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**ARIZONA METALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**THREE MONTHS ENDED MARCH 31, 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed interim consolidated financial statements of Arizona Metals Corp. (the "Company") have been prepared by and are the responsibility of management.

**Arizona Metals Corp.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

	As at March 31, 2021	As at December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 10,660,696	\$ 3,885,930
Sales tax recoverable	29,286	31,971
Prepaid expenses	665,170	717,418
<b>Total current assets</b>	<b>11,355,152</b>	<b>4,635,319</b>
<b>Non-current assets</b>		
Reclamation bond (note 6)	234,579	149,884
<b>Total assets</b>	<b>\$ 11,589,731</b>	<b>\$ 4,785,203</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	\$ 1,032,029	\$ 188,449
<b>Total liabilities</b>	<b>1,032,029</b>	<b>188,449</b>
<b>Shareholders' equity</b>		
Share capital (note 3)	26,724,181	15,256,986
Reserves (notes 4 and 5)	4,777,589	5,038,780
Deficit	(20,944,068)	(15,699,012)
<b>Total shareholders' equity</b>	<b>10,557,702</b>	<b>4,596,754</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 11,589,731</b>	<b>\$ 4,785,203</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)  
 Commitments and contingencies (notes 6 and 9)  
 Subsequent events (note 10)

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**Arizona Metals Corp.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

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	<b>Three Months Ended March 31, 2021</b>	<b>Three Months Ended March 31, 2020</b>
<b>Operating expenses</b>		
Salaries and benefits (note 7)	\$ 121,635	\$ 81,220
Exploration and evaluation expenditures (note 6)	4,663,100	1,362,681
Office and general	80,865	89,197
Professional fees (note 7)	70,783	22,644
Business development	60,948	-
Share-based payments (notes 4 and 7)	236,524	-
Filing fees	11,201	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (5,245,056)</b>	<b>\$ (1,555,742)</b>
<b>Basic and diluted net loss per share</b>	<b>\$ (0.07)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding</b>	<b>73,968,760</b>	<b>52,356,115</b>

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The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

## Arizona Metals Corp.

### Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital		Reserves	Deficit	Total
	Shares	Amount			
<b>Balance, December 31, 2019</b>	<b>49,855,368</b>	<b>\$ 7,622,591</b>	<b>\$ 3,104,608</b>	<b>\$ (8,519,020)</b>	<b>\$ 2,208,179</b>
Private placement (note 3(b))	4,741,000	2,370,500	-	-	2,370,500
Share issuance costs	-	(163,899)	-	-	(163,899)
Net loss for the period	-	-	-	(1,555,742)	(1,555,742)
<b>Balance, March 31, 2020</b>	<b>54,596,368</b>	<b>\$ 9,829,192</b>	<b>\$ 3,104,608</b>	<b>\$ (10,074,762)</b>	<b>\$ 2,859,038</b>
<b>Balance, December 31, 2020</b>	<b>65,753,710</b>	<b>\$ 15,256,986</b>	<b>\$ 5,038,780</b>	<b>\$ (15,699,012)</b>	<b>\$ 4,596,754</b>
Private placements (note 3(b))	10,526,316	10,000,000	-	-	10,000,000
Share issuance costs	-	(271,480)	-	-	(271,480)
Stock options exercised (note 4)	350,000	317,334	(154,334)	-	163,000
Warrants exercised (note 5)	1,505,189	1,421,341	(343,381)	-	1,077,960
Share-based payments	-	-	236,524	-	236,524
Net loss for the period	-	-	-	(5,245,056)	(5,245,056)
<b>Balance, March 31, 2021</b>	<b>78,135,215</b>	<b>\$ 26,724,181</b>	<b>\$ 4,777,589</b>	<b>\$ (20,944,068)</b>	<b>\$ 10,557,702</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

**Arizona Metals Corp.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

	<b>Three Months Ended March 31, 2021</b>	<b>Three Months Ended March 31, 2020</b>
<b>Operating activities</b>		
Net loss for the period	\$ (5,245,056)	\$ (1,555,742)
Adjustments for:		
Share-based payments (note 4)	236,524	-
Changes in non-cash working capital items:		
Sales tax recoverable	2,685	(8,458)
Prepaid expenses	52,248	213,376
Accounts payable and accrued liabilities	843,580	(66,931)
<b>Net cash used in operating activities</b>	<b>(4,110,019)</b>	<b>(1,417,755)</b>
<b>Investing activities</b>		
Reclamation bond	(84,695)	(37,888)
<b>Net cash used in investing activities</b>	<b>(84,695)</b>	<b>(37,888)</b>
<b>Financing activities</b>		
Proceeds from private placements (note 3)	10,000,000	2,370,500
Share issuance costs (note 3)	(271,480)	(163,899)
Proceeds from exercise of stock options (note 4)	163,000	-
Proceeds from exercise of warrants (note 5)	1,077,960	-
<b>Net cash provided by financing activities</b>	<b>10,969,480</b>	<b>2,206,601</b>
<b>Net change in cash</b>	<b>6,774,766</b>	<b>750,958</b>
<b>Cash, beginning of period</b>	<b>3,885,930</b>	<b>1,611,891</b>
<b>Cash, end of period</b>	<b>\$ 10,660,696</b>	<b>\$ 2,362,849</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

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# Arizona Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

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### 1. Nature of operations and going concern

Arizona Metals Corp. ("AMC" or the "Company") was incorporated under the Canada Business Corporations Act on June 28, 2017. The Company's head office, principal address and registered and records office is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario, Canada, M5K 1B7. The Company completed its Initial Public Offering on March 6, 2018 and was classified as a Capital Pool Company ("CPC") as defined by the TSX Venture Exchange ("TSX-V").

On August 1, 2019, the Company completed a reverse take-over transaction ("RTO") with Croesus Gold Corp. ("Croesus") wherein the Company acquired 100% of the issued and outstanding common shares of Croesus. As a result of the share exchange, Croesus is considered to have control. While the Company is the legal acquirer, the accounting acquirer is Croesus and these financial statements are consolidated and presented with Croesus as the continuing entity. Concurrent with the RTO, the Company changed its name to Arizona Metals Corp. and began trading on the TSX-V under the symbol "AMC". On August 6, 2020, the Company began trading on the OTCQB under the ticker "AZMCF" and moved to OTCQX in January 2021.

AMC is a Canadian exploration company focused on precious metal exploration in the United States. At the date of these unaudited condensed interim consolidated financial statements, the Company has not yet discovered any deposits, nor has it earned any income.

Although the Company has taken customary steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

AMC is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current assets in excess of current liabilities of \$10,323,123 at March 31, 2021 (December 31, 2020 - \$4,446,870). For the three months ended March 31, 2021, the Company had a net loss of \$5,245,056 (three months ended March 31, 2020 - \$1,555,742), and had cash outflows from operations of \$4,110,019 (three months ended March 31, 2020 - \$1,417,755).

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company believes that it will have sufficient capital to operate over the next twelve months.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital. See note 10.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital. While it has not had a significant impact on operations so far, the continuing extent of the effect of COVID-19 on the Company is uncertain.

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# Arizona Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

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### 2. Significant accounting policies

#### *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2020 annual financial statements which have been prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 31, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2020.

#### *Recent accounting pronouncements*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is assessing the impact of the below of the below pronouncements on its financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

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## Arizona Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

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### 3. Share capital

#### a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### b) Common shares issued

	Number of common shares	Amount
<b>Balance, December 31, 2019</b>	<b>49,855,368</b>	<b>\$ 7,622,591</b>
Private placement (i)	4,741,000	2,370,500
Share issuance costs (i)	-	(163,899)
<b>Balance, March 31, 2020</b>	<b>54,596,368</b>	<b>\$ 9,829,192</b>
<b>Balance, December 31, 2020</b>	<b>65,753,710</b>	<b>\$ 15,256,986</b>
Private placement (ii)	10,526,316	10,000,000
Share issuance costs (ii)	-	(271,480)
Stock options exercised	350,000	317,334
Warrants exercised	1,505,189	1,421,341
<b>Balance, March 31, 2021</b>	<b>78,135,215</b>	<b>\$ 26,724,181</b>

(i) On February 12, 2020, the Company announced that it has closed a non-brokered private placement offering of 4,741,000 common shares of the Company at a price of \$0.50 per common share, for aggregate gross proceeds of \$2,370,500. Certain directors of the Company purchased an aggregate of 200,000 common shares under the offering. An insider of the Company at the time beneficially purchased an aggregate of 500,000 common shares under the offering. In connection with the offering, the Company paid cash finders' fees of an aggregate of \$93,900 and other share issuance cost of \$69,999.

(ii) On January 26, 2021, the Company closed a non-brokered private placement of 10,526,316 common shares of the Company at \$0.95 per common share for gross proceeds of \$10,000,000. In connection with the offering, the Company paid cash finders' fees totaling \$211,787 and other share issuance cost of \$59,693.



## Arizona Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

#### 4. Stock options

The Company's stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2019 and March 31, 2020	8,300,000	\$ 0.21
Balance, December 31, 2020	10,082,000	\$ 0.30
Issued (i)	200,000	1.00
Exercised	(350,000)	0.47
Balance, March 31, 2021	9,932,000	\$ 0.31

(i) On February 8, 2021, the Company granted 200,000 stock options to directors of the Company with an exercise price of \$1.00 per share, expiring five years from the date of issuance. The stock options vested immediately upon issuance. The stock options were assigned a grant date value of \$169,076 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$1.09, expected dividend yield of 0%, expected volatility of 107%, risk-free rate of return of 0.50%, and an expected maturity of 5 years.

The following table reflects the actual stock options issued and outstanding as of March 31, 2021:

Fair value (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Exercisable options	Weighted average exercise price (\$)	Expiry date
56,020	1.35	100,000	58,333	0.80	August 4, 2022
3,412	1.93	32,000	32,000	0.25	March 6, 2023
236,033	2.67	500,000	150,000	0.68	November 30, 2023
467,071	2.99	1,800,000	1,800,000	0.30	March 27, 2024
202,031	3.63	600,000	600,000	0.40	November 15, 2024
763,217	4.18	1,400,000	1,400,000	0.66	June 4, 2025
324,573	4.72	2,000,000	2,000,000	0.10	December 18, 2025
250,336	5.05	1,000,000	1,000,000	0.10	April 18, 2026
627,386	5.14	2,300,000	2,300,000	0.20	May 19, 2026
169,076	4.86	200,000	200,000	1.00	February 8, 2026
3,099,155	4.25	9,932,000	9,540,333	0.31	

## Arizona Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

#### 5. Warrants

The Company's warrants outstanding are as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2019	7,303,440	\$ 0.58
Warrants repriced (i)	(6,117,999)	0.60
Warrants repriced (i)	6,117,999	0.50
Balance, March 31, 2020	7,303,440	\$ 0.42
Balance, December 31, 2020	10,883,712	\$ 0.66
Exercised	(1,505,189)	0.72
Balance, March 31, 2021	9,378,523	\$ 0.65

(i) On February 24, 2020, the Company repriced 6,117,999 of the Company's outstanding warrants expiring on August 1, 2022 from an exercise price of \$0.60 per warrant to an exercise price of \$0.50 per warrant.

The following table reflects the actual warrants issued and outstanding as of March 31, 2021:

Fair value (\$)	Number of warrants	Weighted average exercise price (\$)	Expiry date
2,590	15,646	0.40	August 7, 2021
83,460	546,001	0.60	August 1, 2022
733,406	4,797,999	0.50	August 1, 2022
882,569	3,805,050	0.85	November 29, 2021
77,700	213,827	0.65	November 29, 2021
1,779,725	9,378,523	0.65	

## Arizona Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

#### 6. Exploration and evaluation expenditures

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
<b>Sugarloaf Peak Gold Project</b>		
Concession fees	\$ 12,607	\$ -
Consulting	10,932	-
	<b>23,539</b>	<b>-</b>
<b>Kay Mine</b>		
Acquisition cost	2,207,036	-
Concession fees	3,618	15,901
Legal fees	31,974	1,523
Consulting	315,074	237,985
Camp costs	43,487	17,009
Drilling	2,010,832	1,083,360
Assays	16,462	-
Storage	11,078	6,903
	<b>4,639,561</b>	<b>1,362,681</b>
<b>Total exploration and evaluation expenditures</b>	<b>\$ 4,663,100</b>	<b>\$ 1,362,681</b>

#### Sugarloaf Peak Gold Project

On December 16, 2014, Croesus entered into an option agreement with Riverside Resources Inc. ("Riverside") effective December 16, 2014, as amended December 18, 2015 and March 21, 2016 (the "Sugarloaf Option Agreement") whereby Riverside granted to Croesus the irrevocable and exclusive right and option (the "Option") to purchase and acquire 100% of Riverside's right, title and interest (of any nature or kind whatsoever) in and to the Sugarloaf Peak Gold Project. Croesus exercised the option in full by making aggregate cash payments to Riverside of \$700,000 (December 31, 2020 - aggregate cash payments of \$700,000) and issuing an aggregate of 10,300,000 common shares (December 31, 2020 - aggregate common shares issued of 10,300,000) to Riverside.

The Sugarloaf Gold Peak Project is subject to a 2% net smelter return royalty (the "Royalty") due to Riverside and a 1.5% Royalty to Arizona Gold Holdings, LLC. AMC has the right to repurchase 0.5% of the net smelter return royalty (the "Royalty") granted to Riverside for \$2,000,000 until the commencement of production on the Sugarloaf Peak Gold Project. In addition, AMC retains the right to require Riverside to repurchase 1% of the 1.5% Royalty held by Arizona Gold Holdings, LLC for US\$1,000,000, which repurchase amount would be funded by AMC.

At March 31, 2021, the Company has provided aggregate of \$54,652 (December 31, 2020 - \$54,652) in deposits as security against potential future reclamation work related to the Sugarloaf Peak Gold Project.

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## Arizona Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

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#### 6. Exploration and evaluation expenditures (continued)

##### Kay Mine

On November 15, 2018, Croesus entered into an acquisition agreement ("Acquisition Agreement") with Silver Spruce Resources Inc. ("Silver Spruce") to acquire 100% interest in certain patented and unpatented mining claims in Yavapai County, Arizona, USA, known collectively as the "Kay Mine Claims". The purchase price includes:

- (a) Cash consideration of \$50,000 (paid); and
- (b) the assumption by the Company of a loan on the closing date with a principal amount of US\$450,000, accruing interest at a rate of 12% per annum. The Company repaid the full amount of the loan and the accrued interest on March 12, 2019 in the amount of \$652,165.

In May 2019, the Company entered into an agreement with Silver Spruce to amend the ongoing terms of the Acquisition Agreement ("Extension Agreement"). Under the Extension Agreement, Croesus made additional payments to Silver Spruce of \$200,000 on May 9, 2019 and \$150,000 on June 27, 2019, satisfying all of the Company's obligations under the Acquisition Agreement and Extension Agreement.

In January 2021, the Company entered into a purchase option and sale agreement to acquire 100% of six parcels of patented land totaling 107 acres, located 900 metres northeast of its Kay Mine VMS Project. The purchase price was US\$2,250,000 to be paid as follows:

- (a) Cash consideration of US\$200,000 upon entering into the purchase agreement (paid);
- (b) Cash consideration of greater of US\$500,000 and 20% of any financing done within the due diligence period on or before March 31, 2021 (US\$1,500,000 paid); and
- (c) The balance of cash consideration on or before December 31, 2021 (paid subsequent to March 31, 2021).

The terms of the purchase agreement included a due diligence period ended on March 31, 2021.

At March 31, 2021, the Company has provided aggregate of \$179,927 (December 31, 2020 - \$95,232) in deposits as security against potential future reclamation work related to the Kay Mine.

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## Arizona Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

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#### 7. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Salaries and benefits	\$ 121,635	\$ 81,220
Share-based payments	169,076	-
Professional fees	10,834	10,932
Legal fees	52,001	54,131
	<b>\$ 353,546</b>	<b>\$ 146,283</b>

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(b) Included in professional fees is \$10,834 (three months ended March 31, 2020 - \$10,932) paid to Marrelli Support Services Inc. ("MSSI") for Eric Myung, an employee of MSSI, to act as the Chief Financial Officer ("CFO") of the Company and bookkeeping services. As at March 31, 2021, \$2,318 (December 31, 2020 - \$2,318) was owed to MSSI and this amount was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

(c) A director of the Company is a partner in a law firm that provides services on a recurrent basis to the Company. During the three months ended March 31, 2021, the Company incurred legal fees of \$31,354 (three months ended March 31, 2020 - \$nil) included in professional fees and share issuance costs of \$20,647 (three months ended March 31, 2020 - \$54,131) to this law firm. As of March 31, 2021, included in accounts payable and accrued liabilities is an amount of \$63,967 (December 31, 2020 - \$11,966) owing to this law firm. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

(d) During the three months ended March 31, 2020, related parties have subscribed for a total of 700,000 common shares for aggregate gross proceeds of \$350,000.

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## Arizona Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

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#### 8. Segmented information

##### Operating segments

At March 31, 2021, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in the United States. As the operations comprise a single reporting segment, amounts disclosed in these unaudited condensed interim consolidated financial statements also represent operating segment amounts.

##### Geographic segments

The Company is in the business of mineral exploration in the United States. As such, management has organized the Company's reportable segments by geographic area. The Company's operations in the United States are responsible for mineral exploration activities while the Canadian segment manages corporate head office activities. Information concerning the Company's reportable segments is as follows:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
<b>Net loss and comprehensive net loss</b>		
Canada	\$ (581,956)	\$ (193,061)
United States	(4,663,100)	(1,362,681)
Total	\$ (5,245,056)	\$ (1,555,742)

#### 9. Commitments and contingencies

##### *Environmental contingencies*

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

##### *Management contracts*

The Company is party to certain employment contracts. These contracts require that additional payments of approximately \$900,000 be made upon the occurrence of a change of control or termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

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## Arizona Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

Unaudited

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#### 10. Subsequent events

On April 22, 2021, the Company completed a bought-deal private placement offering of 10,000,000 special warrants of the Company at a price of \$2.10 per special warrant for aggregate gross proceeds of \$21,000,000.

Each special warrant shall entitle the holder to receive, without payment of additional consideration, 1 unit of the Company, on the date which is the earlier of:

- (i) the second business day following the date on which a final receipt is obtained from the Ontario Securities Commission for a (final) short form prospectus qualifying for distribution of the units (the "Qualification Date"); and
- (ii) August 23, 2021.

Each unit shall consist of 1 common share of the Company and one-half of 1 common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at \$3.00 per warrant until April 22, 2022. In the event the Qualification Date has not occurred on or before July 2, 2021, the exercise price of each warrant shall be reduced to \$2.47 per share. In connection with the offering, the Company paid (i) a cash commission of 6% of the gross proceeds of the offering, excluding gross proceeds from the issuance of units on a president's list agreed upon by the Company and the underwriters, for which a commission of 3% of such gross proceeds was paid; and (ii) 525,442 compensation warrants. Each compensation warrant is exercisable into one (1) unit of the Company at a price of \$2.10 per unit until April 22, 2022.

Subsequent to March 31, 2021, 790,557 warrants with exercise prices ranging from \$0.40 to \$0.85 per share were exercised for gross proceeds of \$583,083.