

GMV MINERALS INC.
Consolidated Financial Statements
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of GMV Minerals Inc.

Opinion

We have audited the consolidated financial statements of GMV Minerals Inc. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at June 30, 2021 and 2020, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

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

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
October 28, 2021

GMV MINERALS INC.
Consolidated Statements of Financial Position
As at June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	2021	2020
	\$	\$
Assets		
Current		
Cash and cash equivalents	1,240,861	388,171
Amounts receivable	5,346	57,195
Prepaid expenses (Note 8)	62,034	170,216
	1,308,241	615,582
Reclamation Deposits (Note 5)	59,127	54,045
Resource Property Interests (Note 6)	5,610,325	4,854,610
	6,977,693	5,524,237
Liabilities		
Current		
Accounts payable and accrued liabilities	72,516	162,148
Equity		
Capital Stock (Note 7)	26,932,510	24,216,746
Contributed Surplus	4,834,997	4,570,948
Accumulated Other Comprehensive Income foreign currency translation adjustment	204,400	350,691
Deficit	(25,066,730)	(23,776,296)
	6,905,177	5,362,089
	6,977,693	5,524,237

Nature of Operations and Going Concern (Note 1)
Commitments (Note 10)
Subsequent event (Note 14)

Approved by the Board:

"Ian Klassen" Director
Ian Klassen

"Alistair MacLennan" Director
Alistair MacLennan

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

GMV MINERALS INC.
Consolidated Statements of Comprehensive Loss
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	2021	2020
	\$	\$
Administrative expenses		
Share-based payments	439,803	142,030
Shareholder and investor relations	358,564	87,973
Management fees	282,375	270,000
Legal and accounting	129,311	144,413
Regulatory and transfer agent fees	35,958	18,910
Office and miscellaneous	22,088	19,211
Rent	18,000	18,000
Travel and entertainment	3,093	43,472
Consulting	-	25,037
Loss Before Other Items	(1,289,192)	(769,046)
Other Income (Expenses)		
Impairment loss	-	(20,000)
Realized loss on investments	-	(1,946)
Foreign exchange gain (loss)	(1,725)	706
Interest and other	483	5,315
	(1,242)	(15,925)
Net Loss for the Year	(1,290,434)	(784,971)
Other Comprehensive Income		
Item that may be reclassified subsequently to loss:		
Gain/(Loss) on foreign currency translation	(146,291)	170,222
Comprehensive Loss for the Year	(1,436,725)	(614,749)
Loss per share, basic and diluted	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding	59,074,754	44,999,528

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

GMV MINERALS INC.
Consolidated Statements of Changes in Equity
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	Issued Capital		Contributed	Deficit	Foreign	Equity
	Shares	Amount	Surplus		Currency	
		\$	\$	\$	Adjustment	\$
					\$	
Balance, July 1, 2019	42,726,206	23,274,332	4,426,532	(22,991,325)	180,469	4,890,008
Shares issued for private placement	11,853,750	948,300	-	-	-	948,300
Share issuance costs – cash	-	(3,500)	-	-	-	(3,500)
Share issuance costs – finder warrants	-	(2,386)	2,386	-	-	-
Share-based payments	-	-	142,030	-	-	142,030
Net loss	-	-	-	(784,971)	-	(784,971)
Other comprehensive income	-	-	-	-	170,222	170,222
Balance, June 30, 2020	54,579,956	24,216,746	4,570,948	(23,776,296)	350,691	5,362,089
Balance, July 1, 2020	54,579,956	24,216,746	4,570,948	(23,776,296)	350,691	5,362,089
Shares issued for private placement	3,058,334	696,000	-	-	-	696,000
Shares issued for warrant exercises	11,351,250	1,736,550	-	-	-	1,736,550
Shares issued for option exercises	840,000	109,000	-	-	-	109,000
Share issuance costs – cash	-	(1,540)	-	-	-	(1,540)
Fair value of stock options exercised	-	175,754	(175,754)	-	-	-
Share-based payments	-	-	439,803	-	-	439,803
Net loss	-	-	-	(1,290,434)	-	(1,290,434)
Other comprehensive loss	-	-	-	-	(146,291)	(146,291)
Balance, June 30, 2021	69,829,540	26,932,510	4,834,997	(25,066,730)	204,400	6,905,177

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

GMV MINERALS INC.
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

	2021	2020
	\$	\$
Cash provided by (used for)		
Operating activities		
Net loss for the year	(1,290,434)	(784,971)
Items not affecting cash:		
Share-based payments	439,803	142,030
Unrealized foreign exchange gain	-	(718)
Foreign exchange gain/loss	(30,404)	-
Impairment loss	-	20,000
	(881,035)	(618,659)
Net change in non-cash working capital:		
Amounts receivable	51,849	(30,244)
Prepaid expenses	108,182	(140,639)
Accounts payable and accrued liabilities	(89,632)	(54,977)
	(810,636)	(849,519)
Investing activities		
Resource property interests	(871,602)	(554,967)
Reclamation deposits	(5,082)	(4,129)
	(876,684)	(559,096)
Financing activities		
Shares issued for private placement, net	696,000	944,800
Proceeds from exercise of warrants	1,736,550	-
Proceeds from exercise of options	109,000	-
Share issuance cost - cash	(1,540)	-
	2,540,010	944,800
Increase (decrease) in cash during the year	852,690	(463,815)
Foreign exchange effect on cash	-	718
	852,690	(463,097)
Cash and cash equivalents, beginning of year	388,171	851,268
Cash and cash equivalents, end of year	1,240,861	388,171
Composition of cash and cash equivalents		
Cash	1,240,861	388,171
GIC investments	-	-

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

GMV MINERALS INC.
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

GMV Minerals Inc. (the “Company” or “GMV”) was incorporated on May 18, 2006 under the Business Corporations Act of British Columbia. The Company’s shares are listed for trading on the TSX Venture Exchange under the symbol GMV.

The address of the Company’s corporate office and principal place of business is #280 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

The Company is in the process of exploring its principal mineral properties in SE Arizona and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a net loss of \$1,290,434 (2020: \$784,971) for the year ended June 30, 2021 and has an accumulated deficit of \$25,066,730 as at June 30, 2021, which has been funded primarily by the issuance of equity. The Company’s ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholders and creditors. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favourable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected. 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.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. In assessing the appropriateness of the going concern assumption management is required to consider all available information about the future, which is at least, but not limited to, 12 months from the consolidated statement of financial position date. Management has carried out an assessment of the going concern assumption and has concluded that it is appropriate that the consolidated financial statements are prepared on a going concern basis. Accordingly, these consolidated financial statements do not reflect any adjustments to the carrying value of assets and liabilities, or the impact on the consolidated statement of comprehensive loss and consolidated statement of financial position classifications that would be necessary were the going concern assumption not appropriate.

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. The Company’s operations have not been drastically impacted by the pandemic. Management of the Company continues to monitor the situation and is following the protocols and rules set in place by the provincial and federal governments.

GMV MINERALS INC.
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on October 28, 2021.

(b) Consolidation and Measurement

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, GMV Guyana Resources Inc. (“GMV Guyana”) and GMV Minerals (Nevada) LLC (“GMV Nevada”). GMV Nevada was incorporated on May 30, 2014 under the laws of the State of Nevada. All material inter-company balances and transactions have been eliminated upon consolidation. During the years ended June 30, 2021 and 2020, GMV Guyana was inactive.

These consolidated financial statements are prepared on an accrual basis and are based on historical costs except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 4. The consolidated financial statements are presented in Canadian dollars unless otherwise noted. The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

3. ADOPTION OF NEW OR AMENDED ACCOUNTING STANDARDS

Accounting Standards and Amendments Issued but not yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended June 30, 2021, and have not been applied in preparing these consolidated financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose consolidated financial statements make on the basis of those consolidated financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Management does not expect the adoption of this accounting standard to have a significant impact of the Company’s consolidated financial statements.

GMV MINERALS INC.
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash equivalents consist of cash on hand, balances with banks and highly liquid market investments with original terms of maturity of less than 90 days at time of acquisition, or which are redeemable at the option of the Company.

(b) Resource property interests

Resource properties' exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

All exploration and evaluation expenditures incurred after the legal title and rights in mineral claims are secured are capitalized as exploration and evaluation assets and are classified as intangible assets. Such expenditures include, but are not limited to, mineral title maintenance expenditures, acquisition costs per option agreements, evaluation costs including drilling costs directly attributable to a property, and directly attributable general and administrative costs including share-based payments to geologists. General exploration costs not related to specific exploration and evaluation property are expensed as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Recorded costs of mineral properties and deferred exploration costs are not intended to reflect present or future values of resource properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Exploration and evaluation assets are tested for impairment and no amortization is taken during the exploration and evaluation phase.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, capitalized costs of the related property are reclassified as mining assets. Upon commencement of commercial production, capitalized assets are amortized using the units of production method over estimated recoverable reserves.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized; however, for corporate income tax purposes, the Company has no right to claim these costs as tax deductible expenses.

The Company's entitlement to mineral exploration tax credits are accounted for on an accrual basis to reduce the exploration costs.

GMV MINERALS INC.
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Resource property interests (continued)

i) Impairment

Mineral properties are reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount of mineral properties may exceed its recoverable amount. The recoverability of the carrying amount of mineral properties is dependent on successful development and commercial exploitation or alternatively the sale of the respective areas of interest.

The factors to consider include and not limited to on-going status of the rights to explore and evaluate, existence of further budget or plan, management intention and probability of development and recovery. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of a value in use (being the present value of expected future cash flows of the relevant cash-generating unit) and fair value less costs to sell. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

ii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or on-going production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. As at June 30, 2021, the Company does not have any decommissioning liabilities.

GMV MINERALS INC.
Notes to the Consolidated Financial Statements
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(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(d) Share-based payment transactions

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in contributed surplus is transferred to share capital.

(e) Valuation of equity units issued in private placements

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

(f) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

GMV MINERALS INC.
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Flow-through shares

Resource expenditures for income tax purposes related to Canadian exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. At the time flow-through shares are issued, there may be a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. A liability is recognized for the premium on the flow-through shares reducing share capital and is subsequently reversed as the Company incurs qualifying Canadian exploration expenses and recorded to other income. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in operations in the period of renunciation.

(h) Income taxes

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

Current tax is the expected tax 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 tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred income tax assets and liabilities are presented as non-current.

(i) Basic and diluted loss per share

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted net loss per share. Stock options and share purchase warrants are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

As the Company has recorded a net loss in each of the periods presented, basic and diluted net loss per share are the same as the exercise of stock options or share purchase warrants are anti-dilutive.

GMV MINERALS INC.
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Foreign currency translation

The Company's reporting currency is the Canadian dollar.

The functional currency of the Company is the Canadian dollar and GMV Minerals (Nevada) LLC is the USD. The functional currency of GMV Guyana Resources Inc. is the Guyanese dollar. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the consolidated statement of financial position date and non-monetary assets and liabilities at the exchange rates in effect at the time of the transaction. Revenues and expenses are also translated at rates in effect at the time of the transaction. Gains and losses on translation are included in net income for the year.

Financial statements of the subsidiary prepared under its functional currency are translated into Canadian dollars for consolidation purposes. Amounts are translated using the current rates of exchange for assets and liabilities and using the average rates of exchange for the period for revenues and expenses. Gains and losses resulting from translation adjustments are recorded as other comprehensive income (loss) and accumulated in a separate component of shareholders' equity, described as foreign currency translation adjustment. In the event of a reduction of the Company's net investment in its foreign operations, the portion of accumulated other comprehensive income related to the reduction is realized and recognized in operations.

(k) Financial instruments

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Cash and cash equivalents are classified as FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period

GMV MINERALS INC.
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

Impairment (continued)

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are classified as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable are classified as amortized cost.

As at June 30, 2021, the Company does not have any derivative financial liabilities.

(l) Use of estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant areas requiring the use of management estimates include the determination of impairment of exploration and evaluation assets and financial instruments, decommissioning liabilities, determination of future tax rate used to calculate deferred income tax assets and liabilities, and assumptions used in valuing options in share-based payment calculations. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

(m) Use of judgments

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year.

i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If information becomes available after expenditure is capitalized suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

iii) Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company is the Canadian dollar and GMV Minerals (Nevada) LLC is the USD. The functional currency of its wholly-owned Guyana subsidiary, GMV Guyana Resources Inc., is the Guyanese Dollar, as these are the respective currencies of the primary economic environments in which the companies operate.

5. RECLAMATION DEPOSITS

As at June 30, 2021, the Company had \$18,591 (US\$15,000) (2020 - \$20,442 (US\$15,000)) in trust as a reclamation security deposit with the Arizona State Land Department and \$40,536 (US\$32,706) (2020 - \$33,603 (US\$24,657)) with the Bureau of Land Management Arizona for its exploration and evaluation assets on the Mexican Hat property in Arizona, US.

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6. RESOURCE PROPERTY INTERESTS

	June 30, 2020	Additions	June 30, 2021
	\$	\$	\$
Mexican Hat Property			
Acquisition cost additions:			
Cash	206,197	27,887	234,084
Warrants issued	16,797	-	16,797
	<u>222,994</u>	<u>28,887</u>	<u>250,881</u>
Exploration costs incurred:			
Assaying	512,078	409	512,487
Claim maintenance fees	146,122	21,636	167,758
Consulting	501,824	315,337	817,161
Drilling	1,868,520	18,244	1,886,764
Field expenses	116,625	38,388	155,013
Food and lodging	82,764	11,572	94,336
Freight	32,099	-	32,099
Geological consulting	512,480	30,349	542,829
Legal fees	344,357	85,536	429,893
Mapping	7,428	-	7,428
Share-based payments	135,890	-	135,890
Site personnel	109,598	-	109,598
Travel	75,130	-	75,130
Trenching	4,711	-	4,711
Prepaid charge	-	322,244	322,244
Vehicle rental	13,750	-	13,750
Effect of movements in exchange rates	168,240	(115,887)	52,353
	<u>4,631,616</u>	<u>727,828</u>	<u>5,359,444</u>
Total	<u>4,854,610</u>	<u>755,715</u>	<u>5,610,325</u>

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6. RESOURCE PROPERTY INTERESTS (continued)

	June 30, 2019	Additions	June 30, 2020
	\$	\$	\$
Mexican Hat Property			
Acquisition cost additions:			
Cash	181,667	24,530	206,197
Warrants issued	16,797	-	16,797
	198,464	24,530	222,994
Exploration costs incurred:			
Assaying	412,846	99,232	512,078
Claim maintenance fees	115,920	30,202	146,122
Consulting	408,105	93,719	501,824
Drilling	1,676,845	191,675	1,868,520
Field expenses	105,238	11,387	116,625
Food and lodging	69,289	13,475	82,764
Freight	32,099	-	32,099
Geological consulting	456,833	55,647	512,480
Legal fees	311,821	32,536	344,357
Mapping	7,428	-	7,428
Share-based payments	135,890	-	135,890
Site personnel	107,460	2,138	109,598
Travel	74,706	424	75,130
Trenching & Surveying	4,711	-	4,711
Vehicle rental	13,750	-	13,750
Effect of movements in exchange rates	-	168,240	168,240
	3,932,941	698,675	4,631,616
Total	4,131,405	723,205	4,854,610

Mexican Hat Property

On May 14, 2014, the Company entered into a binding agreement with Norman A. Pearson to secure a 100% interest in a mining lease originally dated December 14, 2002. The Company has the exclusive right and privilege to explore and mine for certain material and the right to use the surface of the property as may be required for all purposes related to the prospecting, exploration, development and production of minerals from the property. The property consists of 40 unpatented lode mining claims situated in Cochise County, Arizona, USA. The lease remains in effect for the period that the claims are maintained in good standing.

The Company made the following payments to acquire the 100% interest in the mining lease:

- (a) Cash payment of \$40,000 (paid).
- (b) 50,000 common share purchase warrants at an exercise price of \$0.50 for a period of 24 months from the date of the agreement (issued).
- (c) 50,000 common share purchase warrants at an exercise price of \$1.00 for a period of 24 months from the date of the agreement (issued).

On April 27, 2015, the Company acquired 2 claims adjacent to the existing Mexican Hat Property. The mining property lease agreement was fully assigned to the Company. On November 13, 2015, the Company acquired an additional 2 claims adjacent to the existing Mexican Hat Property.

In March 2017, the Company acquired a 100% interest in six new exploration permits at the Arizona State Land Department (ASLD). These permits further extend the north and northwest boundaries of its Mexican Hat gold exploration project located in S.E. Arizona. The Company's land position is approximately 2,693 acres.

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7. SHARE CAPITAL

- (a) **Authorized** - Unlimited common shares, without par value
- (b) **Issued and Outstanding** – **69,829,540** (See Consolidated Statements of Changes in Equity)

On April 23, 2021, the Company completed a non-brokered private placement with the issuance of 1,000,000 units at a price of \$0.22 per unit for gross proceeds of \$220,000. Each unit consisted of one common share and one-half of a share purchase warrant. Each whole warrant entitles the unitholder to purchase one additional GMV common share at a price of \$0.30 per share at any time within 24 months of the closing. The Company paid \$1,540 in cash and issued 7,000 warrants for finder's fees in conjunction with this non-brokered placement.

On February 16, 2021, the Company completed a non-brokered private placement with the issuance of 1,458,334 units at a price of \$0.24 for gross proceeds of \$350,000. Each unit consisted of one common share and one half of a share purchase warrant. Each whole warrant entitles the Unit holder to purchase one additional GMV common share at a price of \$0.35 per share at any time within 24 months of the closing. No finder's fees are payable on this financing.

On November 26, 2020, the Company completed a non-brokered private placement with the issuance of 600,000 units at a price of \$0.21 for gross proceeds of \$126,000. Each unit consisted of one common share and one half of a share purchase warrant. Each whole warrant entitles the Unit holder to purchase one additional GMV common share at a price of \$0.30 per share at any time within 18 months of the closing. No finder's fees are payable on this financing.

On April 21, 2020, the Company completed a non-brokered private placement with the issuance of 11,853,750 Units at a price \$0.08 per unit. Each unit consisted of one common share and one half of a share purchase warrant exercisable at a price of \$0.16 for a period of eighteen (18) months. The Company raised gross proceeds of \$948,300 and paid \$3,500 in cash and issued 43,750 finders' warrants in share issuance costs related to this offering.

(c) **Warrants**

The following table summarizes the continuity of the Company's warrants.

	Number of warrants	Weighted-Average Exercise Price
Balance, June 30, 2019	7,979,000	\$0.15
Granted	5,970,625	0.16
Balance, June 30, 2020	13,949,625	0.15
Exercised	(11,351,250)	0.15
Expired	(14,000)	0.15
Granted	1,536,168	0.32
Balance, June 30, 2021	4,120,543	\$0.22

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7. SHARE CAPITAL (continued)

Additional information regarding warrants outstanding as at June 30, 2021 is as follows:

Exercise Price	Number of Warrants	Expiry Date
\$0.16	2,584,375	October 21, 2021
\$0.30	300,000	May 25, 2022
\$0.35	729,168	February 19, 2023
\$0.30	507,000	April 23, 2023
	4,120,543	

The fair value of the finders' warrants granted during the year ended June 30, 2021, was determined to be \$nil.

(d) Stock Options

The Company has adopted an incentive stock option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the issued outstanding common shares of the Company. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. Options granted may not exceed a term of five years. All options vest upon grant unless otherwise specified by the Board of Directors.

On April 21, 2020, the Company granted incentive stock options to various directors, officers and consultants to purchase up to 1,850,000 common shares exercisable on or before April 21, 2025 at an exercise price of \$0.15 per share. The options vested immediately upon grant. Fair value of each option granted was \$0.15 and share-based compensation of \$142,030 was recorded.

On November 9, 2020, the Company granted incentive stock options to various directors, officers and consultants to purchase up to 1,475,000 common shares exercisable on or before November 9, 2025 at an exercise price of \$0.30 per share. The options vested immediately upon grant. Fair value of each option granted was \$0.23 and share-based compensation of \$332,044 was recorded.

On November 23, 2020, the Company granted incentive stock options to various directors, officers and consultants to purchase up to 300,000 common shares exercisable on or before November 23, 2021 at an exercise price of \$0.30 per share. The options vested immediately upon grant. Fair value of each option granted was \$0.08 and share-based compensation of \$24,843 was recorded.

On February 8, 2021, the Company granted incentive stock options to various directors, officers to purchase up to 300,000 common shares exercisable on or before February 8, 2026, at an exercise price of \$0.25 per share. The options vested immediately upon grant. Fair value of each option granted was \$0.18 and share-based compensation of \$52,716 was recorded.

On February 8, 2021, the Company granted incentive stock options to a consultant, to purchase up to 300,000 expiring on March 8, 2022, to a consultant of the company, all at an exercise price of \$0.25 per share. The options vested immediately upon grant. Fair value of each option granted was \$0.10 and share-based compensation of \$30,200 was recorded.

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7. **SHARE CAPITAL** (continued)

(d) **Stock Options** (continued)

The fair value of the stock options issued was calculated using the Black-Scholes model with the following weighted average assumptions and resulting fair values:

	2021	2020
Share price	\$0.21-0.28	\$0.10
Risk-free interest rate	0.14-0.51%	0.42%
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%
Expected stock price volatility	117-130%	116%
Expected life in years	1-5 years	5 years

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option and warrant grants.

The following table summarizes the continuity of the Company's stock options. All of these options vested upon grant.

	Number of Options	Weighted-Average Exercise Price
Balance, June 30, 2019	3,465,000	\$0.33
Expired	(915,000)	0.13
Cancelled	(280,000)	0.60
Granted	1,850,000	0.15
Balance, June 30, 2020	4,120,000	0.27
Granted	2,375,000	0.29
Cancelled	(250,000)	-
Exercised	(840,000)	0.13
Balance, June 30, 2021	5,405,000	\$0.29

As at June 30, 2021, the weighted average remaining contractual life of the options was 2.78 years (2020 – 3.09 years). Additional information regarding options outstanding and exercisable as at June 30, 2021 is as follows:

Exercise Price	Number of Shares	Expiry Date
\$		
0.30	375,000	July 7, 2021
0.60	250,000	August 15, 2021
0.60	555,000	December 13, 2021
0.15	500,000	June 3, 2024
0.15	1,350,000	April 21, 2025
0.30	1,475,000	November 9, 2025
0.30	300,000	November 23, 2021
0.25	300,000	March 8, 2022
0.25	300,000	February 8, 2026
	5,405,000	

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8. RELATED PARTY TRANSACTIONS AND BALANCES

As at, and during the years ended, June 30, 2021 and 2020, the Company had the following related party transactions and balances:

- (a) Prepaid expenses include \$21,268 (2020 - \$19,320) in amounts paid to companies controlled by directors and officers of the Company. These amounts are unsecured, non-interest bearing and due on demand.
- (b) The Company incurred \$210,375 (2020 - \$198,000) in management fees to a company controlled by an officer of the Company.
- (c) The Company incurred \$72,000 (2020 - \$72,000) in management fees to a company controlled by a director of the Company.
- (d) The Company paid \$89,250 (2020 - \$84,000) to a company controlled by an officer of the Company for accounting fees.
- (e) The Company paid \$18,000 (2020 - \$18,000) to a company controlled by an officer of the Company for rent.

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the years ended June 30, 2021 and 2020. Short-term key management compensation consists of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Management fees	\$ 282,375	\$ 270,000
Accounting fees	89,250	84,000
Share-based payments	238,431	61,418
	\$ 610,056	\$ 415,418

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9. INCOME TAXES

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are expected to reverse. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

The significant components of the Company's unrecognized deferred tax assets and liabilities are as follows:

	2021	2020
	\$	\$
Net operating losses carry-forwards	2,321,000	2,176,931
Eligible capital expenditures	58,000	58,339
Mineral properties	2,694,000	2,735,751
Other	12,000	11,594
Unrecognized deferred income tax assets	(5,085,000)	(4,982,615)
Net deferred income tax assets	–	–

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates at 27% (2020 – 27%) to the amount reported in these consolidated financial statements:

	2021	2020
	\$	\$
Income tax recovery at statutory rate	348,000	211,942
Non-deductible items and other	(450,385)	(47,304)
Change in unrecognized deferred income tax assets	(102,385)	(164,638)
Income tax recovery	–	–

As at June 30, 2021, the amount of deductible temporary differences for which no deferred tax asset is recognized in the consolidated statements of financial position is mainly the Company's non-capital losses carried forward of approximately \$8,564,000 which are available to offset future years' taxable income earned in Canada. Any losses incurred in Guyana and the U.S. are carried forward until utilized. The losses incurred in Canada expire as follows:

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9. INCOME TAXES (continued)

	\$
2026	39,000
2027	37,000
2028	157,000
2029	129,000
2030	637,000
2031	1,309,000
2032	768,000
2033	554,000
2034	574,000
2035	609,000
2036	432,000
2037	730,000
2038	548,000
2039	510,000
2040	661,000
2041	870,000
	8,564,000

10. COMMITMENTS

The Company has agreements with certain members of senior management. In the event that there is a change of control as defined by the agreements, the Corporation is committed to pay severance payments of salary which amounts to \$354,000 (2020 - \$354,000).

11. MANAGEMENT OF CAPITAL

The Company defines capital as all components of Equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. 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. The Company is not subject to any externally imposed capital requirements.

The exploration and evaluation assets in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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12. RISK AND FINANCIAL INSTRUMENTS

The Company's consolidated financial instruments consist of cash and cash equivalents, amount due from related party, and accounts payable. As at June 30, 2021, the Company classifies its cash and term deposit as fair value through profit and loss, amount due from related party as amortized cost, and its accounts payable as amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash and cash equivalents are classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at June 30, 2021 relating to cash and cash equivalents of \$1,240,861. The cash and cash equivalents are held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at June 30, 2021, the Company has cash and cash equivalents balance of \$1,240,861 to settle its short-term liabilities of \$72,516.

(c) Interest Rate Risk

The Company has cash balances and term deposits with interest based on the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

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12. RISK AND FINANCIAL INSTRUMENTS (continued)

(d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable, and commitments that are denominated in a foreign currency. As at June 30, 2021, a 10% fluctuation in the foreign exchange rate of the United States dollar against the Canadian dollar would affect the Company's cash, account payable, and commitments by approximately \$2,000.

(e) Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

During the year ended June 30, 2021, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

(f) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. In management's opinion, the Company is not exposed to significant market risk.

13. SEGMENTED DISCLOSURE

The Company has one operating segment: mineral exploration. The Company operates in one geographical segment, the United States of America ("USA"). Corporate administrative activities are conducted in Canada. All non-current assets of the Company are located in the USA, as disclosed in Notes 5 and 6.

14. SUBSEQUENT EVENT

The Company received gross proceeds of \$166,000 for the exercise of 990,625 warrants and 25,000 options.