
EDM RESOURCES INC.
(Formerly ScoZinc Mining Ltd.)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

EDM Resources Inc.

(Formerly ScoZinc Mining Ltd.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**(PRESENTED IN CANADIAN DOLLARS)****(UNAUDITED)**

As at	March 31, 2022	December 31, 2021
ASSETS		
Current		
Cash	\$ 876,049	\$ 1,134,917
Amounts receivable and prepaid expenses (Note 5)	99,926	125,132
	975,975	1,260,049
Cash held for reclamation (Note 3)	3,142,669	3,133,752
Property, plant and equipment (Note 4)	7,881,152	7,861,807
Exploration and evaluation assets (Note 6)	7,560,585	7,500,714
	18,584,406	18,496,273
	\$ 19,560,381	\$ 19,756,322
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 121,843	\$ 104,668
Amounts payable to related parties (Note 12)	45,924	63,636
	167,767	168,304
Decommissioning liability (Note 8)	8,703,126	8,695,070
Loan payable (Note 13)	60,000	60,000
	8,930,893	8,923,374
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	86,368,234	86,313,034
Warrants (Note 10(b))	813,265	813,265
Contributed surplus (Notes 10(a), 10(c))	1,007,528	292,882
Deficit	(77,559,539)	(77,223,233)
	10,629,488	10,195,948
	\$ 19,560,381	\$ 19,119,322

Nature of Operations and Going Concern (Note 1)**Subsequent Event (Note 15)***The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

EDM Resources Inc.

(Formerly ScoZinc Mining Ltd.)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(PRESENTED IN CANADIAN DOLLARS)
(UNAUDITED)**

For the Three Months Ended March 31,	2022	2021 (Restated)
		(Note 14)
EXPENSES		
Salaries and benefits (Note 12)	\$ 105,968	\$ 117,402
Office and general	20,488	24,357
Legal and accounting fees	56,916	19,441
Investor relations	-	1,433
Amortization (Note 4)	5,207	5,370
Consulting	62,000	96,251
Stock-based payments (Note 10(a) and (c))	77,646	25,040
Regulatory fees	8,942	3,217
	(337,167)	(292,511)
Interest income	8,917	8,816
Accretion of decommissioning liability (Note 8)	(8,056)	(29,869)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ (336,306)	\$ (313,564)
Basic and diluted loss per share (Note 11)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	18,001,346	14,205,342

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

EDM Resources Inc.

(Formerly ScoZinc Mining Ltd.)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(PRESENTED IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)
(UNAUDITED)**

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance, December 31, 2020	14,084,794	\$ 83,791,810	\$ 1,031,722	\$ 841,538	\$(75,870,768)	\$ 9,794,302
Exercise of warrants	333,333	166,667	-	-	-	166,667
Stock-based compensation	-	-	-	25,040	-	25,040
Loss for the period	-	-	-	-	(313,564)	(313,564)
Balance, March 31, 2021	14,418,127	83,958,477	1,031,722	866,578	(76,184,332)	9,672,445
Balance, December 31, 2021	17,932,068	\$ 86,313,034	\$ 813,265	\$ 929,882	\$(77,223,233)	\$ 10,832,948
Exercise of warrants	110,400	55,200	-	-	-	55,200
Stock-based compensation	-	-	-	77,646	-	77,646
Loss for the period	-	-	-	-	(336,306)	(336,306)
Balance, March 31, 2022	18,042,468	\$ 86,368,234	\$ 813,265	\$ 1,007,528	\$(77,559,539)	\$ 10,629,488

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

EDM Resources Inc.

(Formerly ScoZinc Mining Ltd.)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(PRESENTED IN CANADIAN DOLLARS)
(UNAUDITED)**

For the Three Months Ended March 31,	2022	2021 (Restated)
		(Note 14)
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Loss for the period:	\$ (336,306)	\$ (313,564)
Amortization	5,207	5,370
Share-based payments	77,646	25,040
Accrued interest income	(8,917)	(8,816)
Accretion of decommissioning liability	8,056	29,869
	(254,314)	(262,101)
Net change in non-cash working capital:		
Amounts receivable and prepaid expenses	25,206	25,002
Accounts payable and accrued liabilities	17,175	(16,549)
Amounts payable to related parties	(17,712)	(11,583)
	(229,645)	(265,231)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(59,871)	(67,709)
Acquisition of property, plant and equipment	(24,552)	-
	(84,423)	(67,709)
FINANCING ACTIVITIES		
Share capital issued on exercise of warrants	55,200	166,667
Proceeds from loans payable	-	20,000
	55,200	186,667
CHANGE IN CASH	(258,868)	(146,273)
CASH, BEGINNING OF PERIOD	1,134,917	243,354
CASH, END OF PERIOD	\$ 876,049	\$ 97,081
SUPPLEMENTARY CASH FLOW INFORMATION:		
Change in estimated decommissioning liability	\$ 8,056	\$ 29,869

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

EDM Resources Inc.

(Formerly ScoZinc Mining Ltd.)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

1. NATURE OF OPERATIONS AND GOING CONCERN

EDM Resources Inc. (formerly ScoZinc Mining Ltd.) (the “Company” or “EDM”), and its wholly owned subsidiary Scotia Mine Limited (collectively, the “Group”) is engaged in base metals mining and related activities, including the exploration and evaluation of mineral property interests that are considered to have the potential for economic mineralization and development. The Company is a public company, which is listed on the TSX Venture Exchange, incorporated on March 9, 2004 and domiciled in Canada. The address of its registered office is Purdy’s Wharf, 1959 Upper Water Street, Suite 1301, Nova Scotia, B3J 3N2.

On January 12, 2022, the Company changed its name to EDM Resources Inc. On March 25, 2022, the Company changed the name of its wholly owned subsidiary to Scotia Mine Limited.

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation through the fiscal year and into the foreseeable future and will be able to realize assets and discharge its liabilities and commitments in the normal course of operations at the amounts stated in the condensed interim consolidated financial statements.

The Company has not generated revenue from operations. The Company has incurred a loss of \$ 336,306 for the three months ended March 31, 2022 (three months ended March 31, 2021 - \$313,564), and as of that date has an accumulated deficit of \$77,559,539 (December 31, 2021 - \$77,223,233). As at March 31, 2022, cash amounted to \$ 876,049 (December 31, 2021 - \$1,134,917), and the Company had working capital of \$ 808,208 (December 31, 2021 - \$1,091,745). The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, and development activities and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

At March 31, 2022, the Company had sufficient cash on hand to meet all planned exploration, development, general expenses and property payments for the next twelve months. The Company plans to raise additional capital to further develop and explore its project, however the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The above factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

The condensed interim consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company’s assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

Covid-19 Impact

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management’s going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global metal prices;
- The severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines;
- Availability of essential supplies;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding

EDM Resources Inc.

(Formerly ScoZinc Mining Ltd.)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

Covid-19 Impact (Continued)

At the date of the approval of these condensed interim consolidated financial statements, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. ACCOUNTING POLICIES

Statement of Compliance

These condensed interim 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 IASB and interpretations issued by IFRIC. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 30, 2022.

Basis of Presentation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited condensed interim consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company, and its active subsidiary, Scotia Mine Ltd. All significant intercompany transactions are eliminated on consolidation.

3. CASH HELD FOR RECLAMATION

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations as set out below.

The Company has agreed with the Province of Nova Scotia (Department of Natural Resources) to remediate the Scotia Mine facility to an agreed status at the end of the mining operations at the site; as a result the Company is required to make reclamation deposits in respect of this obligation. As at March 22, 2022, a \$2,948,581 (December 31, 2021 – \$2,940,195) cash bond, including accrued interest, is posted with the Province of Nova Scotia.

In addition, the Company has a reclamation bond with the Nova Scotia Department of Environment for \$194,088 (December 31, 2021 – \$193,557), including accrued interest, which is required to address the potential replacement of domestic water supplies that could potentially be downgraded by mining operations.

EDM Resources Inc.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

3. CASH HELD FOR RECLAMATION (Continued)

In fiscal 2021, the Nova Scotia Business Inc. ("NSBI") held a reclamation bond in the amount of \$100,000 in relation to the land which the Company leases from the organization in Sheet Harbour. The Company terminated its lease during the year ended December 31, 2020, and during the year ended December 31, 2021 \$109,915 in site remediation costs were incurred in addition to the amount of the bond for a total of \$209,915. During the year ended December 31, 2021, NSBI withheld the bond, pending determination of additional remediation costs which may be assessed to the Company, if any. As at December 31, 2021 and March 31, 2022, the Company continues to dispute the withholding of the bond. It is the Company's position that it has met if not exceeded its obligation.

4. PROPERTY, PLANT AND EQUIPMENT

	Mine Plant, Equipment and Land	Exploration Field Equipment	Total
Cost			
Balance, December 31, 2020	\$ 9,307,141	\$ 836,641	\$10,143,782
Additions	4,500	-	4,500
Balance, December 31, 2021	\$ 9,311,641	\$ 836,641	\$10,148,282
Additions	24,552	-	24,552
Balance, March 31, 2022	\$ 9,336,193	\$ 836,641	\$10,172,834
Accumulated Amortization			
Balance, December 31, 2020	\$ 1,447,242	\$ 836,641	\$ 2,283,883
Amortization	2,592	-	2,592
Balance, December 31, 2021	1,449,834	836,641	2,286,475
Amortization	5,207	-	5,207
Balance, March 31, 2022	\$ 1,455,041	\$ 836,641	\$ 2,291,682
Net Book Value, December 31, 2021	\$ 7,861,807	\$ -	\$ 7,861,807
Net Book Value, March 31, 2022	\$ 7,881,152	\$ -	\$ 7,881,152

5. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	March 31, 2022	December 31, 2021
Refundable GST/HST	\$ 59,777	\$ 86,476
Prepaid expenses	40,149	38,656
	\$ 99,926	\$ 125,132

EDM Resources Inc.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

6. EXPLORATION AND EVALUATION ASSETS

Scotia Mine Project, Nova Scotia

As part of the business combination with ScoZinc Limited on May 31, 2011, the Company acquired 100% of the Scotia Mine and several other mineral resource prospects in Halifax, Nova Scotia. The properties are comprised of exploration licences and a mineral property lease that provides for zinc and lead exploration and development.

The following is a continuity of the Company's Projects:

Balance, January 1, 2021	\$	5,824,918
Additions		18,457
Change in decommissioning liability estimate		1,657,339
Balance, December 31, 2021		7,500,714
Additions		59,871
Balance, March 31, 2022	\$	7,560,585

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022	December 31, 2021
Trade payables	\$ 45,924	\$ 58,918
Accrued expenses	75,919	45,750
	\$ 121,843	\$ 104,668

8. DECOMMISSIONING LIABILITY

The Company has estimated that the present value of future rehabilitation costs required to remediate the Scotia Mine facility based on its current state.

Although the ultimate amount of the rehabilitation liability is uncertain, the best estimate of these obligations is based on information currently available. Current significant closure and rehabilitation activities include dismantling and removing facilities, equipment removal and remediation of the mine site.

The total amount of estimated undiscounted cash flow required to settle the Company's estimated obligation as at March 31, 2022 was \$6,903,002 (December 31, 2021 - \$6,903,002). The calculation of present value of estimated future cash flows assumed a discount rate of 1.27% (2021 - 1.27%) and an inflation rate of 4.8% (2021 - 4.8%). Rehabilitation costs are estimated to be settled at various dates between 2029 and 2032.

A continuity of the Company's decommissioning liability is as follows:

Balance, December 31, 2020	\$ 7,005,506
Accretion	32,225
Change in estimate	1,657,339
Balance, December 31, 2021	\$ 8,695,070
Accretion	8,056
Balance, March 31, 2022	\$ 8,703,126

EDM Resources Inc.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

9. SHARE CAPITAL

(a) AUTHORIZED

Unlimited number of common shares without par value

Unlimited number of Class A preferred shares with no par value

Unlimited number of Class B preferred shares with a par value of \$10 per share

(b) ISSUED - COMMON SHARES

	Shares	Amount
Balance, December 31, 2020	14,084,794	\$ 83,791,810
Issued on exercise of warrants	333,333	166,667
Balance, March 31, 2021	14,418,127	\$ 83,958,477
Balance, December 31, 2021	17,932,068	\$ 86,313,034
Exercise of warrants	110,400	55,200
Balance, March 31, 2022	18,042,468	\$ 86,368,234

10. SHARE BASED PAYMENTS

a) **Stock Option Plan**

A stock option plan ("Plan") was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Each year, shareholders of the Company approve the Plan at the Annual General Meeting. The Plan provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase common shares. The Plan provides for a floating maximum limit of 10% of the outstanding common shares of the common shares as permitted by the policies of the TSX-V. Options under the Plan have terms and vesting as determined by the Board. The expiry date shall not be more than 10 years from the date of grant.

Share option activity for the three months ended March 31, 2022 and 2021 are as follows:

	Number of Stock Options Outstanding	Weighted Average Exercise Price (\$)
Balance - December 31, 2020 and March 31, 2021	875,000	0.64
Balance - December 31, 2021 and March 31, 2022	1,287,000	0.61

EDM Resources Inc.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

10. SHARE BASED PAYMENTS (Continued)

a) Stock Option Plan (Continued)

The following table summarizes information about stock options outstanding as at March 31, 2022:

Number of Options Outstanding	Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Vested (Exercisable)
157,000	July 13, 2022	1.11	0.28	157,000
205,000	July 3, 2024	0.45	2.26	205,000
90,000	August 12, 2024	0.45	2.37	90,000
50,000	August 20, 2024	0.75	2.39	50,000
50,000	August 20, 2024	0.60	2.39	50,000
20,000	October 3, 2024	0.60	2.51	20,000
9,000	October 3, 2024	0.45	2.51	9,000
9,000	October 3, 2024	0.60	2.51	9,000
7,000	October 3, 2024	0.75	2.51	7,000
220,000	June 18, 2030	0.45	8.22	165,000
470,000	October 29, 2031	0.60	9.58	-
1,287,000		0.61	5.99	762,000

During the three months ended March 31, 2022, the Company recognized \$77,646 (three months ended March 31, 2021 - \$25,040) related to vesting of stock options.

b) Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2022 and 2021:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance - December 31, 2020	7,732,864	\$ 0.54
Issued	-	\$ -
Exercised	(333,333)	\$ (0.50)
Balance, March 31, 2021	7,399,531	\$ 0.54
Balance, December 31, 2021	3,545,531	\$ 0.50
Exercised	(110,400)	\$ (0.50)
Balance - March 31, 2022	3,435,131	\$ 0.50

EDM Resources Inc.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

10. SHARE BASED PAYMENTS (Continued)

b) Warrants (Continued)

The following table summarizes the warrants outstanding as at March 31, 2022:

Number of Warrants Outstanding	Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Warrants (Exercisable)
1,694,178	April 22, 2022*	0.50	0.06	1,694,178
1,224,816	May 22, 2022	0.50	0.14	1,224,816
516,137	May 29, 2022*	0.50	0.16	516,137
3,435,131		0.50	0.10	3,435,131

*Expired unexercised subsequent to March 31, 2022

c) Restricted Share Units

On October 25, 2019, the Company adopted a Restricted Stock Unit Incentive Plan ("the Plan"), pursuant to shareholder approval.

The number of shares reserved for stock options and all other forms of equity based incentive compensation under the Plan cannot exceed 10% of the Company's issued and outstanding common shares.

During the year ended December 31, 2020, the Company granted a total of 188,456 Restricted Stock Units ("RSU") with a fair value of \$85,100. 123,456 RSUs vested on August 20, 2021, and 65,000 RSUs vested on November 5, 2021.

On February 25, 2021, the Company issued 7,200 RSUs which vest on February 25, 2022 with a fair value of \$5,040. On August 31, 2021, the Company issued a total of 87,719 Restricted Stock Units ("RSU") to an officer of the Company, with a fair value of \$50,000. These RSU's vest on August 19, 2022.

On November 5, 2021, the Company issued 36,765 RSUs which vest on November 5, 2022 with a fair value of \$25,000 to an employee of the Company.

During the three months ended March 31, 2022, the Company recognized \$13,185 (Three months ended March 31, 2021 - \$12,329) in stock-based compensation expense on the vesting of RSUs.

As at March 31, 2022, there were 131,684 (December 31, 2021 - 131,684) restricted stock units issued and outstanding.

EDM Resources Inc.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

11. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of warrants and stock options, is the same as basic loss per share for the period ended. The effect of potential issuances of shares under options and warrants would be anti-dilutive for the three months ended March 31, 2022 and 2021 as they would decrease the loss per share, consequently the weighted average number of common shares outstanding for basic and diluted are the same.

12. RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Key management personnel include those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's board of directors and corporate officers and/or companies controlled by those individuals.

Remuneration attributed to key management personnel during the three months ended March 31, 2022 and 2021 is as follows:

For the three months ended	2022	2021
Remuneration	\$ 69,500	\$ 105,751
Share-based compensation	54,220	12,329
	\$ 123,720	\$ 118,080

During the three months ended March 31, 2022, the Company incurred \$7,500, (three months ended March 31, 2021 - \$7,500) in services from Marrelli Support Services Inc. ("Marrelli Support") for Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;

As at December 31, 2021, amounts due to related parties totaled \$45,924 (December 31, 2021 - \$63,636) pertaining to amounts payable for key management remuneration, director's fees, support services from Marrelli Support, and reimbursement of expenses paid on behalf of the Company.

13. LOAN PAYABLE

In May 2020, the Company benefitted from a \$40,000 Government of Canada Covid-19 "Canada Emergency Business Account" loan, administered by the Royal Bank of Canada. In January 2021, this loan was increased by \$20,000, or \$60,000 in aggregate. The proceeds of the loan are interest free until December 31, 2022 with a 25% balance forgiveness if repaid by that date. After December 31, 2022, the outstanding balance will accrue interest at 5% per annum and is due in full by December 31, 2025.

EDM Resources Inc.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

14. RESTATEMENT

In conjunction with the preparation of the Company's consolidated financial statements for the year ended December 31, 2021, the Company identified an error in the decommissioning liability recorded in the previously issued financial statements. During the preparation of the Company's consolidated financial statements for the year ended December 31, 2021, it had become apparent that the costs associated with work to be performed in connection with the decommissioning liability had been understated and all information available to the Company had not been considered in the calculation of the decommissioning liability.

Accordingly, for the condensed interim consolidated financial statements for the period ended March 31, 2022, the Company has restated the comparative statements of loss and comprehensive loss for the three months ended March 31, 2021. The impact of this change detailed below:

Statements of of Loss and Comprehensive Loss

	As Previously Stated	Adjustment	Restated
<u>Three Months Ended March 31, 2021</u>			
Total expenses	\$ (292,511)	\$ -	\$ (292,511)
Other Items			
Interest income	8,816	-	8,816
Accretion of decommissioning liability	-	(29,869)	(29,869)
Total other items	8,816	(29,869)	(21,053)
Loss and comprehensive loss	\$ (283,695)	\$ 29,869	\$ (313,564)
Loss per share, basic and diluted	\$0.02	\$0.00	\$0.02

Cash flows from operating, investing, and financing activities for the three months ended March 31, 2021 were not changed.

15. SUBSEQUENT EVENT

Subsequent to March 31, 2022, 1,859,791 warrants were exercised for gross proceeds of \$929,895.