Share-based payment expense	10e	-	-	488,041	-	488,041
Reclassification of expired options	10e	-	-	(591,810)	591,810	-
Reclassification of expired warrants	10e	-	-	(322)	322	-
Net loss and comprehensive loss for the period		-	-	-	(4,659,550)	(4,659,550)
<b>Balance, April 30, 2022</b>		<b>137,841,280</b>	<b>33,343,609</b>	<b>2,836,224</b>	<b>(30,093,520)</b>	<b>6,086,313</b>

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 and 2021**  
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended		Nine months ended	
		2022	April 30, 2021	2022	April 30, 2021
		\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>					
Net loss for the period		(534,660)	(921,225)	(4,659,550)	(6,462,922)
Items not involving cash					
Depreciation		-	-	-	2,694
Gain on share issuance		-	-	-	(5,195)
Other income		-	(30,322)	-	(562,608)
Share-based payment expense	10e	117,535	461,568	488,041	1,604,895
		(417,125)	(489,979)	(4,171,509)	(5,423,136)
Net change in non-cash working capital items	12	(106,735)	(36,245)	(216,188)	(1,099,272)
<b>Cash used in operating activities</b>		<b>(523,860)</b>	<b>(526,224)</b>	<b>(4,387,697)</b>	<b>(6,522,408)</b>
<b>INVESTING ACTIVITY</b>					
Acquisition of exploration and evaluation assets	6	(40,225)	-	(130,070)	(86,910)
<b>FINANCING ACTIVITIES</b>					
Proceeds received from private placements	10b	-	-	-	11,000,000
Share issue costs	10b	-	-	-	(875,788)
Proceeds on exercise of options	10b	-	258,000	18,000	448,000
Proceeds on exercise of warrants	10b	-	327,750	2,116,199	682,727
<b>Cash provided by financing activities</b>		<b>-</b>	<b>585,750</b>	<b>2,134,199</b>	<b>11,254,939</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(564,085)</b>	<b>59,526</b>	<b>(2,383,568)</b>	<b>4,645,621</b>
Cash and cash equivalents, beginning of period		2,203,832	5,886,139	4,023,315	1,300,044
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>		<b>1,639,747</b>	<b>5,945,665</b>	<b>1,639,747</b>	<b>5,945,665</b>

**Supplemental cash flow information (Note 12)**

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Metallic Minerals Corp. (the "Company") was incorporated under the laws of British Columbia on May 3, 2007. The Company was registered as an extra-territorial corporation under the Business Corporations Act (Yukon) on July 10, 2009. The Company is involved in activities that include the acquisition and exploration of mineral properties. The Company's head office is located at 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2. The Company is a reporting issuer and trades on the TSX Venture Exchange in Canada under the symbol "MMG" and the US OTCQB Exchange under the symbol "MMNGF".

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

The Company incurred a net loss of \$4,659,550 for the nine months ended April 30, 2022 (2021: \$6,462,922), and as of that date had an accumulated deficit of \$30,093,520 (July 31, 2021: \$26,026,102). At April 30, 2022, the Company had a total of \$2,910,333 of current assets and a working capital of \$2,715,991. Subsequent to April 30, 2022, the Company closed a non-brokered private placement financing for proceeds of \$4,032,000 (Note 16).

While the Company has been successful in obtaining the necessary financing to cover its corporate operating costs and advance the development of its projects through the issuance of common shares and the exercise of warrants in the past, there is no assurance it will be able to raise funds in this manner in the future. There remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

**2. BASIS OF PREPARATION**

The Company's condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended July 31, 2021, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended July 31, 2021.

These condensed interim consolidated financial statements were approved by the Board of Directors on June 29, 2022.

**Basis of Consolidation**

The condensed interim consolidated financial statements include the results or financial information of Metallic Minerals Corp. and its wholly-owned subsidiaries listed in the following table:

<b>Name</b>	<b>Country of incorporation</b>
536386 Yukon Inc.	Canada
1219166 B.C. Ltd.	Canada
Metallic Minerals USA Inc.	USA

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A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All intercompany balances and transactions have been eliminated upon consolidation.

**3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended July 31, 2021.

**4. RECEIVABLES**

The receivables balance as at April 30, 2022 and July 31, 2021 comprised the following:

	<b>April 30, 2022</b>	<b>July 31, 2021</b>
	\$	\$
GST receivable	227,217	36,923
Other	83,300	11,404
	<b>310,517</b>	<b>48,327</b>

**5. PREPAID EXPENSES AND DEPOSITS**

The prepaids and deposit balance as at April 30, 2022 and July 31, 2021 comprised the following:

	<b>April 30, 2022</b>	<b>July 31, 2021</b>
	\$	\$
Prepaid expenses	40,360	37,475
Deposit	259,694	370,422
	300,054	407,897
Less: non-current portion	(30,736)	(30,736)
	<b>269,318</b>	<b>377,161</b>

At April 30, 2022 and July 31, 2021, prepaid expenses included various prepaid amounts for filing fees and memberships and subscriptions.

During the year ended July 31, 2021 the Company engaged Goldspot Discoveries Corp. an arm's length party, to assist in the Company's exploration programs by utilizing its proprietary technology including artificial intelligence. A payment of \$280,000 was made upon engagement and to date invoices of \$96,438 were drawn down on the advance.

As at April 30, 2022, there are deposits of \$45,396 in relation to the Company's exploration programs and a deposit of \$30,736 has been made in relation to a corporate credit card.



**METALLIC MINERALS CORP.**  
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**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
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**6. EXPLORATION AND EVALUATION ASSETS**

A summary of the changes in exploration and evaluation acquisition costs is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance, July 31, 2021</b>	<b>505,259</b>	<b>2,152,869</b>	<b>27,890</b>	<b>583,498</b>	<b>3,269,516</b>
Staking	2,800	17,727	-	-	20,527
Licensing and maintenance	-	105,948	-	3,595	109,543
<b>Balance, April 30, 2022</b>	<b>508,059</b>	<b>2,276,544</b>	<b>27,890</b>	<b>587,093</b>	<b>3,399,586</b>

**KENO SILVER PROJECT**

The Company's 100% owned flagship Keno Silver project, located in the Keno Hill silver district of Canada's Yukon Territory, comprises 166 km<sup>2</sup> including the Keno-Lightning, Keno Summit, Gram, Keno-East, Cobalt Hill, Duncan Creek, Formo and Silver Queen properties.

**Keno-Lightning Property**

The Keno-Lightning property, which includes Homestake, is the largest property within the Keno Silver project and is subject to a 3% Net Smelter Royalty ("NSR"). The Company has the option to buy back up to 2% of this NSR.

**Keno Summit Property**

The Company owns 100% of 17 claims and five leases on the Keno Summit property. Nine claims are subject to the same NSR as the Gram property, seven claims and two leases are subject to the same NSR as the Silver Queen property, three leases are subject to the same NSR as the Formo property and one claim is not subject to an NSR.

**Gram Property**

The Company owns 100% of the Gram property which consists of 42 claims covering approximately 8.7 km<sup>2</sup> on the east side of the Keno Hill silver district. The Gram property is subject to a 2% NSR for precious metals and a 1% NSR for base metals and the Company has the option to buy back the full NSR.

**Cobalt Hill Property**

The Company owns 100% of the Cobalt Hill property covering 4.2 km<sup>2</sup> that are contiguous with the eastern end of the Keno-Lightning property in the Keno Hill silver district. Cobalt Hill is subject to a 3% NSR and the Company has the option to buy back up to 1.5% of this NSR.

**Keno-East Property**

The Company staked additional ground in the Keno-East target area, which covers the eastern and southern extension of the Keno Hill silver district. The Company owns 100% of these claims and are not subject to any NSR.

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**Duncan Creek Property**

The Duncan Creek property was staked by the Company in January 2017 along with other claims totaling approximately 30.2 km<sup>2</sup>. The Company owns 100% of the Duncan Creek claims and they are not subject to any NSR.

**Formo Property**

The Company owns 100% of 16 mining leases in the Keno Hill silver district. The Formo property is subject to a 2% NSR for precious metals and a 1% NSR for base metals. The Company has an option to buy back the full NSR.

**Silver Queen Property**

The Company owns 100% of the Silver Queen property which consists of 20 claims primarily on the western end of the Keno Hill silver district. The Silver Queen property is subject to a 2% NSR and the Company has the option to buy back the full NSR.

**LA PLATA PROJECT**

Pursuant to an option agreement dated September 10, 2019, as amended, the Company acquired an option to acquire a 100% interest in the La Plata silver-gold-copper property in southwest Colorado from two arms-length vendors. The La Plata property, which is approximately 26 km northwest of Durango, Colorado, covers approximately 33 km<sup>2</sup> in the historic high-grade La Plata mining district.

In order to earn the 100% interest in the La Plata project, the Company has the following commitments:

- Issue 1,250,000 units to each of the two Shareholders of the optionor within 10 days of receipt of final Exchange approval of the Option Agreement. 2,500,000 units were issued on September 26, 2019 with each warrant having an exercise price of \$0.24. The units were valued at \$582,368;
- Issue 1,250,000 units to each of the two Shareholders of the optionor 30 days after a plan of operations permit is issued for the property. On July 28, 2021 the agreement was amended to deem the date of issuance of the plan of operation permit for these units to be July 15, 2021 with 2,500,000 units issued on July 29, 2021 with each warrant having an exercise price of \$0.62. The units were valued at \$1,312,956;
- Issue 1,250,000 units to each of the two Shareholders of the optionor on or before the first anniversary that the plan of operations permit is actually issued for this property;
- Issue 1,250,000 units to each of the two Shareholders of the optionor on or before the second anniversary that the plan of operations permit is actually issued for this property; and
- Pay US\$250,000 to each of the two Shareholders of the optionor on or before the third anniversary that the plan of operations permit is actually issued for this Property and 90 days after the completion of a preliminary economic assessment on the property.

Upon issuance, each of the units will comprise one common share and one-half of a share purchase warrant, with each full warrant exercisable into one common share of the Company for a period of 36 months from issuance at an exercise price equal to 120% of the 20-day volume weighted average trading price of the Company's common shares on the TSX-V on the business day immediately preceding the date of issuance.

The La Plata property will be subject to a 2% NSR and the Company will have the ability to buy down the NSR to 1.5%. Certain other patented claims are subject to a total 1.5% NSR.

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**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
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**MCKAY HILL PROJECT**

The Company has a 100% interest in the McKay Hill project, which covers approximately 44 km<sup>2</sup> and is located northeast of the Keno Silver project in the Yukon Territory. The property is subject to a 3% NSR and the Company has the option to buy back up to 2% of this NSR.

**Silver Hill Property**

The Company owns a 100% interest in 10.7 km<sup>2</sup> of claims 15 km north of the McKay Hill property. The property is not subject to any NSR and is managed along with the McKay Hill project.

**KLONDIKE GOLD PROJECT – ROYALTY PORTFOLIO**

The Company's alluvial properties are located on tributaries of the Indian River in the Klondike gold district near Dawson City, Yukon and comprise Australia Creek, Dominion Creek and Melba Creek. The Company also owns alluvial claims that are managed along with the Klondike Gold project at California Creek and McKim Creek.

**Australia Creek Property**

On September 7, 2017, and amended on December 29, 2017, the Company entered into an option agreement to acquire a 100% interest from underlying claim holders in approximately 26 miles (42 km) of mining rights and 18 miles (29 km) of bench claims along the Australia Creek drainage (the "Australia Creek Property"), a tributary to the Indian River, in the Klondike gold district near Dawson City, Yukon. One of the Vendors is a related party as a director of the Company.

The Company completed the earn in of their 100% interest during the year ended July 31, 2020 by paying \$37,500 cash and issuing 200,000 common shares on March 31, 2020 (valued at \$30,000) to one vendor and paying cash of \$15,000 to the other vendor.

Under the Australia Creek option agreement, the vendors will receive a 4% royalty on all alluvial gold production from the Company and the Company has the ability to buy back the royalty.

The Company has entered into two production royalty agreements as follows:

- A production royalty agreement with respect to an approximately 2 mile portion of the Australia Creek Property ("Lower Australia Creek"). The Company has given an arms-length alluvial mining operator (the "Operator") an exclusive right to mine Lower Australia Creek, in exchange for a 10% royalty on all gold production payable to the Company; and
- A production royalty agreement covering four additional miles of valley bottom and bench alluvial claims in two blocks of its Australia Creek Property with an experienced alluvial mining operator in exchange for a 12% royalty on all gold production. This portion of the property is fully permitted for full scale production mining allowing for production to proceed following completion of test work.

**Dominion Creek Property**

The Company has a 100% interest in 10 claims of mining rights along a bench of Dominion Creek, a tributary to the Indian River, in the Klondike gold district near Dawson City, Yukon.

The Company has a production royalty agreement with respect to these claims under which the Company has granted exclusive mining rights to the Operator in exchange for a 15% royalty on all gold production.

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**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

**7. EXPLORATION EXPENDITURES**

A summary of the exploration expenditures incurred for the three months ended April 30, 2022 is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	231	2,828	-	-	3,059
Camp costs	6,179	2,739	-	-	8,918
Consulting	102,695	108,212	1,301	60,223	272,431
Drilling	413	-	-	-	413
Equipment and communication	(56,652)	(727)	-	614	(56,765)
Fuel	-	71	-	-	71
Geophysics	-	1,900	-	-	1,900
Lands and permitting	94	161	-	1,585	1,840
Transportation and travel	(6,986)	3,534	-	-	(3,452)
	<b>45,974</b>	<b>118,718</b>	<b>1,301</b>	<b>62,422</b>	<b>228,415</b>

A summary of the exploration expenditures incurred for the three months ended April 30, 2021 is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	35,419	4,408	1,296	-	41,123
Camp costs	19,712	-	-	-	19,712
Consulting	158,917	67,410	22,082	1,589	249,998
Drilling	27,810	1,328	-	-	29,138
Equipment and communication	96	3,880	-	-	3,976
Geophysics	23,044	125	-	-	23,169
Transportation and travel	969	-	-	194	1,163
	265,967	77,151	23,378	1,783	368,279
Less: Government grants	(40,000)	-	(49,968)	(23,025)	(112,993)
	<b>225,967</b>	<b>77,151</b>	<b>(26,590)</b>	<b>(21,242)</b>	<b>255,286</b>

**METALLIC MINERALS CORP.**  
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**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

A summary of the exploration expenditures incurred for the nine months ended April 30, 2022 is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Analysis	196,804	94,563	-	-	291,367
Camp costs	172,006	7,714	-	-	179,720
Consulting	776,146	274,687	2,145	146,918	1,199,896
Drilling	711,019	193,201	-	-	904,220
Equipment and communication	40,407	8,590	-	614	49,611
Fuel	125,385	704	-	-	126,089
Geophysics	-	96,513	-	-	96,513
Helicopter	616,848	-	-	-	616,848
Lands and permitting	2,658	33,467	-	3,381	39,506
Transportation and travel	20,250	1,481	-	2,050	23,781
	<b>2,661,523</b>	<b>710,920</b>	<b>2,145</b>	<b>152,963</b>	<b>3,527,551</b>

A summary of the exploration expenditures incurred for the nine months ended April 30, 2021 is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Analysis	298,460	33,201	43,144	-	374,805
Camp costs	285,098	28,603	6,429	38	320,168
Consulting	1,016,068	488,997	113,019	110,798	1,728,882
Drilling	1,110,669	10,193	-	-	1,120,862
Equipment and communication	105,479	22,673	-	10,222	138,374
Fuel	160,987	716	-	92	161,795
Geophysics	33,072	5,111	173	-	38,356
Helicopter	611,065	74,860	12,500	-	698,425
Lands and permitting	32,020	14,913	775	181	47,889
Transportation and travel	58,981	30,785	-	1,042	90,808
	3,711,899	710,052	176,040	122,373	4,720,364
Less: Government grants	(40,000)	-	(49,968)	(23,025)	(112,993)
	<b>3,671,899</b>	<b>710,052</b>	<b>126,072</b>	<b>99,348</b>	<b>4,607,371</b>

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

**8. FLOW-THROUGH SHARE PREMIUM LIABILITY**

A summary of the changes in the Company's flow-through share premium liability was as follows:

	\$
<b>Balance, July 31, 2020</b>	<b>214,476</b>
Flow-through share premium on the issuance of flow-through common share units	506,494
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(562,607)</u>
<b>Balance, April 30, 2021</b>	<b>158,363</b>
Flow-through share premium on the issuance of flow-through common share units	-
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(158,363)</u>
<b>Balance, July 31, 2021</b>	<u>-</u>
<b>Balance, April 30, 2022</b>	<u><u>-</u></u>

**9. RECLAMATION DEPOSIT**

During the year ended July 31, 2021, the Company received \$60,000 from a production royalty agreement (Note 6) representing a refundable reclamation deposit. The deposit is refundable once mining activities have been completed on the property and reclamation as set forth within the agreement has been completed.

**10. SHARE CAPITAL**

**a) Authorized**

Unlimited common shares without par value.

**b) Share issuance details**

Subsequent to April 30, 2022, the Company closed a non-brokered private placement financing of 9,600,000 flow-through units at \$0.42 per flow-through unit for aggregate proceeds of \$4,032,000 (Note 16).

**Nine months ended April 30, 2022**

- The Company issued 100,000 common shares pursuant to the exercise of 100,000 options with a weighted average exercise price of \$0.18 per share for total gross proceeds of \$18,000. The weighted average share price on the date of exercise was \$0.44. An additional total of 200,000 options exercised were using Share Appreciation Rights ("SAR") and 87,824 common shares were issued.
- The Company issued 7,988,481 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.26 per share for gross proceeds of \$2,116,119. The weighted average share price on the date of exercise was \$0.41.

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

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**Nine months ended April 30, 2021**

- On November 26, 2020, the Company closed a flow-through private placement of 3,896,104 shares at a price of \$0.77 per share for gross proceeds of \$3,000,000. The Company's share price was \$0.64 per share on the date of completion and as a result, the Company allocated \$506,494 of the gross proceeds from the private placement to flow-through share premium using the residual value method.

The Company paid a finder's fee of \$142,406, issued 184,942 finders' warrants and incurred other share issue costs of \$17,537. Each finders' warrant is exercisable for a period of 24 months, into one common share of the Company at an exercise price of \$0.77. The finders' warrants were valued at \$45,557 using the Black-Scholes option pricing model. The Company also paid advisory fee of \$40,000 to Canaccord Genuity by issuing 51,948 common shares, which resulted in a gain of \$5,195.

- On August 13, 2020, the Company completed a syndicated private placement financing which consisted of 20,000,000 units at a price of \$0.40 per unit for gross proceeds of \$8,000,000. Each unit was comprised of one common share of the Company and one-half of one share purchase warrant with each whole warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.60 for a period of 24 months.

The Company's share price was \$0.79 per share on the date of completion and as a result, the Company allocated the full \$8,000,000 of the gross proceeds from the private placement to share capital using the residual value method.

The Company paid a cash commission of \$435,000, issued 1,087,500 broker warrants and incurred other cash share issue costs of \$280,847. Each broker warrant is exercisable, for a period of 24 months, into one common share at an exercise price of \$0.40. The broker warrants were valued at \$523,756 using the Black-Scholes option pricing model.

- The Company issued 1,990,694 common shares pursuant to the exercise of 2,296,000 options with a weighted average exercise price of \$0.30 per share. The weighted average share price on the date of exercise was \$0.80. An additional total of 1,166,000 options exercised were using Share Appreciation Rights ("SAR").
- The Company issued 1,581,425 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.43 per share. The weighted average share price on the date of exercise was \$0.73.

**c) Stock options**

The Company has a Long-Term Performance Incentive Plan ("LTIP") whereby the Company may grant stock options to directors, officers, employees and consultants. The plan is authorized to grant up to 10% of the issued and outstanding share capital. The exercise price, term and vesting period of each award are determined by the Board within regulatory guidelines.

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price \$
Balance, July 31, 2020	10,759,000	0.28
Granted	4,105,000	0.60
Exercised	(2,296,000)	0.30
Cancelled	(100,000)	0.18
Expired	(50,000)	0.22
Balance, July 31, 2021	12,418,000	0.38
Granted	1,590,000	0.41
Exercised	(300,000)	0.21
Expired	(2,400,000)	0.45
<b>Balance, April 30, 2022</b>	<b>11,308,000</b>	<b>0.38</b>
<b>Exercisable, April 30, 2022</b>	<b>8,633,001</b>	<b>0.34</b>

The following stock options were outstanding as at April 30, 2022:

Outstanding	Exercisable	Weighted average exercise price \$	Expiry date	Weighted average remaining life (in years)
195,000	195,000	0.60	August 13, 2022	0.29
1,500,000	1,500,000	0.30	August 24, 2022	0.32
760,000	506,667	0.60	April 9, 2023	0.94
1,600,000	1,600,000	0.18	February 28, 2024	1.83
818,000	818,000	0.18	August 8, 2024	2.28
1,600,000	1,600,000	0.22	May 8, 2025	3.02
750,000	750,000	0.43	June 22, 2025	3.15
2,295,000	1,530,000	0.60	January 12, 2026	3.71
100,000	66,667	0.60	April 9, 2026	3.95
100,000	66,667	0.65	April 30, 2026	4.00
1,590,000	-	0.41	March 29, 2027	4.92
<b>11,308,000</b>	<b>8,633,001</b>	<b>0.38</b>		<b>2.68</b>

**d) Warrants**

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Balance, July 31, 2020	9,711,531	0.26
Issued	12,522,442	0.51
Exercised	(1,581,425)	0.43
Balance, July 31, 2021	20,652,548	0.45
Exercised	(7,988,481)	0.26
Expired	(11,000)	0.33
<b>Balance, April 30, 2022</b>	<b>12,653,067</b>	<b>0.56</b>



**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

The following warrants were outstanding as at April 30, 2022:

<b>Outstanding</b>	<b>Exercise price</b>	<b>Expiry date</b>	<b>Weighted average remaining life (in years)</b>
	\$		
9,587,500	0.60	August 13, 2022	0.29
380,625	0.40	August 13, 2022	0.29
1,250,000	0.24	September 26, 2022	0.41
184,942	0.77	November 26, 2022	0.58
1,250,000	0.62	July 29, 2024	2.25
<b>12,653,067</b>	<b>0.56</b>		<b>0.50</b>

**e) Share-based payment expense and reserve**

The weighted average fair value on grant date of the options granted during the nine months ended April 30, 2022 was \$317,029 (2021: \$702,112), or \$0.20 (2021: \$0.36) per option and total share-based payment expense was \$488,041 (2021: \$1,604,895) and was recorded in profit or loss. Pursuant to vesting schedules, a portion of the fair value will be expensed in future periods.

During the nine months ended April 30, 2022, the Company grant 1,590,000 stock options. The fair value of the stock options that were granted during the nine months ended April 30, 2022 and 2021 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>2022</b>	<b>2021</b>
Risk free interest rate	2.40%	0.33%
Expected stock price volatility	51%	83%
Expected dividend yield	Nil	Nil
Expected option life in years	5.0	3.95

During the nine months ended April 30, 2022, the Company reclassified \$591,810 (2021: \$nil) from share-based payments reserve to deficit with respect to options that were expired during the period and \$322 (2021: \$nil) with respect to warrants that were expired during the period.

The fair value of the 184,942 finders' warrants issued in conjunction with the private placement completed on November 26, 2020 was \$45,557 and was recorded in reserves. The weighted average assumptions were as follows:

Risk free interest rate	0.26%
Expected stock price volatility	81%
Expected dividend yield	Nil
Expected option life in years	2.0

The fair value of the 1,087,500 finders' warrants issued in conjunction with the private placement completed on August 13, 2020 was \$523,756 and was recorded in reserves. The weighted average assumptions were as follows:

Risk free interest rate	0.26%
Expected stock price volatility	77%
Expected dividend yield	Nil
Expected option life in years	2.0

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

**11. RELATED PARTY TRANSACTIONS**

Key management personnel are the Directors and Executive Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and are reviewed and approved by the Company's Board. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

In addition to key management personnel, the Company transacted with the following related parties during the three and nine months ended April 30, 2022 and 2021:

- TruePoint Exploration Inc. ("TruePoint") is a privately held exploration service company that provides exploration and administrative services to the Company as well as other exploration companies. Costs covered by TruePoint include exploration expenditure (technical work on project such as drilling, sampling and geophysics) consulting, investor relations and corporate development costs and other admin costs. Greg Johnson, President and CEO of the Company is a minority shareholder of TruePoint.

Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

**a) Related Party Transactions**

Related party transactions for the three and nine months ended April 30, 2022 and 2021 were as follows:

		<b>Three months ended</b>		<b>Nine months ended</b>	
		<b>April 30,</b>		<b>April 30,</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>		
Consulting fees	1	82,806	57,872	188,160	200,978
Share-based payments	2	49,452	125,428	143,578	242,460
Transactions with TruePoint	3	202,221	447,322	3,216,704	4,743,837
		<b>334,479</b>	<b>630,622</b>	<b>3,548,442</b>	<b>5,187,275</b>

<sup>1</sup> Consulting fees for the three and nine months ended April 30, 2022 and 2021 consisted of fees earned by key management personnel including the CEO and CFO.

<sup>2</sup> Share-based payment expense is a non-cash item that consisted of the fair value of stock options that were granted to key management personnel.

<sup>3</sup> Transactions with TruePoint for the nine months ended April 30, 2022 consisted of consulting (\$6,430), exploration expenditures (\$2,978,029) and investor relations and corporate development fees (\$232,245).

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

**b) Related Party Balances**

The Company's related party balances consisted of the following:

		<b>April 30, 2022</b>	<b>July 31, 2021</b>
<b>Current assets</b>		<b>\$</b>	<b>\$</b>
Due from TruePoint	1	640,751	578,138
Due from Greg Johnson	2	50,000	50,000
		<b>690,751</b>	<b>628,138</b>
<b>Current liabilities</b>			
Due to Greg Johnson		15,000	15,000
Due to Scott Petsel		15,962	-
		<b>30,962</b>	<b>15,000</b>

<sup>1</sup> This amount was the net of cash advances made to TruePoint offset by charges from TruePoint.

<sup>2</sup> This amount related to an expense advance as at April 30, 2022 and July 31, 2021.

Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

**c) Insider Participation in Private Placements**

A summary of insider participation in the Company's private placements for the nine months ended April 30, 2022 and 2021 was as follows:

	Number of Units	Price	Proceeds
<b>August 2020 Private Placement</b>		<b>\$</b>	<b>\$</b>
Greg Johnson	400,000	0.40	160,000
Rebecca Moriarty	12,500	0.40	5,000
<b>November 2020 Private Placement</b>		<b>\$</b>	<b>\$</b>
Greg Johnson	3,868	0.77	2,978
Peter Harris	26,000	0.77	20,020

**12. SUPPLEMENTAL CASH FLOW INFORMATION**

The net change in non-cash operating working capital balances for the three and nine months ended April 30, 2022 and 2021 consisted of the following:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>April 30,</b>		<b>April 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receivables	(48,307)	(29,335)	(262,190)	(129,595)
Due to/from related parties	(99,575)	(3,666)	(46,651)	(508,822)
Prepaid expenses and deposits	(19,806)	(10,400)	107,843	(388,728)
Accounts payable and accrual liabilities	60,953	7,156	(15,190)	(72,127)
	<b>(106,735)</b>	<b>(36,245)</b>	<b>(216,188)</b>	<b>(1,099,272)</b>

The Company did not have any non-cash financing and investing transactions for the nine months ended April 30, 2022.

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

The non-cash financing and investing transactions for the nine months ended April 30, 2021 consisted of the Company:

- Issuing 184,942 finders' warrants valued at \$45,557 pursuant to the flow-through private placement completed on November 26, 2020.
- Issuing 51,948 common shares valued at \$34,805 to settle advisory fee of \$40,000 to pursuant to the flow-through private placement completed on November 26, 2020, which resulted in a gain of \$5,195.
- Issuing 1,087,500 finders' warrants valued at \$523,756 pursuant to the private placement completed on August 13, 2020.

**13. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, accounts receivable, due to related parties, accounts payable and accrued liabilities and due to related parties. The Company has classified its financial instruments as amortized cost.

As at April 30, 2022 the Company believes the carrying values of cash, receivables, accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since July 31, 2021.

**14. SEGMENTED INFORMATION**

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on location:

	<b>April 30, 2022</b>	<b>July 31, 2021</b>
	\$	\$
Non-current assets by geographic segment		
Canada	1,153,778	1,147,383
United States	2,276,544	2,152,869
	<u>3,430,322</u>	<u>3,300,252</u>

**15. CORONA VIRUS (COVID-19) PANDEMIC**

The outbreak of the worldwide COVID-19 pandemic may result in impacts to the Company's on-going exploration plans and activities. The Company is focused on the health and well-being of its workers and the communities in which they work and has implemented preventative measures accordingly. The Company will continue to monitor advice and regulations from the World Health Organization, governments and local communities, and adjust measures as appropriate.

The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected that are difficult to quantify. Regional disease outbreaks represent a threat to hiring and maintaining skilled workers, and could be a major health-care challenge for its workforce. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and ultimately that the Company could see its workforce productivity reduced or incur increased medical costs as a result of these health risks.

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2022 AND 2021**  
(Unaudited - Expressed in Canadian dollars)

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In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital.

There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity, thereby limiting access to additional capital.

**16. SUBSEQUENT EVENTS**

On June 9, 2022, the Company closed a non-brokered private placement financing through the issuance of 9,600,000 flow-through units at \$0.42 per flow-through unit for aggregate proceeds of \$4,032,000. Each unit consists of one flow-through common share and one-half share purchase warrant where each whole warrant is exercisable into a non-flow-through common share for 30 months at a price of \$0.50.