EV Nickel Inc.

Financial Statements

For the year ended June 30, 2022 and the period from January 28 (date of incorporation) to June 30, 2021

[expressed in Canadian Dollars]

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For the year ended June 30, 2022 and the period from January 28 (date of incorporation) to June 30, 2021
(Expressed in Canadian Dollars)

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EV Nickel Inc.
Statements of Financial Position
As at June 30, 2022 and June 30, 2021
(expressed in Canadian Dollars)

	Note		As at June 30, 2022		2021
Assets					
Current Assets					
Cash		**$**	**1,529,742**	$	1,374,506
Other receivables and HST recoverable			**414,128**		12,963
Prepaid expenses			**160,965**		261,729
			2,104,835		1,649,198
Payment advance	7		**344,950**		
Equipment	5		**43,020**		24,890
Right-of-use assets	6		**21,557**		-
Total assets		**$**	**2,514,362**	$	1,674,088
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities		**$**	**1,436,973**	$	191,450
Due to related parties	7		**68,540**		-
Current portion of lease liability	6		**4,719**		-
			1,510,232		191,450
Lease liability	6		**5,377**		-
Total liabilities		**$**	**1,515,609**	$	191,450
Shareholders' equity					
Share Capital	8	**$**	**7,528,846**	$	4,020,766
Warrants reserve	8		**1,676,624**		435,634
Deficit			**(8,206,717)**		(2,973,762)
Total shareholders' equity		**$**	**998,753**	$	1,482,638
Total liabilities and shareholders' equity		**$**	**2,514,362**	$	1,674,088

Nature of Operations and Going Concern (Note 1)

Commitments (Note 12)

Subsequent Events (Note 14)

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

Approved by:

(Signed) "Sean Samson," Director

(Signed) "Gadi Levin," Director

(expressed in Canadian Dollars)

	Note		Years ended June 30, 2022		2021*
Operating expenses					
Exploration expenditures	4, 7	**$**	**4,090,160**	$	2,432,802
General and administrative	7		**857,773**		105,326
Expense related to IPO listing			**726,693**		-
Stock based compensation	7, 8		**53,627**		435,634
Interest income	7		**(4,950)**		-
Flow through premium	8		**(490,348)**		-
Total expenses			**5,232,955**		2,973,762
Net loss and Comprehensive loss for the year		**$**	**(5,232,955)**	$	(2,973,762)
Weighted average number of shares, basic and diluted			**28,844,511**		18,442,699
Loss per share, basic and diluted		**$**	**(0.18)**	$	(0.16)

*The Company was incorporated on January 28, 2021.

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

(expressed in Canadian Dollars)

	Number of common shares		Share capital		Reserve		Deficit		Total
Balance, January 28, 2021 (date of incorporation)	100	$	-	$	-	$	-	$	-
Founders' shares	13,333,233		1,333		-		-		1,333
Private placement	6,813,467		2,044,040		-		-		2,044,040
Share issue costs	-		(24,607)		-		-		(24,607)
Shares issued for exploration and evaluation assets	6,666,667		2,000,000		-		-		2,000,000
Stock based compensation	-		-		435,634		-		435,634
Comprehensive loss for the period	-		-		-		(2,973,762)		(2,973,762)
Balance, June 30, 2021	**26,813,467**	**$**	**4,020,766**	**$**	**435,634**	**$**	**(2,973,762)**	**$**	**1,482,638**
Founders' shares	(3,500,000)	$	(35)	$	-	$	-	$	(35)
Common shares issued at IPO	5,600,000		3,272,416		927,584		-		4,200,000
Shares issued for exploration and evaluation assets	2,500,000		650,000		-		-		650,000
Flow-through shares issued at IPO	1,442,200		1,240,292		-		-		1,240,292
Flow-through share premium	-		(490,348)		-		-		(490,348)
Share issue costs	-		(708,759)		(199,906)		-		(908,665)
Share issue costs, non-cash	-		(485,505)		485,505		-		-
Broker warrants issued at IPO	-		4,200		-		-		4,200
Stock based compensation	-		25,819		27,807		-		53,626
Comprehensive loss for the year	-		-		-		(5,232,955)		(5,232,955)
Balance, June 30, 2022	**32,855,667**	**$**	**7,528,846**	**$**	**1,676,624**	**$**	**(8,206,717)**	**$**	**998,753**

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

(expressed in Canadian Dollars)

	Notes		2022		2021
Cash used from operations					
Net loss for the year		**$**	**(5,232,955)**	$	(2,973,762)
Share issued for exploration property	4, 8		**650,000**		2,000,000
Stock based compensation	7,8		**53,627**		435,634
Depreciation	5, 6		**13,672**		351
Flow through premium			**(490,348)**		-
Changes in non-cash working capital:					
Prepaid expenses			**100,764**		(261,729)
Other receivables			**(68,855)**		
HST recoverable			**(331,848)**		(12,963)
Accounts payable and accrued liabilities			**1,211,997**		191,450
Due to related parties	7		**68,540**		-
Net cash used in operations			**(4,025,406)**		**(621,019)**
Cash generated from investing					
Purchase of equipment	5		**(24,950)**		(25,241)
Acquisition of right-of-use assts	6		**(17,372)**		-
Net cash used in investing			**(42,322)**		**(25,241)**
Cash generated from financing					
Financing proceeds	8		**5,444,457**		2,020,766
Lease payments	6		**(1,427)**		-
Payment advance	7		**(344,950)**		-
Accounts payable for share issue costs	8		**33,549**		-
Share issue costs	8		**(908,665)**		-
Net cash generated from financing			**4,222,964**		**2,020,766**
Net change in cash			**155,236**		1,374,506
Cash, beginning of year			**1,374,506**		-
Cash, end of year		**$**	**1,529,742**	$	**1,374,506**

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

1. Nature of Operations and Going Concern

EV Nickel Inc. (the "**Company**") was incorporated on January 28, 2021 under the Business Corporations Act (Ontario). The Company was formed for the purposes of exploring, development, and acquisition of mineral properties. On May 25, 2021, the Company filed on SEDAR materials related to its planned Initial Public Offering. These materials included an Independent NI 43-101 Technical Report on the Langmuir Nickel Project, prepared by Caracle Creek International Consulting Inc. and a preliminary long form prospectus (the "Preliminary Prospectus"). The Preliminary Prospectus was filed under Multilateral Instrument 11-102 Passport System in each of the provinces of Canada other than Quebec. The final prospectus long form was filed on November 19, 2021 and an updated technical report was also filed on November 19, 2021. The Company completed its initial public offering on December 2, 2021. The Company is listed on the TSX-Venture Exchange (the "TSX.V"), trading under the symbol "EVNI." The registered, head, and records office of the Company is Suite 200, 150 King Street West, Toronto, Ontario, M5H 1J9.

For the Company's exploration stage mineral properties, the Company is in the process of exploration and has not yet determined whether they contain economically recoverable reserves. The recoverability of amounts shown for exploration stage mineral properties is dependent upon the discovery of economically recoverable reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, maintenance of the Company's interest in the underlying mineral claims and upon future profitable production from or the proceeds from the disposition of its mineral properties.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. As at June 30, 2022, the Company has a net loss of $(5,232,955) and an accumulated deficit of $(8,206,717).

These circumstances create material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

2. Significant Accounting Policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to financial reports including International Accounting Standard ("IAS") 34 Financial Reporting.

These statements have been approved by the Board of Directors on October 27, 2022.

Basis of preparation

These financial statements have been prepared by management on a going concern basis assuming the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Financing Costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Leases

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

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company may elect to not apply IFRS 16 Leases to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis. During the year the company expensed $51,306 of rent under the exemption.

The Company recognizes an ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured on the initial amount of the lease liability, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses are adjusted for certain re-measurements of the lease liability. The ROU asset is depreciated from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the statements of loss and comprehensive loss in the period in which they are incurred.

The ROU assets are presented within "Right-of-use assets" and the lease liabilities are presented in "Lease liability" on the statements of financial position.

Income Taxes

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

Property, Plant and Equipment

Items of property, plant and equipment are recorded at cost and depreciated over their estimated useful lives. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Depreciation on equipment is recognized on a straight-line basis over their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

The Company's equipment has useful lives as follows:

	Useful life
Equipment	3-8 years

Exploration and Evaluation Expenditures

Exploration expenditures relate to acquisition of exploration properties and mineral rights and exploration efforts thereon consisting of geological, geophysical, geochemical, sampling, drilling, trenching, analytical test work, assaying, mineralogical, metallurgical, and other similar efforts that are performed to locate, investigate, and delineate mineral deposits on claims in which the Company has an economic interest.

Exploration and evaluation expenditures are expensed as incurred until technical feasibility and commercial viability of extracting a mineral resource are demonstrable. The demonstration of the technical feasibility and commercial viability is the point at which management determines that it will develop the project. This typically includes, but is not limited to, the completion of an economic feasibility study; the establishment of mineral reserves; and the receipt of the applicable construction and operating permits for the project. Upon demonstrating the technical feasibility and commercial viability of establishing a mineral reserve, in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources, the Company will capitalize any further expenditures on a prospective basis and perform impairment tests as required under IAS 36, Impairment of Assets.

Flow-Through Shares

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

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures. The company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. Critical Accounting Judgements and Estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

COVID-19:

The outbreak of the novel strain of the coronavirus, specifically identified as the COVID-19 pandemic, has caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. At this time, it is not possible to reliably estimate the impact this will have on the Company's financial position and operating results, although management believes the impact has not been significant to date. Judgments, estimates and assumptions made by management during the preparation of these financial statements may also change as conditions related to the COVID-19 change. Changes in assumptions including, but not limited to, foreign exchange rates, interest rates and commodity prices could impact the fair value of items including derivative and non-derivative instruments, provisions and employee future benefits.

Discount rate used for right-of-use asset/lease liability

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, right-of-use asset, specific to the asset, underlying currency and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

Right-of-use assets

The Company applies judgment in determining whether a contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Allocation of flow-through funds

The Company, from time to time, finances a potion of its planned exploration and development activities through the issue of flow-through shares. Under the terms of the flow-through agreements, the income tax deductions attributable to the capital expenditures are renounced to the subscribers. The difference between the subscription price of the flow-through shares the common share prices at the date of issuance is initially recognized as a liability on the statement of financial position. Any difference between the liability as a result of the premium paid on the flow-through share and deferred tax liability is recognized in comprehensive loss as a deferred tax expense or recovery.

Eligible flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through units or shares on qualifying Canadian exploration expenditures. Management judgment is applied in determining whether qualified expenditures have been incurred. Differences in judgment between management and regulatory authorities may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

4. Mineral Exploration and Evaluation

Langmuir Property

The Langmuir Property comprises 212 claims near Timmins, Ontario that hosts a nickel and copper mineral resource and other prospective nickel/copper targets.

On March 4, 2021, the Company entered into an agreement under which it would acquire a 100% interest (subject to an existing royalty agreement for a 2% net-smelter royalty) in the Langmuir Property from Rogue Resources Inc. ("Rogue") in exchange for a $150,000 cash payment and the issuance of 6,666,667 common shares of the Company.

One of the conditions of closing was the completion of a concurrent financing at a price of $0.30 per share. The Company closed the concurrent financing on March 31, 2021 (Note 8) and paid $150,000 cash and issued 6,666,667 common shares, valued at $2,000,000 by reference to the subscription price of the concurrent financing, in exchange for the interest in the Langmuir Property.

Under the terms of the agreement, within 24 months of the closing date (now extended to the end of 2023, see below), the Company must complete and announce the results of an updated mineral resource estimate that classifies the nickel deposits acquired as either equal to or above 0.6% nickel or below 0.6% nickel. The Company will then have the option to pay the "EV Resource Payment":

The EV Resource Payment is to be calculated as:

1) $1.00 for each 30 nickel equivalent pounds of indicated mineral resources with a grade of 0.6% nickel or greater which are in excess of the 2010 Mineral Resource Estimate, plus

2) $1.00 for each 1,500 nickel equivalent pounds of indicated mineral resources with a grade of less than 0.6% nickel;

to an aggregate maximum of $5,000,000.

At the Company's discretion, the EV Resource Payment may be paid in cash or common shares of the Company based on the 10-day volume weighted average share price.

If the Company fails to complete and announce the updated mineral resource estimate within 24 months of the closing date or it elects not to make the EV Nickel Payment, Rogue has the option to reacquire a 51% interest in the Langmuir Property for $150,000.

On March 28, 2022, the Company amended the Langmuir Property purchase agreement, extending the required timing for the EV Resource Payment from within 24 months of the closing date (which would have been March 26, 2023) to the end of 2023. In exchange for this amendment and the added time, the Company has agreed to provide the vendor with access to an advance on the EV Resource Payment. The advance carries an interest rate of 6%. At June 30, 2022, the amount of $340,000 plus interest is recorded as a payment advance.

Other receivables are a $68,855 deposit toward the Company's current drilling program, which management expects to be returned from the vendor.

The Company's exploration expenditures for the year are outlined below:

(expressed in Canadian Dollars)

Langmuir Property Expenditures

	Years ended June 30,	
	2022	2021
Acquisition Costs	**$ 1,000,000**	$ 2,170,000
Support Costs	**22,168**	44,528
Drilling	**2,840,877**	88,945
Metallurgic Testing	**45,400**	-
Mineral Rights	**7,350**	-
Project Team	**155,064**	91,887
Geophysics	**3,099**	8,620
Research Test Work	**14,938**	-
Technical Studies	**1,264**	28,822
Total	**$ 4,090,160**	**$** 2,432,802

*The Company was incorporated on January 28, 2021, there were no exploration expenditures prior to incorporation.

Shaw Dome Property

On April 1, 2022, the Company completed the acquisition of properties within and to the south of the Shaw Dome, spread across 12 townships (the "Acquisition Package" or the "Shaw Dome Acquisition Properties") incorporating 942 staked mining claims over almost 21,000 hectares of prospective land to the north, west and south of the Company's Langmuir Project.

The Acquisition Package was acquired from 2812794 Ontario Inc. (the "Vendor"). The purchase price for 100% ownership of the Acquisition Package was $350,000 (paid) plus 2,500,000 of the Company's shares valued at $650,000 (paid).

In addition to the consideration paid, the Company and the Vendor entered into a 2.75% net-smelter royalty agreement with respect to certain Shaw Dome properties and a 2.75% net-smelter royalty agreement with respect to the Groves properties. Pursuant to the Royalty Agreements, the Company may re-purchase 50% of the royalties granted thereunder for $1,850,000 in the case of the Shaw Dome Royalty Agreement and $1,500,000 in the case of the Groves Royalty Agreement.

5. Equipment

Balance as at January 28, 2021 (date of incorporation)	$	-
Additions		25,241
Depreciation		(351)
Balance as at June 30, 2021	$	24,890
Additions		24,950
Depreciation		(6,820)
Balance as at June 30, 2022	**$**	**43,020**

(expressed in Canadian Dollars)

6. Right-Of-Use Assets

Value of right-of-use assets as at June 30, 2021	$	-
Additions		28,408
Depreciation		(6,851)
Value of right-of-use assets as at June 30, 2022	**$**	**21,557**

Lease liability

Lease liability recognized as at June 30, 2021	$	-
Additions		28,408
Lease deposit		(17,372)
Lease payments		(1,427)
Interest expense		487
Lease liability recognized as at June 30, 2022	**$**	**10,096**

Current portion	$	4,719
Non-current portion		5,377
	$	**10,096**

7. Related Party Transactions and balances

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its directors, President and Chief Executive Officer, Chief Financial Officer and VP Exploration. Compensation of the directors, officers and/or companies controlled by these individuals for the years ended June 30, 2022 and 2021, were as follows:

Key management compensation		**2022**		2021
Exploration expenditures	**$**	**99,000**	$	18,780
General and administrative		**220,313**		30,000
Stock based compensation		**43,245**		-
Total compensation of key management personnel	**$**	**362,558**	$	48,780

On January 11, 2022, the President and Chief Executive Officer sold equipment to the Company for total cash consideration of $22,600.

In the year ended June 30, 2022, the Company loaned $340,000 in total to Rogue, a related company, as part of an agreed advance against the EV Resource Payment (Note 4). This advance carries an interest rate of 6% and will be settled by the deadline for payment of the EV Resource Payment.

Amounts due to related parties amounted to $68,540 as at June 30, 2022 (2021 - $nil). Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

8. Share Capital

The Company is authorized to issue an unlimited number of common shares.

The Company was incorporated on January 28, 2021, with 100 common shares issued at $0.0001 per share.

On March 3, 2021, the Company issued 13,333,233 common shares at $0.0001 per share.

On March 31, 2021, the Company closed a private placement financing issuing 6,813,467 common shares for gross proceeds of $2,044,040. As part of the financing, the Company incurred costs of $24,607.

Concurrent with the closing of the private placement financing, the Company satisfied the requirements for the closing of the Langmuir Property purchase agreement and issued 6,666,667 shares at $0.30 per share and paid $150,000 for the acquisition of the Langmuir Property (Note 4).

On April 15, 2021, the Company issued 2,000,002 share purchase warrants exercisable at $0.30 for two years in exchange for general consulting services provided to the Company valued at $435,634. This expense was recorded as stock-based compensation in the statements of loss and comprehensive loss. The warrants were valued using the Black-Scholes option pricing model using the following assumptions: Share price - $0.30; Exercise price - $0.30; Expected life – 2 years; Annualized volatility – 154%; Dividend yield – 0%; Risk-free rate – 0.3%.

On October 1, 2021, the Company cancelled 3,500,000 of the common shares it had issued on March 31, 2021, valued at $0.0001 per share, pursuant to an agreement with the Ontario Securities Commission.

On December 2, 2021, the Company completed its initial public offering ("IPO") and listing on the TSX-Venture Exchange, trading under the ticker symbol "EVNI." The Company issued 5,600,000 IPO units at $0.75 per unit for a total of $4,200,000 consisting of one common share and one common share purchase warrant ("Warrant"). The Warrant has an exercise period of 24 months and an exercise price of $1.05. The Company also issued 1,442,200 Flow Through shares ("FT shares") issued at $0.86 per FT share for a total of $1,240,292.

As part of the IPO, the Company issued 468,728 broker warrants (the "Brokered Offered Warrants") to purchase that number of units ("Broker Units") at an exercise price of $0.75. Each Broker Unit consisted of one common share and one common share purchase warrant, such warrant is exercisable to acquire one common share at an exercise price of $1.05 for a period of 24 months from the date of closing. The brokers also exercised their option pursuant to the agency agreement, and paid $4,200 to purchase 840,000 additional broker offered warrants (the "Additional Brokered Offered Warrants") with the same terms as the Brokered Offered Warrants.

At June 30, 2022, 14.8 million shares were held in escrow and will be released from escrow over the next three years.

(expressed in Canadian Dollars)

On April 1, 2022, the Company acquired a new property (Note 4). The purchase price included 2,500,000 of the Company's shares, along with $350,000 in cash consideration.

On March 4, 2022, the Company entered into compensation security agreements with its directors and officers. One of the compensation security agreements included 650,000 RSUs valued at $0.195 per unit vesting over three years. The compensation expense recorded for the year ended June 30, 2022 is $25,819. The other compensation security agreement granted 375,000 options at an exercise price of $0.195 per option. They vesting over three years and expire after five years. The compensation expense recorded for the year ended June 30, 2022 is $27,807.

A summary of the Company's warrant activity for the year ended June 30, 2022 is as follows:

	Weighted Average Exercise Price ($)	Warrants
Balance, June 30, 2021	0.30	2,000,002
Broker Offered Warrants	0.75	468,728
Additional broker offered warrants	0.75	840,000
Warrants	1.05	5,600,000
Balance, June 30, 2022	**0.84**	**8,908,730**

A summary of the Company's warrants outstanding as at June 30, 2022 is as follows:

Expiry Date	Exercise Price		Warrants
April 15, 2023	$	0.30	2,000,002
December 2, 2023	$	0.75	1,308,728
December 2, 2023	$	1.05	5,600,000
Balance, June 30, 2022			**8,908,730**

As at June 30, 2022, the weighted average remaining contractual life of the Company's share purchase warrants is 1.28 years and the weighted average exercise price is $0.84.

The following table summarizes the assumptions used in the Black-Scholes valuation model for the determination of the cost of warrants issued during the years ended June 30, 2022 and 2021.

	April 15, 2021	Dec. 2, 2021 (Broker Warrants)	Dec. 2, 2021
Risk free interest rate	0.30%	1.07%	1.07%
Expected life (years)	2	2	2
Volatility	154%	93%	93%
Expected dividends	0%	0%	0%

(expressed in Canadian Dollars)

Forfeiture rate	0%	0%	0%
Fair value of options issued	**$ 0.15**	**$ 0.37**	**$ 0.17**

A summary of the Company's RSU activity for the year ended June 30, 2022 is as follows:

	Grant Price	RSUs
Balance, June 30, 2021	$ -	-
Granted	0.195	650,000
Balance, June 30, 2022	**$ 0.195**	**650,000**

As at June 30, 2022, the weighted average exercise price is $0.195.

A summary of the Company's Stock Options activity for the year ended June 30, 2022 is as follows:

	Grant Price	Options
Balance, June 30, 2021	$ -	-
Granted	0.195	375,000
Balance, June 30, 2022	**$ 0.195**	**375,000**

As at June 30, 2022, the weighted average remaining contractual life of the Company's stock options is 4.89 years and the weighted average exercise price is $0.195.

The following table summarizes the assumptions used in the Black-Scholes valuation model for the determination of the cost of stock options issued during the years ended June 30, 2022.

Share price	0.195
Exercise price	0.195
Risk free interest rate	1.65%
Expected life (years)	5
Volatility	104%
Expected dividends	0%
Forfeiture rate	0%
Fair value of options issued	**$ 0.15**

9. Management of Capital

The Company considers its capital to include the components of equity attributable to common shareholders and comprises share capital and deficit.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to develop, market, and maintain its ongoing exploration operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt or equity.

The Company is not subject to externally imposed capital requirements at June 30, 2022.

10. Financial Risk Management

Fair value hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 Inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data.

Level 3 Inputs for assets and liabilities not based upon observable market data.

Currency risk: Currency risk is the risk that fluctuations in the rates of exchange on foreign currencies would impact the Company's future cash flows. The Company is currently not exposed to the foreign exchange market.

Interest rate risk: The Company does not believe it is exposed to any significant risk related to the movements in interest rates.

Price risk: Price risk is the risk of a decline in the value of a security or an investment portfolio due to multiple factors. The Company doesn't own any marketable securities.

Credit risk: The Company it not exposed to any significant concentration of credit risk.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at June 30, 2022, the Company had current liabilities of $1,510,232 due within 12 months, cash of $1,529,742, and working capital of $594,603.

11. Segmented Information

The Company currently has one operating segment; the exploration and development of its mineral and exploration interest in Canada (Note 4).

(expressed in Canadian Dollars)

12. Commitments

As of June 30, 2022, the Company had successfully met its flow through commitment on December 2, 2021.

As at June 30, 2022, the Company had entered into an equipment lease agreement to lease a vehicle for the mine, beginning in January 2022. The lease ends December 2023. The commitments for this lease (including HST) are as follows:

Fiscal year		Amount
2023	$	5,300
2024		3,100
	$	8,400

13. Income tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2021 - 26.5%) to the effective tax rate is as follows:

		2022		2021
Net loss before recovery of income taxes	**$**	**(5,232,955)**	$	(2,973,762)
Expected income tax (recovery) expense		**(1,386,730)**		(788,050)
Stock based compensation and other non-deductible expenses		**15,040**		115,440
Flow through premium		**(129,940)**		-
Share issuance cost booked directly to equity		**(369,460)**		(6,520)
Change in tax benefits not recognized		**1,871,090**		679,130
Income tax (recovery)	**$**	**-**	$	-

The following table summarizes the components of deferred tax:

		2022		2021
Deferred Tax Assets				
Capital lease obligation	**$**	**2,410**	$	-
Operating tax losses carried forward		**3,040**		-
Subtotal of Assets	**$**	**5,450**	$	-
Deferred Tax Liabilities				
Right of use assets	**$**	**(5,450)**	$	-
Subtotal of Liabilities	**$**	**(5,450)**	$	-
Net deferred tax liability	**$**	**-**	$	-

(expressed in Canadian Dollars)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

		2022		2021
Equipment	**$**	**7,170**	$	350
Share issuance costs		**1,132,890**		22,540
Operating tax losses carried forward		**1,955,920**		107,040
Resource pools - Mineral Properties		**6,522,960**		2,432,802
	$	**9,618,940**	**$**	2,562,732

The Canadian operating tax loss carry forwards expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company's non-capital income tax losses expire as follows:

Year		Amount
2041	$	92,510
2042		1,863,420
	$	1,955,930

14. Subsequent Events

On July 7, 2022 the Company closed a non-brokered private placement financing (the "Offering") for gross proceeds of $2,206,831. Pursuant to the Offering, the Company issued (i) 7,826,841 flow-through units of the Company (each, a "FT Unit") at a price of $0.18 per Unit for gross proceeds of $1,408,831; and (ii) 3,325,000 FT Units to be sold to charitable purchasers (each, a "Charity FT Unit") at a price of $0.24 per Charity FT Unit for gross proceeds of $798,000.

Each FT Unit and Charity FT Unit consists of one common share of the Company, issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share of the Company (each, a "Warrant Share") at a price of $0.25 for a period of 24 months following the date hereof.

Finder's fees totalled $149,018 in cash and 754,964 warrants in the Company ("Finder's Warrants") exercisable at any time from the closing date of the transaction to the day prior to the date that is 24 months following the date hereof to acquire common shares in the Company at an exercise price equal to $0.16 per common share. Red Cloud Securities Inc. and PowerOne Capital Markets Limited acted as finders in connection with the Offering.