



**NEW TECH  
MINERALS  
CORP.**

**Consolidated Financial Statements**

For the years ended July 31, 2021 and 2020  
(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of New Tech Minerals Corp.

### Opinion

We have audited the consolidated financial statements of New Tech Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2021 and 2020, and the consolidated statements of comprehensive loss, cash flow and changes in shareholders' equity (deficit) for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions, along with other matters as set forth in Note 1, 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 comprises the information included in Management's Discussion and Analysis.

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

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

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 Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Cherry Ho.

DMCL

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

November 16, 2021



An independent firm  
associated with Moore  
Global Network Limited

**NEW TECH MINERALS CORP.**Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)

	Note	July 31, 2021	July 31, 2020
<b>ASSETS</b>		\$	\$
<b>Current</b>			
Cash		83,210	1,154
Prepaid expenses		10,343	35,742
GST receivable		1,183	4,046
<b>Total current assets</b>		94,736	40,942
<b>Non-current assets</b>			
Value-added tax receivable		1,899	-
Exploration and evaluation assets	4	265,320	-
<b>Total non-current assets</b>		267,219	-
<b>Total assets</b>		361,955	40,942
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	5	38,214	81,477
Due to related parties	7	-	32,585
<b>Total liabilities</b>		38,214	114,062
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Equity attributable to shareholders</b>			
Share capital	6	9,767,676	9,092,368
Share-based payment reserve	6	1,451,298	1,451,298
Warrant reserve	6	853,900	810,627
Foreign translation reserve		306,690	323,605
Accumulated deficit		(12,055,823)	(11,751,018)
<b>Total equity (deficit)</b>		323,741	(73,120)
<b>Total liabilities and equity</b>		361,955	40,942

Going concern – Note 1

Commitments – Note 8

Subsequent event – Note 13

On behalf of the board:

*"John A. Greig"*\_\_\_\_\_  
John A. Greig*"Jonathan George"*\_\_\_\_\_  
Jonathan George

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

**NEW TECH MINERALS CORP.**

## Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	2021	2020
		\$	\$
<b>General and administrative expenses</b>			
Consulting fees		-	12,293
Exploration expenditures		92,254	-
Foreign exchange loss		1,710	256
Interest expense and bank charges		2,428	2,353
Investor relations, website and marketing		3,558	(509)
Management fees	7	60,000	60,000
Office and administration		4,374	15,033
Professional fees		74,399	76,763
Transfer agent and filing fees		37,396	27,810
Travel and entertainment		334	403
		(276,453)	(194,402)
<b>Other income (expenses)</b>			
Gain on marketable securities		-	12,033
Other income		-	4,068
Impairment of exploration and evaluation assets	4	(28,352)	(1,039,152)
<b>Net loss</b>		(304,805)	(1,217,453)
<b>Other comprehensive (loss) income</b>			
Foreign currency translation		(16,915)	19,709
<b>Total comprehensive loss</b>		(321,720)	(1,197,744)
<b>Loss per share, basic and diluted</b>		(0.01)	(0.04)
<b>Weighted average common shares outstanding</b>			
- basic and diluted		45,857,737	32,466,635

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

**NEW TECH MINERALS CORP.**Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars)

	<b>2021</b>	<b>2020</b>
	\$	\$
Cash provided by (used in):		
<b>Operating activities:</b>		
Net loss for the year	(304,805)	(1,217,453)
Non-cash items:		
Gain on marketable securities	-	(12,033)
Impairment of mineral property	28,352	1,039,152
Changes in non-cash working capital:		
GST receivable and accounts receivable	964	15,950
Prepaid expenses	25,399	(20,918)
Accounts payable and accrued liabilities	(50,046)	52,683
Due to related parties	(32,585)	6,927
	<u>(332,721)</u>	<u>(135,692)</u>
<b>Investing activities:</b>		
Exploration and evaluation assets	(174,389)	(163,337)
Proceeds from sale of marketable securities	-	47,675
	<u>(174,389)</u>	<u>(115,662)</u>
<b>Financing activities:</b>		
Shares issued for cash (net of share issue costs)	606,081	150,600
	<u>606,081</u>	<u>150,600</u>
Effect of exchange rate changes	(16,915)	1,980
Net change in cash	98,971	(98,774)
Cash, beginning of year	1,154	99,928
<b>Cash, end of year</b>	<u>83,210</u>	<u>1,154</u>
<b>Non-cash transactions</b>		
Shares issued for acquisition of mineral properties	112,500	3,000
Mineral property expenditures included in accounts payable	6,783	-
Marketable securities transferred to pay off accounts payable	-	5,096

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

**NEW TECH MINERALS CORP.**

## Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Notes	Common Shares		Share-based Payment Reserve	Warrant Reserve	Foreign Translation Reserve	Accumulated Deficit	Total Equity
		Number of Shares	Amount					
			\$	\$	\$	\$	\$	\$
Balance on July 31, 2019		30,514,449	9,000,768	1,451,298	748,627	303,896	(10,533,565)	971,024
Shares issued for mineral properties	4,6	100,000	3,000	-	-	-	-	3,000
Shares issued for private placement	6	3,100,000	93,000	-	62,000	-	-	155,000
Share issue costs		-	(4,400)	-	-	-	-	(4,400)
Net loss for the year		-	-	-	-	-	(1,217,453)	(1,217,453)
Foreign currency translation		-	-	-	-	19,709	-	19,709
<b>Balance on July 31, 2020</b>		<b>33,714,449</b>	<b>9,092,368</b>	<b>1,451,298</b>	<b>810,627</b>	<b>323,605</b>	<b>(11,751,018)</b>	<b>(73,120)</b>
Shares issued for mineral properties	4,6	1,500,000	112,500	-	-	-	-	112,500
Shares issued for private placement	6	12,800,000	640,000	-	-	-	-	640,000
Share issue costs		-	(77,192)	-	43,273	-	-	(33,919)
Net loss for the year		-	-	-	-	-	(304,805)	(304,805)
Foreign currency translation		-	-	-	-	(16,915)	-	(16,915)
<b>Balance on July 31, 2021</b>		<b>48,014,449</b>	<b>9,767,676</b>	<b>1,451,298</b>	<b>853,900</b>	<b>306,690</b>	<b>(12,055,823)</b>	<b>323,741</b>

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

**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

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

New Tech Minerals Corp. (the “Company” or “New Tech”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 5, 2006.

The Company’s principal activities include the acquisition and development of potash, lithium, cobalt, vanadium and bromine mineral deposits in the United States and Mexico. New Tech is a public company which is listed on the Canadian Securities Exchange (“CSE”) under the symbol “NTM”.

The Company’s head office and registered and records office is Suite 880 – 580 Hornby Street, Vancouver, BC V6C 3B6.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at July 31, 2021, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral properties exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. These consolidated financial statements do not give effect to adjustments that would be necessary to carrying values, and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Effective August 12, 2020, the Company completed a consolidation of the common shares on a basis of 2 pre-consolidation common shares for 1 post-consolidation common share (the “Consolidation”). On the Consolidation date, the number of pre-consolidation common shares was 67,428,896. The Consolidation resulted in the number of post-consolidation common shares being 33,714,449. All references to share capital, common shares outstanding, and per share amounts in these consolidated financial statements and the accompanying notes for periods prior to the Consolidation have been restated to reflect the Consolidation.

**COVID-19**

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. While the impact of COVID-19 cannot be reasonably estimated, the Company anticipates this could have an adverse impact on its business, results of operation, financial position, and cash flow.



**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**2. BASIS OF PREPARATION**

**Statement of compliance and functional currency**

These consolidated financial statements have been presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified as at fair value through profit or loss have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars which is the parent company’s functional currency. The functional currency of the Company’s subsidiaries is US dollars.

The currency translation adjustment resulting from the translation of the subsidiary’s US dollar functional currency to the Company’s Canadian dollar presentation currency is charged to other comprehensive income or loss, and included in the foreign translation reserve within the equity section of the statement of financial position. Details of controlled entities are as follows:

	Country of Incorporation	Percentage Owned	Principal Activity
American Potash LLC	United States	100%	Mineral exploration
NTM Minerales SA de CV	Mexico	100%	Mineral exploration
Sweetwater Resources LLC	United States	100%	Prospecting permit applications

The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These consolidated financial statements were approved by the board of directors on November 16, 2021.

### **3. ACCOUNTING POLICIES**

These consolidated financial statements have been prepared using the following accounting policies:

#### **Financial Instruments**

##### **a) Classification**

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Cash and marketable securities are classified as FVTPL. Accounts payable and accrued liabilities, and due to related parties are classified as amortized cost.

#### **Measurement**

##### ***Financial assets at FVTOCI***

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

##### ***Financial assets and liabilities at amortized cost***

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### ***Financial assets and liabilities at FVTPL***

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in profit and loss.

##### **b) Impairment of financial assets at amortized cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

**3. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

**c) Derecognition**

***Financial assets***

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

***Financial liabilities***

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

**Exploration and evaluation assets**

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. Costs incurred before the Company has obtained the legal right to explore an area are recognized in profit and loss. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production of proceeds of disposition.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration costs is not expected to be recovered, it is charged to the results of operations.

**Decommissioning and rehabilitation liabilities**

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

### **3. ACCOUNTING POLICIES (continued)**

#### **Decommissioning and rehabilitation liabilities (continued)**

The Company's estimates of restoration 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 the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. These changes are recorded directly to the related asset with a corresponding entry to the provision.

The increase in the restoration provision due to the passage of time is recognized as interest expense. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the consolidated statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets. The Company did not have any decommissioning and restoration obligations at July 31, 2021 and 2020.

#### **Impairment of long-lived assets**

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

### **3. ACCOUNTING POLICIES (continued)**

#### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the consolidated financial statements and are disclosed in the notes to the consolidated financial statements unless their occurrence is remote. Contingent assets are not recognized in the consolidated financial statements, but are disclosed in the notes to the consolidated financial statements when there is a transfer of resources or obligations between related parties.

#### **Share-based payments**

The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in share based payment reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees, the fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the options granted at the date the Company receives the goods or the services using the Black-Scholes Option Pricing Model.

#### **Warrants issued in equity financing transactions**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated in the transaction. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units.

### **3. ACCOUNTING POLICIES (continued)**

#### **Warrants issued in equity financing transactions (continued)**

The residual value method first allocates value to the more easily measurable 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 the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any value attributed to the warrants is recorded in the warrant reserve.

#### **Financing costs**

The costs related to equity transactions are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are expensed in the consolidated statement of comprehensive loss.

#### **Loss per share**

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding shares for the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In periods where a net loss is reported all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are all anti-dilutive.

#### **Income taxes**

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

Current income taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized. No potential income tax assets of the Company have been recognized.

### **3. ACCOUNTING POLICIES (continued)**

#### **Critical judgments in applying accounting policies**

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies with the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

#### **a) Going concern**

In preparing these consolidated financial statements on a going concern basis, as is disclosed in Note 1 of these consolidated financial statements, Management's critical judgment is that the Company will be able to meet its obligations and continue its operations for the next twelve months.

#### **b) Impairment of mineral properties**

Expenditures on mineral properties are capitalized. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. The recoverability of amounts shown as mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Management reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties may not be recoverable and there is a risk that these costs may be written down in future periods.

#### **c) Functional currency**

The functional currency for each of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgments to determine the primary economic environment of an entity and this is re-evaluated for each new entity following an acquisition, or if events and conditions change.

#### **Key sources of estimation uncertainty**

The preparation of consolidated financial statements requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

### **3. ACCOUNTING POLICIES (continued)**

#### **Key sources of estimation uncertainty (continued)**

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

#### **a) Deferred income taxes**

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

#### **b) Share-based payments**

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and are expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility, expected life of the option, risk free interest rates, and forfeiture rates. Changes in these input assumptions can significantly affect the fair value estimate.

#### **Accounting standards issued but not yet effective**

Accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

### **4. EXPLORATION AND EVALUATION ASSETS**

#### **La Escondida Silver-Gold Project**

On December 21, 2020, the Company entered into a formal agreement (the "Definitive Agreement") to acquire a 100% interest in the La Escondida Silver-Gold project, Sonora, Mexico (the "La Escondida Project"). A private syndicate comprised of three individuals (the "Syndicate") currently has the right to acquire the La Escondida Project pursuant to the terms of an underlying agreement (the "Underlying Agreement") with the owners of the two concessions which comprise the La Escondida Project. One of the three individuals is a director and officer of the Company. Pursuant to the Definitive Agreement, the Syndicate will assign its rights to the Underlying Agreement to the Company's wholly owned Mexican subsidiary, NTM Minerales SA de CV, in exchange for the issuance of 3,000,000 common shares to the Syndicate (being 1,000,000 common shares each). 1,500,000 common shares were issued following approval of the Canadian Securities Exchange in February 2021 and the remaining 1,500,000 common shares will be issued within 12 months of completion of the transaction. Two members of the Syndicate will retain a 2% Net Smelter Return (NSR) royalty, half of which may be purchased by the Company for US\$1,000,000. The Underlying Agreement requires staged option payments totaling US\$450,000 over a three-year period and assumption of all annual tax obligations.



**NEW TECH MINERALS CORP.****Notes to the Consolidated Financial Statements****For the years ended July 31, 2021 and 2020****(Expressed in Canadian Dollars)****4. EXPLORATION AND EVALUATION ASSETS (continued)****La Escondida Silver-Gold Project (continued)**

During the year ended July 31, 2020, the Company made a payment of \$6,611 (USD\$5,000) to obtain the first right of refusal to the Assignment agreement, and the payment was recorded in prepaid expense.

During the year ended July 31, 2021, the Company made a payment of \$63,316 (USD\$50,000) for the right to acquire 100% interest and titles to the two (2) La Escondida mining concessions.

The purchase price of the La Escondida Silver Project is USD\$450,000 outlined in the Option Purchase Agreement with the following payment terms:

<b>Cash (USD)</b>	<b>Date</b>
\$50,000	September 15, 2020 (paid)
\$100,000	September 14, 2021 (paid subsequent to year end)
\$150,000	second anniversary after contract execution
\$150,000	third anniversary after contract execution

**La Escondida Silver Project Expenditures**

	<b>Year ended July 31, 2021</b>	<b>Year ended July 31, 2020</b>
Mineral acquisition costs:	\$	\$
Balance, beginning	-	-
Acquisition of claims	182,427	-
Balance, ending	182,427	-
Exploration and evaluation expenditures:		
Balance, beginning	-	-
General administration	78,297	-
Federal permit	2,779	-
Surface duties	6,783	-
Foreign exchange translation	(4,966)	-
Balance, ending	82,893	-
Total	265,320	-

**La Tortuga Silver Project**

On January 25, 2021, the Company entered into a non-binding letter of intent ("LOI") to acquire a 100% interest in the La Tortuga mineral concession. The Company is required to issue 2,250,000 common shares to the assignors of the Assignment Agreement. The assignors will retain a 2% Net Smelter Return Royalty, half of which may be purchased by the Company for \$1,000,000 USD.

On July 27, 2021, the Company has acquired, by staking, an additional 4,000 hectares mineral concession (La Tortuga 2).

**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

**La Tortuga Silver Project (continued)**

During the year ended July 31, 2021, the Company made a payment of \$28,024 (USD\$22,000), USD\$12,000 for the first right of refusal on the property, and USD\$10,000 for the first payment outlined in the Purchase Agreement for the right to acquire 100% interest and title to the one La Tortuga mining concession located in the Municipality of Opodepe, State of Sonora, Mexico.

The purchase price of the La Tortuga Silver Project is USD\$215,000 outlined in the Purchase Agreement with the following payment terms:

Cash (USD)	Date
\$10,000	January 25, 2021 (paid)
\$30,000	first anniversary after contract execution
\$50,000	second anniversary after contract execution
\$125,000	third anniversary after contract execution

As at July 31, 2021, the Company is in the process of confirming the validity of the title, and given the uncertainty, decided to write off the property from \$28,352 to \$nil.

**La Tortuga Silver Project Expenditures**

	Year ended July 31, 2021	Year ended July 31, 2020
Mineral acquisition costs:	\$	\$
Balance, beginning	-	-
Acquisition of claims	28,024	-
Impairment	(28,024)	-
Balance, ending	-	-
Exploration and evaluation expenditures:		
Balance, beginning	-	-
General administration	957	-
Foreign exchange translation	(629)	-
Impairment	(328)	-
Balance, ending	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Paradox Basin Potash Project**

In May 2009, and amended on November 2, 2010, December 6, 2011, January 28, 2014, February 23, 2015 and November 4, 2015, American Potash entered into an option agreement (the "Sweetwater Option") to acquire applications to the United States Bureau of Land Management ("BLM") in respect of certain Utah permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah. A director of the Company is a party to the Sweetwater Option.

**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

**Paradox Basin Brine Project**

As at July 31, 2020, the Company assessed the likelihood to receive the prospecting permits was low. Therefore, during the year ended July 31, 2020, the Company wrote off the Paradox Basin Potash Project from \$581,940 to \$nil.

During the year ended July 31, 2021, the Company made a payment of \$85,722 (USD\$67,296) to renew mineral property licenses which were expensed.

On August 23<sup>rd</sup>, 2016, 157 placer claims on BLM land covering 3,140 acres, were acquired in Grand County Utah, which overlay a large portion of the Federal Potash Permit Applications area.

Subsequent to the year ended July 31, 2020, the Company elected to allow Federal placer mineral claims to lapse due to escalating annual fees levied by the Bureau of Land Management (BLM). Therefore, during the year ended July 31, 2020, the Company wrote off the Paradox Basin Brine Project from \$272,318 to \$nil.

**Tule Cobalt Project**

On October 12, 2018 and amended on September 9, 2019, the Company entered into an agreement to acquire the Tule cobalt prospect, consisting of eight U.S. federal lode mining claims comprising 160 acres, located in Pershing County, Nevada.

In October 2020, the Company terminated the Tule Cobalt option agreement. Therefore, during the year ended July 31, 2020, the Company wrote off the property from \$59,278 to \$nil.

**Missouri Property**

On May 18, 2018, the Company signed an arm's-length option agreement with John Glasscock of Laramie, Wyoming, to acquire four federal prospecting permit applications covering 9,406 acres located adjacent to and immediately south of the Fredericktown lead-copper-nickel-cobalt subdistrict of the historic Old Lead belt in Madison county, southeast Missouri, United States.

On May 21, 2020, the Company and its wholly-owned subsidiary, American Potash LLC, terminated the Missouri option agreement. Therefore, the Company determined that the property was impaired and wrote off the property from \$125,616 to \$nil.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>July 31, 2021</b>	<b>July 31, 2020</b>
	\$	\$
Accounts payable	23,214	66,477
Accrued liabilities	15,000	15,000
	<b>38,214</b>	<b>81,477</b>

**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**6. SHARE CAPITAL**

**a) Authorized**

Unlimited common shares with no par value.

**b) Issued and outstanding**

At July 31, 2021, there were 48,014,449 (July 31, 2020 – 33,714,449) issued and fully paid common shares.

**c) Common shares**

Year ended July 31, 2021

On September 8, 2020 the Company closed a non-brokered private placement (the "Private Placement"). The Company issued 12,800,000 units (the "Units") pursuant to the Private Placement at a price of \$0.05 per Unit for total gross proceeds of \$640,000. Each Unit consisted of one common share (a "Common Share") and one non-transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for one additional Common Share at an exercise price of \$0.075 until September 8, 2023. The Company has the right to accelerate the expiry date of the warrants to 30 days if the closing price for the Company's shares is at least \$0.30 for a period of ten consecutive trading days. The Company has also paid a 6% finder's fee to Haywood Securities Inc. ("Haywood") in connection with proceeds raised by the Company from investors introduced to the Company by Haywood, consisting of a cash amount of \$24,000 and 480,000 broker warrants (each a "Broker's Warrant"). Each Broker's Warrant has the same terms as the Warrants. No value was allocated to the warrants under the residual method.

On February 8, 2021, the Company issued 1,500,000 shares with a fair value of \$112,500 in relation to the acquisition of the La Escondida Silver Project (Note 4).

Year ended July 31, 2020

On December 23, 2019, the Company completed a non-brokered private placement of 3,100,000 post-consolidation (6,200,000 pre-consolidation) units ("Units") at a post-consolidation price of \$0.05 (pre-consolidation \$0.025) per Unit for gross proceeds of \$155,000. Each Unit will consist of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of 36 months from the date of closing.

Using the residual method, a value of \$62,000 was allocated to the warrants. In connection with the closing of the private placement, the Company paid \$4,400 cash for finders' fees.

During the year ended July 31, 2020, the Company issued 100,000 post consolidation (200,000 pre-consolidation) shares with a fair value of \$3,000 in relation to the acquisition of the Tule Cobalt Project (Note 4).

**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**6. SHARE CAPITAL (continued)**

**d) Basic and diluted loss per share**

Diluted loss per share for the three and year ended July 31, 2021 did not include the effect of 1,700,000 (July 31, 2020 – 1,800,000) stock options and 22,546,999 (July 31, 2020 – 9,266,999) warrants as the effect would be anti-dilutive.

**e) Share consolidation**

Effective August 12, 2020, the Company completed a consolidation of the common shares on a basis of 2 pre-consolidation common shares for 1 post-consolidation common share (the “Consolidation”). As required by IAS 33, *Earnings per Share*, all information with respect to the number of common shares and issuance prices for time periods prior to the Consolidation have been restated to reflect the Consolidation.

**f) Stock options**

The Company has a stock option plan whereby the Company 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 shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

The continuity of exercisable stock options for the years ended July 31, 2021 and 2020 is as follows:

	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, July 31, 2019	2,970,000	0.12
Options forfeited	(1,170,000)	0.14
Balance, July 31, 2020	1,800,000	0.12
Options forfeited	(100,000)	0.15
Balance, July 31, 2021	1,700,000	0.12

Details of options outstanding and exercisable at July 31, 2021 are as follows:

<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price (\$)</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>
350,000	0.20	0.65
750,000	0.10	1.91
600,000	0.10	2.44
1,700,000	0.12	1.84

**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**6. SHARE CAPITAL (continued)**

**g) Share purchase warrants**

The continuity of warrants for the years ended July 31, 2021 and 2020 is as follows:

	<b>Number of Warrants Outstanding</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, July 31, 2019	9,669,249	0.22
Warrants issued	3,100,000	0.10
Warrants expired	(3,502,250)	0.28
Balance, July 31, 2020	9,266,999	0.11
Warrants issued	13,280,000	0.08
Balance, July 31, 2021	22,546,999	0.09

On September 8, 2020, the Company issued 480,000 Broker's Warrants. Each Broker's Warrant entitles the holder to acquire one common share at a price of \$0.075 per share until September 8, 2023. The following assumptions were used: expected dividend yield of 0%, expected volatility of 141%, risk free rate of return of 0.33%, expected life of 3 years, and share price of \$0.11, resulting in a charge of \$43,273 as share issue costs for the year ended July 31, 2021.

Details of warrants outstanding as at July 31, 2021 are as follows:

<b>Number of Warrants Outstanding</b>	<b>Weighted Average Exercise Price</b>	<b>Average Remaining Contractual Life (Years)</b>
720,333	\$0.20	0.35
5,446,666	\$0.10	2.35
3,100,000	\$0.10	1.40
13,280,000	\$0.08	2.11
22,546,999	\$0.09	2.01

On November 15, 2019, the Company amended the terms of 5,446,666 common share purchase warrants of the Company previously issued pursuant to a non-brokered private placement that closed on December 6, 2018 (the "Amendment"). Each existing warrant was originally exercisable by the holder thereof to purchase one common share of the Company at a price of \$0.20 per common share for a period of 36 months following the date of issuance. Each existing warrant subject to the Amendment will be amended to be exercisable by the holder thereof to purchase one common share at an exercise price of \$0.10 per Common Share for a period of 60 months following the date of issuance (each amended Existing Warrant, an "Amended Warrant").

**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**6. SHARE CAPITAL (continued)**

**h) Share-based payment reserve**

The share-based payment reserve records items recognized as share-based payment expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**i) Warrant reserve**

The warrant reserve records the fair value of warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**j) Foreign currency translation reserve**

The translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

**7. RELATED PARTY TRANSACTIONS**

The following amounts are payable to related parties as at July 31, 2021 and July 31, 2020:

	<b>July 31, 2021</b>	<b>July 31, 2020</b>
	\$	\$
Companies controlled by directors of the Company	-	32,450
Officers of the Company	-	135
	-	32,585

The amounts due are unsecured, non-interest bearing and has no fixed terms of repayment.

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company:

	<b>Year ended</b>	
<b>Services provided by:</b>	<b>2021</b>	<b>July 31, 2020</b>
	\$	\$
Management fees	60,000	60,000
	60,000	60,000

A director of the Company is a party to the Sweetwater Option Agreement (Note 4).

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

**NEW TECH MINERALS CORP.****Notes to the Consolidated Financial Statements****For the years ended July 31, 2021 and 2020****(Expressed in Canadian Dollars)****8. COMMITMENTS**

On June 7, 2018, the Company entered into an agreement with J. George Geological Consulting Inc. (wholly owned by one of management) to provide management/consulting services to the Company at a rate of \$5,000 per month for a period of six months, automatically renewing at the end of each period.

**9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**a) Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The risk is assessed as low.

**b) Foreign Exchange Rate Risk**

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in Canada, US, and Mexico and a portion of the Company's expenses are incurred in Canadian dollars ("CAD"), US dollars ("USD"), and Mexican Pesos ("MXN"). A significant change in the currency exchange rates between the Canadian, US and Mexican currencies, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into financial instruments to hedge against this risk.

The following is an analysis of Canadian Dollar equivalent of financial assets and liabilities that are denominated in USD and MXN:

	<b>July 31, 2021</b>	<b>July 31, 2020</b>
	\$	\$
Cash	4,689	271
Accounts receivable and prepaids	4,392	-
Accounts payable and due to related parties	(10,011)	(18,515)
	<b>930</b>	<b>(18,244)</b>

Based on the above net exposures, as at July 31, 2021, a 10% change against the Canadian Dollar would impact the Company's net income by \$93.



**9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**c) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities have contractual maturities of less than three months. Liquidity risk is assessed as high.

**d) Price Risk**

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

**e) Interest Rate Risk**

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered immaterial.

**f) Fair Values**

Financial instruments recognized at fair value on the consolidated statement of financial position must be classified in one of the following three fair value hierarchy levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash and marketable securities are measured using level 1 inputs.

**10. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

**NEW TECH MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended July 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**10. CAPITAL MANAGEMENT (continued)**

The Company has not generated any significant revenues since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period.

**11. SEGMENTED INFORMATION**

The Company operates in a single reportable operating segment, being the acquisition, exploration and retention of mineral property assets. Geographic segment information of the Company's non-current assets as at July 31, 2021 and July 31, 2020 is as follows:

<b>Non-current assets</b>	<b>July 31, 2021</b>	<b>July 31, 2020</b>
	\$	\$
Mexico	265,320	-
	265,320	-

**12. INCOME TAXES**

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	<b>Year ended July 31, 2021</b>	<b>Year ended July 31, 2020</b>
	\$	\$
Net loss before tax	304,805	1,217,453
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(82,297)	(328,712)
Non-deductible items	(22,030)	3,679
Foreign tax rate difference	8,194	62,602
Change in deferred tax asset not recognized	96,133	262,431
Income tax expense	-	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	<b>July 31, 2021</b>	<b>July 31, 2020</b>
	\$	\$
Non-capital loss carry-forwards – Canada	1,271,762	1,216,732
Non-capital loss carry-forwards – US	35,931	13,206
Mineral properties	1,131,996	1,126,042
Other	42,364	29,940
	2,482,053	2,385,920

**NEW TECH MINERALS CORP.****Notes to the Consolidated Financial Statements****For the years ended July 31, 2021 and 2020****(Expressed in Canadian Dollars)****12. INCOME TAXES (continued)**

The Company has net operating loss carry forwards which may be carried forward to apply against future year income tax for Canadian and US income tax purposes subject to the final determination by taxation authorities, expiring in the following years:

	<b>Canadian non-capital losses</b>	<b>US non-capital losses</b>
	\$	\$
2027	45,358	-
2028	2,780	-
2029	189,804	-
2030	71,222	-
2031	68,791	-
2032	304,089	27,176
2033	606,596	22,379
2034	635,090	66,480
2035	461,410	959
2036	158,044	9,269
2037	238,300	3,511
2038	1,091,536	(86,328)
2039	430,169	15,227
2040	207,154	4,215
2041	199,888	108,212
	<b>4,710,231</b>	<b>171,100</b>

**13. SUBSEQUENT EVENT****Private placement**

Subsequent to year end, the Company issued 20,200,000 units (the "Units") at a price of \$0.05 per Unit for total gross proceeds of \$1,010,000 in a non-brokered private placement (the "Private Placement"). Each Unit consists of one common share (a "Common Share") and one non-transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for one additional Common Share at an exercise price of \$0.075 until September 9, 2024.

The Company has paid an 8% finder's fee to Haywood Securities Inc. ("Haywood") and Canaccord Genuity Corp. ("Canaccord") in connection with proceeds raised by the Company from investors introduced to the Company by each of Haywood and Canaccord, consisting of cash amounts of \$56,000 and \$11,200, respectively, and broker warrants (each a "Broker's Warrant") in the amounts of 1,120,000 and 224,000, respectively. Each Broker's Warrant has the same terms as the Warrants.