

**PROGRESSIVE PLANET SOLUTIONS INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED APRIL 30, 2021 AND 2020**

**(Expressed in Canadian Dollars)**

**Registered Head Office**  
510 – 580 Hornby Street  
Vancouver, BC  
V6C 3B6

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Progressive Planet Solutions Inc.

### *Opinion*

We have audited the accompanying consolidated financial statements of Progressive Planet Solutions Inc. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated 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 ("IFRS").

### *Basis for Opinion*

We conducted our audits 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 Consolidated 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 consolidated 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the consolidated financial statements for the year ended April 30, 2021, the Company has recorded a net loss of \$2,391,849 (2020 - \$1,718,200) and has an accumulated deficit of \$18,577,101 (2020 - \$16,185,252). As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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



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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Glenn Parchomchuk.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

August 27, 2021



**PROGRESSIVE PLANET SOLUTIONS INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)  
**AS AT APRIL 30,**

	2021	2020
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,338,583	\$ 101,261
Receivables (Note 3)	68,777	39,347
Marketable securities (Note 4)	302,000	137,988
Prepays and advances	34,019	42,331
	<u>1,743,379</u>	<u>320,927</u>
<b>Property and equipment</b> (Note 5)	968,921	313,911
<b>Exploration and evaluation assets</b> (Note 6)	<u>1,544,612</u>	<u>1,181,863</u>
	<u>\$ 4,256,912</u>	<u>\$ 1,816,701</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 7 and 12)	\$ 237,367	\$ 174,151
Flow-through premium liability (Note 11)	15,525	-
Lease obligation - current (Note 8)	44,670	25,757
Loan payable - current (Note 9)	29,032	67,246
Unearned revenue	-	10,000
	<u>326,594</u>	<u>277,154</u>
<b>Long-term lease obligation</b> (Note 8)	133,111	96,395
<b>Long-term loan payable</b> (Note 9)	<u>218,995</u>	<u>-</u>
	<u>678,700</u>	<u>373,549</u>
<b>Shareholders' equity</b>		
Share capital (Note 10)	18,288,164	15,322,817
Subscriptions received in advance	-	164,520
Share-based payment reserve (Note 10)	3,867,149	2,141,067
Deficit	<u>(18,577,101)</u>	<u>(16,185,252)</u>
	<u>3,578,212</u>	<u>1,443,152</u>
	<u>\$ 4,256,912</u>	<u>\$ 1,816,701</u>

**Nature of operations and going concern** (Note 1)  
**Subsequent events** (Note 19)

**On behalf of the Board:**

"Edward Beggs"

Director

"Stephen Harpur"

Director

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

**PROGRESSIVE PLANET SOLUTIONS INC.**  
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)  
**FOR THE YEARS ENDED APRIL 30,**

	2021	2020
<b>EXPENSES</b>		
Advertising and promotion	\$ 42,417	\$ 54,847
Consulting fees	94,732	8,295
Depreciation (Note 5)	151,726	50,703
Interest expense (Notes 8 and 9)	25,866	8,085
Management and director fees (Note 12)	60,000	47,000
Office and administration (Note 12)	192,359	112,949
Professional fees (Note 12)	186,673	223,999
Repairs and maintenance	57,711	26,232
Research and development costs (Note 12)	158,997	115,641
Share-based compensation (Note 10 and 12)	1,605,422	37,300
Transfer agent and filing fees	49,466	36,733
Travel and entertainment	3,577	32,578
Wages and salaries	275,694	88,276
Write-off of exploration and evaluation assets (Note 6)	-	970,309
	<u>(2,904,640)</u>	<u>(1,812,947)</u>
<b>OTHER ITEMS</b>		
Gain on sale of intellectual property (Note 13)	-	97,500
Other income (Note 14)	190,054	56,470
Realized gain (loss) on marketable securities (Note 4)	77,362	(39,923)
Reversal of flow-through premium (Note 11)	40,725	-
Unrealized gain (loss) on marketable securities (Note 4)	204,650	(19,300)
	<u>512,791</u>	<u>94,747</u>
<b>Loss and comprehensive loss for the year</b>	<b>\$ (2,391,849)</b>	<b>\$ (1,718,200)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.06)</b>	<b>\$ (0.07)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>42,002,452</b>	<b>23,641,674</b>

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

**PROGRESSIVE PLANET SOLUTIONS INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian dollars)

	Number of shares	Share capital	Subscriptions received in advance	Share-based payment reserve	Deficit	Total equity
<b>April 30, 2019</b>	22,573,044	\$ 15,142,021	\$ -	\$ 2,086,563	\$ (14,467,052)	\$ 2,761,532
Private placement	4,715,000	289,850	-	20,100	-	309,950
Shares cancelled related to property payments	(500,000)	(120,000)	-	-	-	(120,000)
Shares issued upon exercised options	30,000	7,646	-	(2,896)	-	4,750
Shares issued for property payments	36,667	3,300	-	-	-	3,300
Subscription received in advance	-	-	164,520	-	-	164,520
Share-based compensation	-	-	-	37,300	-	37,300
Loss for the year	-	-	-	-	(1,718,200)	(1,718,200)
<b>April 30, 2020</b>	26,854,711	15,322,817	164,520	2,141,067	(16,185,252)	1,443,152
Private placements	28,184,000	2,908,270	(164,520)	-	-	2,743,750
Share issuance cost - cash	-	(88,600)	-	-	-	(88,600)
Share issuance cost - broker warrant	-	(204,700)	-	204,700	-	-
Flow-through premium liability	-	(56,250)	-	-	-	(56,250)
Shares issued upon exercised warrants	2,442,000	132,100	-	-	-	132,100
Shares issued upon exercised options	2,226,999	247,860	-	(84,040)	-	163,820
Shares issued for property payments	66,667	26,667	-	-	-	26,667
Share-based compensation	-	-	-	1,605,422	-	1,605,422
Loss for the year	-	-	-	-	(2,391,849)	(2,391,849)
<b>April 30, 2021</b>	59,774,377	\$ 18,288,164	\$ -	\$ 3,867,149	\$ (18,577,101)	\$ 3,578,212

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

**PROGRESSIVE PLANET SOLUTIONS INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)  
**FOR THE YEARS ENDED APRIL 30,**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	\$ (2,391,849)	\$ (1,718,200)
Items not involving cash:		
Depreciation	151,726	50,703
Interest expense	25,866	8,085
Share-based compensation	1,605,422	37,300
Reversal of flow-through premium	(40,725)	-
Realized loss (gain) of marketable securities	(77,362)	39,923
Unrealized loss (gain) of marketable securities	(204,650)	19,300
Gain on sale of intellectual property	-	(97,500)
Write-off of exploration and evaluation assets	-	970,309
Change in non-cash operating working capital:		
Commodity tax recoverable	(23,034)	21,373
Accounts receivable	(6,396)	(30,338)
Prepays and advances	8,312	745
Accounts payable and accrued liabilities	63,216	88,096
Unearned revenue	(10,000)	10,000
<b>Net cash used in operating activities</b>	<b>(899,474)</b>	<b>(600,204)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation assets acquisition and expenditures	(336,082)	(53,670)
Payment on lease equipment	(89,836)	(53,366)
Proceeds from the sales of marketable securities	118,000	82,327
Proceeds from sale of intellectual property	-	97,500
Purchase of property and equipment	(669,724)	(125,942)
<b>Net cash used in investing activities</b>	<b>(977,642)</b>	<b>(53,151)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issuances, net	2,743,750	309,950
Share issuance cost	(88,600)	-
Loans proceed	355,000	-
Loans repayment	(191,632)	23,000
Proceeds from exercise of options	163,820	4,750
Proceeds from exercise of warrants	132,100	-
Subscription received in advance	-	164,520
<b>Net cash provided by financing activities</b>	<b>3,114,438</b>	<b>502,220</b>
<b>Change in cash during the year</b>	<b>1,237,322</b>	<b>(151,135)</b>
<b>Cash, beginning of year</b>	<b>101,261</b>	<b>252,396</b>
<b>Cash, end of year</b>	<b>\$ 1,338,583</b>	<b>\$ 101,261</b>

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

**PROGRESSIVE PLANET SOLUTIONS INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)  
FOR THE YEARS ENDED APRIL 30,

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<b>SUPPLEMENTAL INFORMATION</b>	<b>2021</b>		<b>2020</b>	
Marketable securities received for exploration and evaluation assets	\$	-	\$	135,388
Subscriptions in advance allocated to share capital	\$	164,520	\$	-
Fair value of stock option exercised	\$	84,040	\$	2,896
Fair value of finder's warrants	\$	204,700	\$	-
Fair value allocated to warrants in private placement	\$	-	\$	20,100
Flow through premium liability	\$	56,250	\$	-
Shares issued for exploration and evaluation assets	\$	26,667	\$	3,300
Shares cancelled related to property payments	\$	-	\$	120,000

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

**PROGRESSIVE PLANET SOLUTIONS INC.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian dollars)  
FOR THE YEARS ENDED APRIL 30, 2021 and 2020

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

Progressive Planet Solutions Inc. (the “Company”) was incorporated under the laws of British Columbia, Canada on November 10, 2006. The Company is a junior exploration company primarily engaged in the acquisition and exploration of exploration and evaluation assets located in Canada.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop, profitable operations. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

For the year ended April 30, 2021, the Company has recorded a net loss of \$2,391,849 (2020 - \$1,718,200) and has an accumulated deficit of \$18,577,101 (2020 - \$16,185,252).

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. Additionally, the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretation of the International Financial Reporting Committee (“IFRIC”).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the consolidated financial statements are presented below and are based on IFRS’ issued and outstanding as of August 27, 2021, the date the Board of Directors approved the consolidated financial statements.

**PROGRESSIVE PLANET SOLUTIONS INC.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian dollars)  
FOR THE YEARS ENDED APRIL 30, 2021 and 2020

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned inactive subsidiary, 20090914 Nevada, Inc., which was incorporated under the laws of Nevada, USA.

The Company incorporated a subsidiary, Progressive Planet Alberta Inc., on May 7, 2018 in the Province of Alberta. The Company holds a 100% interest in Progressive Planet Alberta Inc. These consolidated financial statements include the accounts of Progressive Planet Alberta Inc.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company balances and transactions have been eliminated upon consolidation.

**Estimates and judgments**

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment of 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:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the consolidated statement of financial position.
- ii) The inputs used in the Black-Scholes Option Pricing Model to value stock options and broker warrants.

Critical judgements exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- i) Economic recoverability and probability of future benefits of exploration and evaluation costs.

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

- ii) Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. The Model requires the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity settled benefits.

- iii) Private company investments

An analysis of fair value is prepared for private company investments. The analysis uses public stock prices for comparable entities, observable index comparisons, transaction prices for same or similar instruments and information from brokers and other analysis. The key assumptions driving the valuation of the Company's private company investments include, but are not limited to, the value at which a recent financing was completed by the investee, significant changes in general market conditions and company specific information. For those investments valued based on general market condition and company specific information, these inputs can be highly judgmental.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Foreign exchange**

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

**Exploration and evaluation assets**

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

**Impairment**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.



**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Decommissioning and restoration provision**

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

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

**Property and equipment**

Building and equipment are recorded at cost and depreciated using the declining balance method at the following rates per annum.

Equipment	20% per annum
Building	10% per annum
Vehicles	30% per annum

During the year April 30, 2021, the Company acquired a Comminution Plant, which is recorded at cost and depreciated using the straight-line balance method over 10 years based on management's judgement and estimation.

Building and equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

**Share-based compensation**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options and compensatory warrants are measured on the date of grant, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

**PROGRESSIVE PLANET SOLUTIONS INC.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian dollars)  
FOR THE YEARS ENDED APRIL 30, 2021 and 2020

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Share issue costs**

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

**Flow-through shares**

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow through shares in excess of the market value of the shares without flow-through features is credited as a liability and included in profit or loss at the same time the qualifying expenditures are made.

**Loss per share**

The Company presents basic loss per share 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 calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed by assuming that outstanding options, warrants and similar instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**Revenue recognition**

The Company recognizes revenue from the sale of products when persuasive evidence of a contractual arrangement exists, the products have been delivered to the customer, no significant vendor obligations remain outstanding, the price is fixed or determinable, and collectability is reasonably assured.

Revenue from the provision of services are recognized when the related services are rendered, if persuasive evidence of an arrangement exists, the fee is fixed or determinable, and collectability is reasonably assured

Revenue from the provision of long-term contracts are recognized on a percentage-of completion basis as the related services are rendered, if persuasive evidence of an arrangement exists, the fee is fixed or determinable, and collectability is reasonably assured.

The stage of completion is determined by an estimate of the services performed to date as a percentage of total services to be performed.

Amounts received from customers in advance of an arrangement satisfying all the revenue recognition criteria are recorded as deferred revenue.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments**

(i) Financial assets

All financial assets are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial assets' classification, as described below:

Fair value through profit or loss ("FVTPL"): Financial instruments designated at FVTPL are initially recognized and subsequently measured at fair value with changes in those fair values charged immediately to net earnings. Financial instruments under this classification include cash and marketable securities.

Amortized cost: Financial instruments designated at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include accounts payable and accrued liabilities, and loans payable.

Fair value through other comprehensive income ("FVOCI"): Financial instruments designated at FVOCI are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax.

(ii) Financial liabilities

Amortized cost: Financial instruments designated at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include accounts payable and accrued liabilities, and loans payable.

(iii) Impairment of financial assets

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

**Leases**

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Income taxes**

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

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off 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.

**Valuation of equity units issued in private placements**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

**Future accounting pronouncements**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from future accounting pronouncements.

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**3. RECEIVABLES**

	<b>April 30, 2021</b>	<b>April 30, 2020</b>
Commodity tax recoverable	\$ 32,043	\$ 9,009
Trade receivables	36,734	30,338
	<b>\$ 68,777</b>	<b>\$ 39,347</b>

**4. MARKETABLE SECURITIES**

During the year ended April 30, 2020, the Company received 10,500,000 common shares of a private corporation, Snow Lake Resources Ltd. (“Snow Lake”), valued at \$135,388 pursuant to the sale of the Thompson Bros Lithium Property. During the year ended April 30, 2021, the Company sold 2,950,000 shares (2020 - Nil) for proceed of \$118,000 and recorded a realized gain of \$79,962 (2020 - \$Nil). The Company recorded an unrealized gain of \$204,650 (2020 - \$Nil) on valuation of remaining shares held on April 30, 2021.

	Common shares	Total
<b>Snow Lake Resources Ltd.</b>		
Balance, April 30, 2019	-	\$ -
Additions	10,500,000	135,388
Balance, April 30, 2020	10,500,000	135,388
Sale proceeds	(2,950,000)	(118,000)
Realised gain on sale	-	79,962
Unrealized gain from change in fair value	-	204,650
Balance, April 30, 2021	<b>7,550,000</b>	<b>\$ 302,000</b>

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**4. MARKETABLE SECURITIES (cont'd...)**

On January 29, 2019, the Company received 1,750,000 common shares of Berkwood Resources Ltd. (“Berkwood”) valued at \$131,250 and 875,000 warrants, exercisable at a price of \$0.15 into an additional common share of Berkwood. The fair value of the warrants at January 29, 2019 was \$29,900 using the Black-Scholes option pricing model (inputs below).

	January 29, 2019
Stock price	\$0.075
Exercise price	\$0.150
Risk free interest rate	1.84%
Expected life of options	2.00 years
Expected annualized volatility	117.33%
Expected dividend rate	0.00%

During the year ended April 30, 2020, the Company sold 1,750,000 common shares of Berkwood for gross proceeds of \$54,682, which resulted in the realized loss of \$41,568.

As of April 30, 2021, the fair value of the 875,000 warrants of Berkwood was revalued to \$Nil (2020 - \$2,600) as warrants expired on January 29, 2021, which resulted in an realized loss of \$2,600 (2020 – unrealized loss of \$19,300).

	Common shares	Total
<b>Berkwood Resources Ltd.</b>		
Balance, April 30, 2019	1,750,000	\$ 96,250
Sales of common shares	(1,750,000)	(96,250)
Balance, April 30, 2020 and April 30, 2021	-	\$ -

	Warrants	Total
<b>Berkwood Resources Ltd.</b>		
Balance, April 30, 2019	875,000	\$ 21,900
Unrealized loss from change in fair value	-	(19,300)
Balance, April 30, 2020	875,000	2,600
Expired	(875,000)	(2,600)
Balance, April 30, 2021	-	\$ -

On April 24, 2019, the Company received 200,000 common shares of Group Ten Metals Inc. valued at \$26,000 pursuant to the sale of the Catalyst Property which was previously written off in fiscal 2014. Accordingly, the Company recognized a gain on property sales option agreement in the amount of \$26,000.

During the year ended April 30, 2020, the Company sold 200,000 common shares of Group Ten Metals Inc. for gross proceeds of \$27,645, which resulted in the realized gain of \$1,645.

	Common shares	Total
<b>Group Ten Metals Inc.</b>		
Balance, April 30, 2019	200,000	\$ 26,000
Sale of common shares	(200,000)	(26,000)
Balance, April 30, 2020 and April 30, 2021	-	\$ -

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**5. PROPERTY AND EQUIPMENT**

Property and equipment are carried at cost less accumulated depreciation. Details are as follows:

	Equipment	Vehicle	Building	Total
<b>Cost</b>				
Balance, April 30, 2019	\$ 119,608	\$ -	\$ 8,085	\$ 127,693
Additions	125,942	128,471	-	254,413
Balance, April 30, 2020	245,550	128,471	8,085	382,106
Additions	806,736	-	-	806,736
Balance, April 30, 2021	\$ 1,052,286	\$ 128,471	\$ 8,085	\$ 1,188,842
<b>Accumulated depreciation</b>				
Balance, April 30, 2019	\$ 17,088	\$ -	\$ 404	\$ 17,492
Additions	30,664	19,271	768	50,703
Balance, April 30, 2020	47,752	19,271	1,172	68,195
Additions	118,275	32,760	691	151,726
Balance, April 30, 2021	\$ 166,027	\$ 52,031	\$ 1,863	\$ 219,921
<b>Carrying amounts</b>				
Balance, April 30, 2020	\$ 197,798	\$ 109,200	\$ 6,913	\$ 313,911
Balance, April 30, 2021	\$ 886,259	\$ 76,440	\$ 6,222	\$ 968,921

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**6. EXPLORATION AND EVALUATION ASSETS**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveying history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets interests and, to the best of its knowledge, expects title to all of its interests to be in good standing.

Summary for the year ended April 30, 2021:

	Z1 Zeolite Property, BC	Z2 Zeolite Property, BC	Z3 Pozzolan Property, BC	Total
<b>Opening balance</b>				
Acquisition costs	\$ 585,400	\$ 11,050	\$ 7,500	\$ 603,950
Exploration costs	572,964	4,949	-	577,913
<b>Balance, April 30, 2020</b>	<b>1,158,364</b>	<b>15,999</b>	<b>7,500</b>	<b>1,181,863</b>
<b>Acquisition cost additions</b>				
Cash	-	10,000	10,000	20,000
Shares	-	26,667	-	26,667
<b>Total acquisition cost additions</b>	<b>-</b>	<b>36,667</b>	<b>10,000</b>	<b>46,667</b>
Assays	-	-	17,290	17,290
Geological consulting	106,236	-	149,437	255,673
Field work	12,581	-	16,983	29,564
Travel	16,411	-	1,275	17,686
Less: recovery	(4,131)*	-	-	(4,131)
<b>Total exploration cost additions</b>	<b>131,097</b>	<b>-</b>	<b>184,985</b>	<b>316,082</b>
<b>Balance, April 30, 2021</b>	<b>\$ 1,289,461</b>	<b>\$ 52,666</b>	<b>\$ 202,485</b>	<b>\$ 1,544,612</b>

\* recovery consists of sales of zeolite



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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Summary for the year ended April 30, 2020:

	Buckingham Property, Quebec	Thompson Bros. Lithium Property, Manitoba	Z1 Zeolite Property, BC	Z2 Zeolite Property, BC	Z3 Pozzolan Property, BC	Total
<b>Opening balance</b>						
Acquisition costs	\$ 115,486	\$ 447,500	\$ 585,400	\$ -	\$ -	\$ 1,148,386
Exploration costs (recovery)	854,823	(192,112)	539,493	-	-	1,202,204
<b>Balance, April 30, 2019</b>	970,309	255,388	1,124,893	-	-	2,350,590
<b>Acquisition cost additions</b>						
Cash	-	-	-	7,750	7,500	15,250
Shares	-	-	-	3,300	-	3,300
<b>Total acquisition cost additions</b>	-	-	-	11,050	7,500	18,550
Geological consulting	-	-	5,088	1,875	-	6,963
Field work	-	-	23,021	3,074	-	26,095
Travel	-	-	14,062	-	-	14,062
Less: recovery	-	-	(8,700)*	-	-	(8,700)
Less: cancellation of shares	-	(120,000)	-	-	-	(120,000)
<b>Total exploration cost additions (recovery)</b>	-	(120,000)	33,471	4,949	-	(81,580)
<b>Marketable securities received for exploration and evaluation assets</b>	-	(135,388)	-	-	-	(135,388)
<b>Write-off</b>	(970,309)	-	-	-	-	(970,309)
<b>Balance, April 30, 2020</b>	\$ -	\$ -	\$ 1,158,364	\$ 15,999	\$ 7,500	\$ 1,181,863

\* recovery consists of sales of zeolite

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Z1 Zeolite Property, British Columbia

On January 23, 2017, the Company entered into a property option agreement, subsequently amended, for the Z1 Zeolite Property for the following consideration:

- i) Cash payment of \$20,000 (paid);
- ii) 666,667 common shares (issued at a value of \$430,000);
- iii) 333,333 common shares (issued at a value of \$105,000); and
- iv) incur \$500,000 of exploration expenditures on or before January 23, 2019 (incurred).

The property is subject to a royalty in the amount of \$1.25 per tonne of zeolite sold from the property, and additionally a royalty fee of \$10/tonne on the first 10,000 tonnes sold or otherwise disposed of.

Z2 Zeolite Property, British Columbia

On October 3, 2019, the Company entered into a property option agreement to acquire the Z-2 Zeolite Property for the following considerations:

- i) Share issuances
  - a) 33,334 common shares on or before October 22, 2019 (issued with a value of \$3,000).
  - b) 66,667 common shares on or before April 22, 2021 (issued with a value of \$26,667).
  - c) 66,667 common shares on or before October 22, 2022.
- ii) Cash payment
  - a) \$1,000 as non-refundable deposit (paid).
  - b) \$5,000 upon the execution of the agreement (paid).
  - c) \$10,000 on or before April 22, 2021 (paid).
  - d) \$10,000 on or before October 22, 2022.
- iii) Exploration expenditures
  - a) incur \$200,000 in exploration on or before October 22, 2022.

In relation to the acquisition, the Company is also required to issue the following as finder's fees:

- i) Share issuances
  - a) 3,333 common shares on or before October 22, 2019 (issued with a value of \$300).
  - b) 6,667 common shares on or before April 22, 2021 (issued subsequently)
  - c) 6,667 common shares on or before October 22, 2022.

The property is subject to a royalty of \$8.00 per tonne of mineral products produced from the property, and subject to a 50% buyback right in consideration of \$75,000

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Z3 Pozzolan Property, British Columbia

On February 24, 2020, the Company entered into an option agreement to acquire a 100% interest in the Heffley Creek Metals & Pozzolan Property in Heffley Creek, BC, for the following consideration:

- i) Cash payment
  - a) \$7,500 on or before February 25, 2020 (paid).
  - b) \$10,000 on or before February 10, 2021 (paid).
  - c) \$10,000 on or before February 10, 2022.
  - d) \$12,500 on or before February 10, 2023.
  - e) \$15,000 on or before February 10, 2024.
- ii) Exploration expenditures
  - a) incur \$50,000 in exploration on or before February 10, 2021 (incurred).
  - b) incur \$50,000 in exploration on or before February 10, 2022.
  - c) incur \$75,000 in exploration on or before February 10, 2023.
  - d) incur \$100,000 in exploration on or before February 10, 2024.

The vendor will retain a royalty of \$8 per tonne of industrial mineral products produced from the property, subject to a 75% buyback right in consideration of \$150,000. The vendor will also retain a 3% NSR subject to a 50% buyback right in consideration of \$1,500,000.

Buckingham Property, Quebec

On October 8, 2015, the Company entered into an option agreement to acquire a 60% interest in the Buckingham Graphite Property for the following consideration:

- i) Share issuances
  - a) 50,000 common shares on or before closing (issued with a value of \$22,500).
  - b) 50,000 common shares on or before October 8, 2016 (issued with a value of \$52,500).
- ii) Cash payment
  - a) \$25,000 on or before October 8, 2016 (paid).
- iii) Exploration expenditures
  - a) incur \$200,000 in exploration on or before October 8, 2016 (incurred).
  - b) incur cumulative exploration expenditures of \$400,000 on or before October 8, 2017 (incurred).

On September 7, 2016, the Company signed an agreement to increase its stake in the Buckingham Property from an option to acquire 60% now up to 80%. To earn the additional 20%, the Company has fulfilled the existing option terms to earn its 60% interest, will pay an additional \$5,000 cash (paid) to the optionor plus incur an additional \$200,000 (incurred) in expenditures.

During the year ended April 30, 2020, the Company has decided to terminate the option agreement and wrote-off \$970,309.

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Thompson Bros. Lithium Property, Manitoba

On April 21, 2016, the Company entered into a property option agreement for the Thompson Bros. Lithium Property. In return for a 100% interest in the Property, the Company must make the following payments to Strider Resources Ltd. ("the Optionor"):

- i) Cash payment of \$25,000 (paid) and issue to the optionor 16,667 common shares of the Company (issued at a value of \$25,000).
- ii) Cash payment of \$50,000 (paid) and 166,667 common shares of the Company (issued at a value of \$117,500) on or before April 21, 2017.
- iii) Cash payment of \$100,000 (paid) and 166,667 common shares of the Company (issued at a value of \$37,500) on or before April 21, 2018.
- iv) Cash payment of \$100,000 (paid) and 166,667 common shares of the Company (issued at a value of \$40,000, of which was subsequently cancelled) on or before April 21, 2019 (below).
- v) Cash payment of \$100,000 (paid) and 166,667 common shares of the Company (issued at a value of \$40,000, of which was subsequently cancelled) on or before April 21, 2020 (below).
- vi) Cash payment of \$125,000 (paid) and 166,667 common shares of the Company (issued at a value of \$40,000, of which was subsequently cancelled) on or before April 21, 2021 (below).

The Company must also incur \$1,500,000 of expenditures relating to the property on or before the 60-month anniversary of the effective date.

The property is subject to a 2% net smelter return ("NSR") royalty, of which 1% may be repurchased by the Company, by making a cash payment of \$1,000,000.

On April 25, 2016, the Company entered into an agreement with Manitoba Minerals Pty Ltd ("MMPL"), a company incorporated under the laws of the Commonwealth of Australia whereby MMPL has the right to back-in to an 80% ownership of the Thompson Bros. Lithium Property by satisfying the following terms:

- i) Funding all of the Company's cash obligations relating to the April 21, 2016 option agreement up to \$500,000;
- ii) Fund the work program expenditures required in the April 21, 2016 option agreement for a minimum of \$1,500,000 over 60 months; and
- iii) MMPL will acquire 100,000 common shares of the Company for \$150,000 (issued and received) and use such shares to meet the share obligation relating to the April 21, 2016 option agreement.

Subsequent to earning the 80%, but prior to completion of a Pre-Feasibility Study, MMPL had the right to acquire a further 15% interest holding in the Thompson Bros. Lithium Property from the Company for \$1,000,000. On April 12, 2017, the Company amended the option agreement to eliminate this option to acquire the additional interest.

During August 2018, the Company cancelled 83,333 shares (valued at \$18,750) pursuant to the terms of an amending agreement with MMPL in relation to the Thompson Bros. Lithium Property. The Company had issued the shares to the Optionor in April 2018 (at a price of \$0.075) in accordance with the terms of the original property option agreement, and cancelled them during fiscal 2021, as MMPL delivered the shares to the Optionor pursuant to their earn-in agreement on the property.

On November 14, 2018, the Company entered into an agreement with Snow Lake Resources Limited ("Snow Lake") to acquire the Company's remaining 20% interest in the Thompson Bros. Lithium Property. Total consideration to be paid by Snow Lake for the purchased interest will be a cash payment of \$325,000 and 12,000,000 common shares of Snow Lake upon completion of its Initial Public Offering. Pursuant to the terms of the earn-in agreement, Snow Lake will direct 1,500,000 of the 12,000,000 common shares forming part of the purchase price to the Optionor. The purchase price will be payable to the Company on the closing of the transaction. Cash payment of \$325,000 and 12,000,000 Snow Lake shares were received in 2020 fiscal year. Cash from Snow Lake Resources was used for last three option payments made to the optionor.

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Thompson Bros. Lithium Property, Manitoba (cont'd...)

To ensure the property remained in good standing, the Company issued 500,000 shares (valued at \$120,000) to the Optionor pursuant to the terms of the original agreement. However, the Optionor refused acceptance of the shares, as the obligations were no longer required by the Company. Accordingly, the share certificate was returned and cancelled during the year ended April 30, 2020 (Note 10).

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company's accounts payable and accrued liabilities consist of:

	April 30, 2021	April 30, 2020
Trade payables	\$ 201,367	\$ 132,719
Accrued liabilities	36,000	41,432
	<u>\$ 237,367</u>	<u>\$ 174,151</u>

**8. LEASE OBLIGATION**

On January 31, 2019, the Company entered into a 4 year lease for the use of a Kubota skid steer for its zeolite operation and capitalized the equipment valued at \$51,289. Pursuant to the terms of the agreement, the Company made a down payment of \$6,030 and is required to make monthly lease payments of \$1,051 over the next 48 months.

On September 20, 2019, the Company entered into a 5 year lease for the use of a transport truck for its zeolite operation and capitalized the equipment valued at \$128,471. Pursuant to the terms of the agreement, the Company made a down payment of \$32,034 and is required to make monthly lease payments of \$1,448 over the next 59 months. At the end of the lease term, the Company has the option to purchase the leased asset at the price of \$32,064 or renew the lease for an additional 24-month period with the same terms and conditions.

On September 25, 2020, the Company entered into a 5 year lease for the use of a forklift for its zeolite operation and capitalized the equipment valued at \$75,123. Pursuant to the terms of the agreement, the Company made a down payment of \$12,917 and is required to make monthly lease payments of \$1,217 over the next 59 months. At the end of the lease term, the Company has the option to purchase the leased asset at the price of \$10.

On March 25, 2021, the Company entered into a 3 year lease for the use of a forklift for its zeolite operation and capitalized the equipment valued at \$61,888. Pursuant to the terms of the agreement, the Company made a down payment of \$38,405 and is required to make monthly lease payments of \$1,150 over the next 35 months. At the end of the lease term, the Company has the option to purchase the leased asset at the price of \$12,285.

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**8. LEASE OBLIGATION (cont'd...)**

The financial statement effects concerning lease liabilities are as follows:

	April 30, 2021	April 30, 2020
Maturity Analysis - contractual undiscounted cash flows		
Less than one year	\$ 58,398	\$ 31,441
More than one year	158,665	112,069
Total undiscounted lease liabilities	\$ 217,063	\$ 143,510
Lease liabilities included in the statement of financial position		
Current	\$ 44,670	\$ 25,757
Non-current	133,111	96,395
Balance	\$ 177,781	\$ 122,152
Amounts recognized in profit and loss		
Interest on lease liabilities	\$ 8,454	\$ 4,339

Summary for the year ended:

Lease liabilities as at May 1, 2019	\$ 42,708
Additions	128,471
Payments	(53,366)
Interest expense	4,339
Lease liabilities as at April 30, 2020	122,152
Additions	137,011
Payments	(89,836)
Interest expense	8,454
Lease liabilities as at April 30, 2021	\$ 177,781

**9. LOAN PAYABLE**

On September 28, 2018, the Company financed the purchase of equipment with a non-interest bearing loan payable of \$54,000 that matures over a period of 24 months. During the year ended April 30, 2020, the Company paid \$27,000 to reduce the loan payable. During the year ended April 30, 2021, the Company repaid the remaining amount.

	April 30, 2021	April 30, 2020
Opening balance	\$ 13,500	\$ 40,500
Less: loan payments	(13,500)	(27,000)
Loan payable - current portion	\$ -	\$ 13,500

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**9. LOAN PAYABLE (cont'd...)**

During the year ended April 30, 2020, the Company arranged loans by way of promissory notes for total proceeds of \$100,000, of which \$50,000 was repaid.

During the year ended April 30, 2021, the Company arranged loans by way of promissory notes for total proceeds of \$75,000. Total outstanding loans and interest were repaid during the year ended April 30, 2021.

	April 30, 2021	April 30, 2020
Opening balance	\$ 53,746	\$ -
Add: loan proceeds	75,000	100,000
Add: interest	8,199	3,746
Less: loan and interest repayment	(136,945)	(50,000)
<b>Loan payable - current portion</b>	<b>\$ -</b>	<b>\$ 53,746</b>

On May 13, 2020, both the Company and its subsidiary, Progressive Planet Alberta Inc, received a loan of \$40,000 for the Canada Emergency Business Account to provide emergency support to businesses due to the impact of COVID-19. The loan is non-interest bearing until December 31, 2022, after which it will incur interest at 5% per annum. If the principal of \$30,000 is fully repaid on or before December 31, 2022, the remaining \$10,000 will be forgiven.

	April 30, 2021
Opening balance	\$ -
Add: CRA loan Progressive Planet	40,000
Add: CRA loan Progressive Planet Alberta	40,000
<b>Loan payable – non-current portion</b>	<b>\$ 80,000</b>

*Credit Facility*

On May 27, 2020, the Company entered into a loan agreement with Bank of Montreal for a credit facility (“the Facility”) in the amount of up to \$300,000, of which \$200,000 is a five-year term with a rate equal to prime plus 3% per annum (“Closed Term Loan”), and the remaining \$100,000 is a five-year term with an interest rate equal to prime plus 2.50% (“Operating Demand Loan”).

During the year ended April 30, 2021, the Company obtained the Closed Term Loan of \$200,000 in two tranches:  
(i) \$144,000 secured by personal guarantee, bearing a fixed interest rate of 5.82% per annum. These funds were received in June 2020 and mature on June 10, 2025; and  
(ii) \$56,000 secured by personal guarantee, bearing a fixed interest rate of 5.50% per annum. These funds were received in July 2020 and mature on July 10, 2025.

As of April 30, 2021, the Company still have access to unused remaining balance of \$100,000 from the Operating Demand Loan.

The Company granted 6,000,000 bonus warrants (valued at \$319,800 and recorded as share-based compensation) to the controlling shareholder of the Company in consideration of acting as a guarantor. Each warrant is exercisable into one common share at \$0.05 of which 2,000,000 warrants expire on June 15, 2021, and 4,000,000 warrants expire on June 15, 2023.

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**9. LOAN PAYABLE (cont'd...)**

	April 30, 2021
Opening balance	\$ -
Add: loan proceeds	200,000
Add: interest	9,215
Less: loan repayment	(41,188)
	168,027
Less: loan payable – current portion	(29,032)
Loan payable – non-current portion	\$ 138,995

**10. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE**

**Authorized:** unlimited common shares without par value

During the year ended April 30, 2021, the Company:

- i) closed a non-brokered private placement of 6,784,000 units at a price of \$0.03 per unit for gross proceeds of \$203,520, of which \$164,520 was collected in the year ended April 30, 2020. Each unit is comprised of one common share and one-half of a share purchase warrant of the Company. \$Nil was allocated to the warrant component of the unit offering completed. Each whole warrant will entitle the holder to purchase one share at a price of \$0.05 per warrant until May 12, 2021.
- ii) closed a private placement of 1,250,000 flow-through units at \$0.08 per flow-through unit for gross proceeds of \$100,000, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one flow-through common share and one-half share purchase warrant of the Company. Each warrant will entitle the holder to purchase one non-flow-through share at a price of \$0.10 per warrant until September 25, 2021. A value of \$18,750 was attributed to the flow-through premium liability in connection with the financing. The Company expended certain of the flow-through proceeds and accordingly, recorded \$18,750 as reversal of flow-through premium during the year ended April 30, 2021.

The Company also closed a private placement of 3,150,000 non-flow through units at \$0.065 per unit for gross proceeds of \$204,750, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one common share and one-half share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until September 25, 2021. The Company paid issuance costs of \$7,850 cash and 120,000 finder's warrants valued at \$4,500. Each finder's warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until September 25, 2021. The Company also paid other issuance costs of \$2,274.

- iii) closed a private placement of 2,500,000 flow-through units at \$0.10 per flow-through unit for gross proceeds of \$250,000, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one flow-through common share and one-half share purchase warrant of the Company. Each warrant will entitle the holder to purchase one non-flow-through share at a price of \$0.15 per warrant until December 24, 2021. A value of \$37,500 was attributed to the flow-through premium liability in connection with the financing. The Company expended certain of the flow-through proceeds, and accordingly, recorded \$10,990 as reversal of flow-through premium during the year ended April 30, 2021.



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**10. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)**

During the year ended April 30, 2021, the Company: (cont'd...)

- iv) closed a private placement of 7,500,000 non-flow through units at \$0.10 per unit for gross proceeds of \$750,000, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until January 20, 2023. The Company paid issuance costs of \$27,750 in cash and issued 277,500 finder's warrants valued at \$42,900. Each finder's warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until January 20, 2022.
- v) closed a private placement of 7,000,000 non-flow through units at \$0.20 per unit for gross proceeds of \$1,400,000, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.25 per warrant until February 12, 2023. The Company paid issuance costs of \$53,000 in cash and issued 530,000 finder's warrants valued at \$157,300. Each finder's warrant will entitle the holder to purchase one share at a price of \$0.20 per warrant until February 12, 2022.
- vi) issued 2,226,999 common shares upon exercise of options for gross proceeds of \$163,820, and accordingly, the Company reallocated \$84,040 of its share-based payment reserve to share capital.
- vii) issued 2,442,000 common shares upon exercise of warrants for gross proceeds of \$132,100.
- viii) issued 66,667 shares valued at \$26,667 pursuant to the acquisition of the Z2-Zeolite Property (Note 6).

During the year ended April 30, 2020, the Company:

- i) cancelled 500,000 shares with a value of \$120,000 pursuant to the option agreement with Snow Lake in relation to the Thompson Bros. Lithium Property (Note 6).
- ii) issued 30,000 common shares upon exercise of options for gross proceeds of \$4,750, and accordingly, the Company relocated \$2,896 of its share-based payment reserve to share capital.
- iii) issued 36,667 shares valued at \$3,300 pursuant to the acquisition of Z2-Zeolite Property (Note 6).
- iv) closed the first tranche of a private placement of 2,705,000 flow-through units at \$0.07 per flow-through unit for gross proceeds of \$189,350, of which \$nil was allocated to the warrant component of the unit offering completed. The flow-through shares were valued at \$0.07 for a total value of \$189,350, and the residual value of \$Nil was allocated to deferred premium on flow-through shares. Each unit is comprised of one flow-through common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.075 per warrant until June 23, 2020.
- v) closed the second tranche of a private placement of 2,010,000 units at \$0.06 per unit for gross proceeds of \$120,600, of which \$20,100 was allocated to the warrant component of the unit offering completed. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.075 per warrant until July 29, 2020.

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**10. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)**

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting is determined by the Board of Directors.

During the year ended April 30, 2021, the Company granted 6,118,000 (2020 – 1,263,667) stock options to its officers, directors, consultants, and employees and recognized share-based compensation expense of \$1,285,622 (2020 - \$37,300). Unrecognized share-based compensation expense was \$142,378 (2020 - \$Nil) due to vesting period of stock options granted for the year ended April 30, 2021

During the year ended April 30, 2021, the Company:

- i) granted 950,000 stock options to officers, directors, consultants, and employee of the Company, exercisable at a price of \$0.05 per share, expiring on May 22, 2022. The estimated fair value of the options is \$26,100 or \$0.03 per option.
- ii) granted 500,000 stock options to a consultant of the Company, exercisable at a price of \$0.10 per share, expiring on December 23, 2023. The estimated fair value of the options is \$35,500 or \$0.07 per option.
- iii) granted 168,000 stock options to employees of the Company, exercisable at a price of \$0.195 per share, expiring on January 13, 2023. The estimated fair value of the options is \$22,200 or \$0.13 per option.
- iv) granted 50,000 stock options to employees of the Company, exercisable at a price of \$0.38 per share, expiring on February 8, 2023. The estimated fair value of the options is \$14,100 or \$0.28 per option.
- v) granted 3,000,000 stock options to officers and directors of the Company, exercisable at a price of \$0.39 per share, expiring on February 22, 2024. The estimated fair value of the options is \$920,700 or \$0.31 per option.
- vi) granted 1,150,000 stock options to officers and consultants of the Company, exercisable at a price of \$0.39 per share, expiring on February 22, 2023. The estimated fair value of the options is \$323,200 or \$0.28 per option.
- vii) granted 125,000 stock options to a consultant of the Company, exercisable at a price of \$0.41 per share, expiring on March 1, 2023. The estimated fair value of the options is \$36,500 or \$0.29 per option.
- viii) granted 175,000 stock options to a consultant of the Company, exercisable at a price of \$0.395 per share, expiring on March 17, 2023. The estimated fair value of the options is \$49,700 or \$0.28 per option.

During the year ended April 30, 2020, the Company:

- i) granted 116,667 stock options to an officer and employees of the Company, exercisable at a price of \$0.15 per share, expiring on August 12, 2021. The estimated fair value of the options is \$8,300 or \$0.07 per option.
- ii) granted 1,037,000 stock options to officers, directors and employees of the Company, exercisable at a price of \$0.06 per share, expiring on February 3, 2022. The estimated fair value of the options is \$27,900 or \$0.03 per option.
- iii) granted 60,000 stock options to a consultant of the Company, exercisable at a price of \$0.06 per share, expiring on September 13, 2020. The estimated fair value of the options is \$300 or \$0.01 per option.

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**10. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)**

Stock options (cont'd...)

- iv) granted 50,000 stock options to a consultant of the Company, exercisable at a price of \$0.06 per share, expiring on March 13, 2022. The estimated fair value of the options is \$800 or \$0.02 per option.

A summary of the Company's stock option activity is as follows:

	Options	Weighted Average Exercise Price
<b>Balance, April 30, 2019</b>	2,170,000	\$ 0.20
Granted	1,263,667	0.07
Exercised	(30,000)	0.16
Expired	<u>(826,666)</u>	0.25
<b>Balance, April 30, 2020</b>	2,577,001	0.12
Granted	6,118,000	0.31
Exercised	(2,226,999)	0.07
Expired/Cancelled	<u>(976,668)</u>	0.17
<b>Balance, April 30, 2021</b>	5,491,334	\$ 0.34
<b>Exercisable, April 30, 2021</b>	4,816,333	\$ 0.34

As at April 30, 2021, the Company had the following stock options outstanding:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
83,333*	83,333	\$0.15	12-Aug-21
140,000	140,000	0.06	3-Feb-22
100,000	100,000	0.05	22-May-22
168,000	168,000	0.195	13-Jan-23
50,000	50,000	0.38	8-Feb-23
1,150,000	650,000	0.39	22-Feb-23
125,000	125,000	0.41	1-Mar-23
175,000	-	0.395	17-Mar-23
500,000	500,000	0.10	23-Dec-23
<u>3,000,000</u>	<u>3,000,000</u>	0.39	22-Feb-24
<u>5,491,334</u>	<u>4,816,333</u>		

\* 83,333 options exercised subsequently

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**10. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)**

Stock options (cont'd...)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended April 30, 2021:

	<b>2021</b>	<b>2020</b>
Risk-free interest rate	0.27%	1.37%
Expected life of options	2.57 years	1.93 years
Expected annualized volatility	153.16%	131.10%
Expected dividend rate	0.00%	0.00%

Warrants

During the year ended April 30, 2021, the Company:

- i) granted 2,000,000 bonus warrants to major shareholder of the Company to compensate for providing personal guarantee to obtain \$56,000 bank loan. Warrants are exercisable at a price of \$0.05 per share, expiring on May 22, 2022. The estimated fair value of the warrants is \$89,200 or \$0.04 per warrant recorded as share-based compensation.
- ii) granted 4,000,000 bonus warrants to major shareholder of the Company to compensate for providing personal guarantee to obtain \$144,000 bank loan. Warrants are exercisable at a price of \$0.05 per share, expiring on May 22, 2022. The estimated fair value of the warrants is \$230,600 or \$0.06 per warrant recorded as share-based compensation.

A summary of the Company's warrant activity is as follows:

	Warrants	Weighted Average Exercise Price
<b>Balance, April 30, 2019</b>	10,953,263	\$ 0.32
Granted	4,715,000	0.08
Expired	<u>(8,069,930)</u>	0.32
<b>Balance, April 30, 2020</b>	7,598,333	0.16
Granted	28,269,500	0.14
Exercised	(2,442,000)	0.05
Expired	<u>(7,598,333)</u>	0.16
<b>Balance, April 30, 2021</b>	25,827,500	\$ 0.15

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**10. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)**

Warrants (cont'd...)

As at April 30, 2021, the Company had the following warrants outstanding:

Warrants Outstanding	Exercise Price	Expiry Date
1,150,000*	\$0.05	12-May-21
2,000,000**	0.05	16-June-21
1,375,000***	0.10	25-September-21
120,000	0.10	25-September-21
625,000	0.10	25-September-21
1,250,000	0.15	20-December-21
277,500****	0.10	20-January-22
7,500,000	0.15	20-January-23
530,000	0.20	12-February-23
7,000,000*****	0.25	12-February-23
4,000,000	0.05	16-June-23
<b>25,827,500</b>		

\* 1,150,000 warrants exercised subsequently

\*\* 2,000,000 warrants exercised subsequently

\*\*\* 37,500 warrants exercised subsequently

\*\*\*\* 37,500 warrants exercised subsequently

\*\*\*\*\* 25,000 warrants exercised subsequently

The following weighted average assumptions were used for the Black-Scholes valuation of bonus and broker warrant granted during the year ended April 30, 2021:

	2021	2020
Risk-free interest rate	0.25%	-
Expected life of warrants	2.23 years	-
Expected annualized volatility	150.00%	-
Expected dividend rate	0.00%	-

**11. FLOW-THROUGH PREMIUM LIABILITY**

The Company raised capital through the issuance of 1,250,000 flow-through shares in September 2020. A value of \$18,750 was attributed to the flow-through premium liability in connection with the financing. The Company expended \$104,276 of the flow-through proceeds and accordingly, recorded \$18,750 as reversal of flow-through premium during the year ended April 30, 2021.

The Company raised capital through the issuance of 2,500,000 flow-through shares in December 2020. A value of \$37,500 was attributed to the flow-through premium liability in connection with the financing. The Company expended \$146,501 of the flow-through proceeds and accordingly, recorded \$21,975 as reversal of flow-through premium during the year ended April 30, 2021. As at April 30, 2021 the Company has remaining flow-through premium liability of \$15,525 (2020 - \$Nil).

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**12. RELATED PARTY TRANSACTIONS**

The Company defines key management as officers and directors. For the year ended April 30, 2021, the Company had the following transactions with key management, being related parties:

- i) paid or accrued management fees of \$36,000 (2020 - \$36,000) to a corporation owned by the Company's CEO for his services as President and CEO.
- ii) paid or accrued fees of \$84,000 (2020 - \$84,000) to a corporation owned by the Company's CEO for services relating to research and development.
- iii) paid or accrued director fees of \$24,000 (2020 - \$11,000) to the directors of the Company.
- iv) paid or accrued professional fees of \$72,000 (2020 - \$72,000) to a partnership in which the Company's former Chief Financial Officer has an interest.
- v) paid or accrued advertising and promotion consulting fees and wages of \$21,000 (2020 - \$Nil) to the CEO's spouse.
- vi) granted a total of 3,700,000 stock options (2020 - 827,000) to officers and directors of the Company, of which the fair market value was estimated at \$939,932 (2020 - \$24,462) and was included in share-based compensation expense.

As at April 30, 2021, \$14,700 (2020 - \$33,066) is included in accounts payable and accrued liabilities owed to directors, and an accounting firm where an officer of the Company is a partner.

**13. SALE OF INTELLECTUAL PROPERTY**

During the year ended April 30, 2020, the Company completed the sale to an arm's length acquiror its interest in early stage intellectual property relating to sulfur lithium battery research resulting in a gain of \$97,500.

In addition, the Company will receive a 2% royalty on any resulting sales made by commercializing this intellectual property.

**14. OTHER INCOME**

	<b>For the year ended April 30, 2021</b>	<b>For the year ended April 30, 2020</b>
Sale of products	\$ 95,050	\$ 30,536
Revenue Quebec tax credit	3,573	-
Provision of research services	79,765	25,934
SR&ED tax credit	11,666	-
	<b>\$ 190,054</b>	<b>\$ 56,470</b>

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**15. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The capital for the Company was mainly from the issuance of common shares and short-term demand loans. There was no change in the Company's capital management strategy during the current period. The Company is not exposed to any externally imposed capital restrictions.

**16. FINANCIAL INSTRUMENTS AND RISKS**

**Fair values**

The Company's financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities and loan payable. Cash and marketable securities are carried at fair value. The fair values of accounts payable and accrued liabilities and loan payable approximate their carrying amounts due to their current nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>As at April 30, 2021</i>				
Cash	\$ 1,338,583	\$ 1,338,583	\$ -	\$ -
Marketable securities	302,000	-	-	302,000

Financial instruments measured at fair value on the statement of financial position include marketable securities and are included in level 1 of the fair value hierarchy.

The Snow Lake private company shares (Note 4) are valued within level 3 of the fair value hierarchy. The key assumptions driving the valuation of the Company's private company investments include, but are not limited to, the value at which a recent financing was completed by the investee, significant changes in general market conditions and company specific information. For those investments valued based on general market condition and company specific information, these inputs can be highly judgmental.

**16. FINANCIAL INSTRUMENTS AND RISKS (cont'd...)**

*Financial instrument risk exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

*Credit risk*

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of commodity taxes receivable due from a federal government agency.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operating activities and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company has cash balances and interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

Foreign currency risk

The Company is exposed to nominal foreign currency risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings (loss) due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations may be significant.



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**17. SEGMENTED INFORMATION**

The Company's primary business activity is the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

	April 30, 2021	April 30, 2020
<b>Exploration and evaluation assets</b>		
Canada	\$ 1,544,612	\$ 1,181,863
<b>Property and equipment</b>		
Canada	\$ 968,921	\$ 313,911

**18. INCOME TAXES**

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

	2021	2020
Loss for the year	\$ (2,391,849)	\$ (1,718,200)
Expected income tax (recovery)	\$ (646,000)	\$ (464,000)
Change in statutory rates and other	92,000	68,000
Permanent difference	182,000	14,000
Impact of flow through shares	67,000	-
Share issue cost	(24,000)	-
Change in unrecognized deductible temporary differences	329,000	382,000
	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2021	2020
<b>Deferred Tax Assets (Liabilities)</b>		
Exploration and evaluation assets	\$ 1,352,000	\$ 1,566,000
Property and equipment	8,000	2,000
Share issue costs	25,000	19,000
Marketable securities	(28,000)	4,000
Allowable capital losses	8,000	9,000
Non-capital losses available for future periods	2,403,000	2,074,000
	3,768,000	3,674,000
Unrecognized deferred tax assets	(3,768,000)	(3,674,000)
Net deferred tax assets	\$ -	\$ -

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**18. INCOME TAXES (cont'd...)**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	<b>2021</b>	<b>Expiry Date Range</b>	<b>2020</b>	<b>Expiry Date Range</b>
<b>Temporary Differences</b>				
Exploration and evaluation assets	\$ 5,006,000	No expiry date	\$ 5,802,000	No expiry date
Property and equipment	29,000	No expiry date	7,000	No expiry date
Share issue costs	93,000	2041 to 2043	71,000	2041 to 2043
Marketable securities	(205,000)	No expiry date	27,000	No expiry date
Allowable capital losses	30,000	No expiry date	32,000	No expiry date
Non-capital losses available for future periods	8,899,000	2027 to 2040	7,681,000	2027 to 2040

**19. SUBSEQUENT EVENTS**

Subsequent to April 30, 2021, the Company:

- i) granted 375,000 stock options to consultants of the Company exercisable at \$0.43 per share expiring on May 6, 2023. The options have been granted in accordance with the Company's stock option plan.
- ii) issued 3,250,000 common shares upon exercise of warrants for gross proceeds of \$171,250.
- iii) issued 83,333 common shares upon exercise of options for gross proceeds of \$12,500.