

**GMV MINERALS INC.**  
**Condensed Consolidated Interim Financial Statements**  
**For the Nine Months Ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The condensed consolidated interim financial statements for the nine months ended March 31, 2021 and 2020 are unaudited and prepared by Management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

*"Ian Klassen" (signed)*

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Ian Klassen  
President, CEO and Director

Vancouver, British Columbia  
May 31, 2021

*"Michele Pillon" (signed)*

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Michele Pillon  
Chief Financial Officer

**GMV MINERALS INC.**  
**Condensed Consolidated Interim Statements of Financial Position**  
**As at March 31, 2021 and June 30, 2020**  
**(Expressed in Canadian Dollars)**

	<b>March 31, 2020</b>	June 30, 2020
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	372,211	388,171
Amounts receivable	8,020	57,195
Prepaid expenses (Note 6)	114,124	170,216
	494,355	615,582
<b>Reclamation Deposits</b> (Note 3)	49,894	54,045
<b>Resource Property Interests</b> (Note 4)	5,313,122	4,854,610
	5,857,371	5,524,237
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	49,359	162,148
<b>Equity</b>		
<b>Capital Stock</b> (Note 5)	25,301,746	24,216,746
<b>Contributed Surplus</b>	4,960,548	4,570,948
<b>Accumulated Other Comprehensive Income</b> foreign currency translation adjustment	346,540	350,691
<b>Deficit</b>	(24,800,822)	(23,776,296)
	5,808,012	5,367,089
	5,857,371	5,524,237

Nature of Operations and Going Concern (Note 1)

Commitments (Note 7)

Subsequent event (Note 11)

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.**  
**Condensed Consolidated Interim Statements of Comprehensive Loss**  
**For the Nine Months Ended March 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

	<b>Three Months ended</b>		<b>Nine Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Administrative expenses</b>				
Share-based compensation	\$ 70,900	-	\$ 389,600	-
Management	67,500	67,500	214,875	222,500
Legal and accounting	40,907	29,278	99,311	104,528
Office and miscellaneous	6,341	5,122	15,335	14,370
Regulatory and transfer agent fees	12,896	11,960	29,539	15,625
Rent	4,500	4,500	13,500	13,500
Shareholder & investor relations	113,455	2,649	259,307	30,902
Travel and entertainment	1,107	7,361	1,871	35,597
Consulting	-	-	-	2,637
<b>Loss before Other Items</b>	<b>(317,606)</b>	<b>(128,370)</b>	<b>(1,023,338)</b>	<b>(439,659)</b>
<b>Other Income (Expenses)</b>				
Foreign exchange gain (loss)	(242)	1,569	(1,446)	1,437
Interest and other	77	3,984	258	5,275
	<b>(165)</b>	<b>5,553</b>	<b>(1,188)</b>	<b>6,712</b>
<b>Comprehensive Loss for the Period</b>	<b>\$ (317,771)</b>	<b>(122,817)</b>	<b>\$ (1,024,526)</b>	<b>(432,947)</b>
<b>Loss per share, basic and diluted</b>	<b>\$ (0.00)</b>	<b>(0.00)</b>	<b>\$ (0.01)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>59,715,114</b>	<b>42,726,206</b>	<b>57,030,017</b>	<b>42,726,206</b>

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

**GMV MINERALS INC.**  
**Condensed Consolidated Interim Statements of Changes in Equity**  
**For the Nine Months Ended March 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

	Issued Capital Shares	Capital Amount	Contributed Surplus	Deficit	Foreign Currency Translation Adjustment	Equity
		\$	\$	\$	\$	\$
<b>Balance, July 1, 2019</b>	<b>42,726,206</b>	<b>23,274,332</b>	<b>4,426,532</b>	<b>(22,991,325)</b>	<b>180,469</b>	<b>4,890,008</b>
Net loss	-	-	-	(432,947)	-	(432,947)
Other comprehensive income (loss)					(10,588)	(10,588)
<b>Balance, March 31, 2020</b>	<b>42,726,206</b>	<b>23,274,332</b>	<b>4,426,532</b>	<b>(24,424,272)</b>	<b>169,881</b>	<b>4,446,473</b>
<b>Balance, July 1, 2020</b>	<b>54,579,956</b>	<b>24,216,746</b>	<b>4,570,948</b>	<b>(23,776,296)</b>	<b>350,691</b>	<b>5,362,089</b>
Shares issued for private placement	2,058,334	476,000	-	-	-	476,000
Shares issued for warrant exercises	3,621,250	575,000	-	-	-	575,000
Shares issued for option exercises	340,000	34,000	-	-	-	34,000
Share-based payments	-	-	389,600	-	-	389,600
Net loss	-	-	-	(1,024,526)	-	(1,024,526)
Other comprehensive income	-	-	-	-	(4,151)	(4,151)
<b>Balance, March 31, 2021</b>	<b>60,599,540</b>	<b>25,301,746</b>	<b>4,960,548</b>	<b>(24,800,822)</b>	<b>346,540</b>	<b>5,808,012</b>

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

**GMV MINERALS INC.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
**For the Nine Months Ended March 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

Cash provided by (used for)	For the Three Months ended March 31,		For the Nine Months Ended March 31,	
	2021	2020	2021	2020
<b>Operating activities</b>				
Loss for the period	\$ (317,771)	(122,817)	\$ (1,024,526)	(432,947)
Items not affecting cash:				
Share-based payments	70,900	-	389,600	-
	(246,871)	(122,817)	(634,926)	(432,947)
Net change in non-cash working capital:				
Accounts receivable	59,416	(6,298)	49,175	(15,928)
Prepaid expenses	16,005	24,917	56,092	17,419
Due from related party	-	-	-	20,000
Accounts payable and accrued liabilities	986	83,811	(112,789)	(66,903)
	(170,464)	(20,385)	(642,448)	(478,359)
<b>Investing activities</b>				
Exploration and evaluation asset costs	(94,874)	(25,902)	(458,512)	(320,179)
Reclamation bond refund	4,151	-	4,151	-
	(90,723)	(25,902)	(454,361)	(320,179)
<b>Financing activities</b>				
Shares issued for private placement, net	350,000	-	476,000	-
Proceeds from exercise of warrants	51,000	-	575,000	-
Proceeds from exercise of options	-	-	34,000	-
	401,000	-	1,085,000	-
<b>Change in cash during the period</b>	<b>139,813</b>	<b>(46,287)</b>	<b>(11,809)</b>	<b>(798,538)</b>
<b>Foreign exchange effect on cash</b>	<b>(4,365)</b>	<b>(10,588)</b>	<b>27,769</b>	<b>(10,588)</b>
	<b>135,448</b>	<b>(56,875)</b>	<b>15,960</b>	<b>(809,126)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>236,763</b>	<b>99,017</b>	<b>388,171</b>	<b>851,268</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 372,211</b>	<b>42,142</b>	<b>\$ 372,211</b>	<b>42,142</b>

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

**GMV MINERALS INC.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Nine Months Ended March 31, 2021 and 2020**  
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**1. NATURE OF OPERATIONS AND GOING CONCERN**

GMV Minerals Inc. (the “Company”) 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 \$1,024,526 (2020: \$432,947) for the nine months ended March 31, 2021 and has an accumulated deficit of \$24,800,822 (June 30, 2020 - \$23,776,296) 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.

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**2. BASIS OF PREPARATION**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As a result, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated annual financial statements for the year ended June 30, 2020. In preparation of these condensed consolidated interim financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 2 to the audited consolidated annual financial statements for the year ended June 30, 2020.

These consolidated interim 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 nine months ended March 31, 2021, and 2020, GMV Guyana was inactive.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on May 31, 2021.

**3. RECLAMATION DEPOSITS**

As at March 31, 2021, the Company had \$20,442 (US\$15,000) (2020 - \$19,630 (US\$15,000)) in trust as a reclamation security deposit with the Arizona State Land Department and \$29,452 (US\$24,657) (2020 - \$21,626 (US\$21,626)) with the Bureau of Land Management Arizona for its exploration and evaluation assets on the Mexican Hat property in Arizona, US.



**GMV MINERALS INC.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Nine Months Ended March 31, 2021 and 2020**  
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**4. RESOURCE PROPERTY INTERESTS**

	June 30, 2020	Additions	March 31, 2021
	\$	\$	\$
<b>Mexican Hat Property</b>			
Acquisition cost additions:			
Cash	206,197	21,427	227,624
Warrants issued	16,797	-	16,797
	222,994	21,427	244,421
Exploration costs incurred:			
Assaying	512,078	149	512,227
Claim maintenance fees	146,122	5,785	151,907
Consulting	501,824	308,482	810,306
Drilling	1,868,520	-	1,868,520
Field expenses	116,625	23,606	140,231
Food and lodging	82,764	9,468	92,232
Freight	32,099	-	32,099
Geological consulting	512,480	18,176	530,656
Legal fees	344,357	73,122	417,479
Mapping	7,428	-	7,428
Share-based payments	135,890	-	135,890
Site personnel	109,598	-	109,598
Travel	75,130	-	75,130
Trenching & Surveying	4,711	-	4,711
Vehicle rental	13,750	-	13,750
	4,631,616	460,215	5,146,585
Effect of movements in exchange rates	168,240	(1,703)	166,537
<b>Total</b>	4,854,610	458,512	5,313,122

**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 payment 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.

**GMV MINERALS INC.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
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**5. SHARE CAPITAL**

- (a) **Authorized** - Unlimited common shares, without par value
- (b) **Issued and Outstanding** – **60,599,540** See Consolidated Statements of Changes in Equity

On February 19, 2021, the Company closed 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 common share at a price of \$0.35 per share at any time within 24 months of the closing. No finder's fees were paid on this financing.

On November 26, 2020, the Company closed 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 common share at a price of \$0.30 per share at any time within 18 months of the closing. No finder's fees were paid on this financing.

During the current period, the Company issued 3,621,250 shares for warrants exercised at \$0.15 and \$0.16, and 340,000 shares for options exercised at \$0.10 for gross proceeds of \$609,000.

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.

On May 28, 2019, the Company completed a non-brokered private placement with the issuance of 7,965,000 Units at a price \$0.11 per Unit. Each Unit consisted of one common share and one share purchase warrant exercisable at a price of \$0.15 for a period of two years. The Company raised gross proceeds of \$876,150 and paid \$1,540 in cash and issued 14,000 finders' warrants in connection with this offering.

(c) **Warrants**

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

	Number of warrants	Weighted-Average Exercise Price
<b>Balance, March 31, 2020</b>	7,979,000	0.15
Granted	5,970,625	0.16
<b>Balance, June 30, 2020</b>	13,949,625	\$0.15
Exercised	(440,000)	0.15
Exercised	(3,181,250)	0.16
Granted	729,167	0.35
<b>Balance, March 31, 2021</b>	<b>11,057,542</b>	<b>\$0.22</b>

Additional information regarding warrants outstanding as at March 31, 2021 is as follows:

Exercise Price	Number of Warrants	Expiry Date
\$0.15	7,539,000	May 31, 2021
\$0.16	2,789,375	October 21, 2021
\$0.35	729,167	February 19, 2023

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**5. SHARE CAPITAL** (continued)

(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.

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

	<b>Number of Options</b>	<b>Weighted-Average Exercise Price</b>
<b>Balance, March 31, 2020</b>	<b>2,320,000</b>	<b>0.33</b>
Cancelled	(580,000)	0.60
Exercised	(340,000)	0.10
Granted	1,850,000	0.15
Granted	1,475,000	0.30
Granted	300,000	0.30
Granted	600,000	0.25
<b>Balance, March 31, 2021</b>	<b>5,905,000</b>	<b>\$0.28</b>

As at March 31, 2021, the weighted average remaining contractual life of the options was 1.82 years (2020 – 1.55 years). Additional information regarding options outstanding and exercisable as at March 31, 2021 is as follows:

<b>Exercise Price \$</b>	<b>Number of Shares</b>	<b>Expiry Date</b>
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	1,850,000	April 21, 2025
0.30	1,475,000	November 9, 2025
0.30	300,000	November 23, 2021
0.25	600,000	February 8, 2021
	<b>5,905,000</b>	

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**6. RELATED PARTY TRANSACTIONS AND BALANCES**

During the nine months ended March 31, 2021 and 2020, the Company had the following related party transactions and balances:

- (a) Prepaid expenses include \$19,989 (2020 - \$Nil) 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 \$160,875 (2020 - \$168,500) in management fees to a company controlled by an officer of the Company.
- (c) The Company incurred \$54,000 (2020 - \$54,000) to a company controlled by a director of the Company in management fees.
- (d) The Company paid \$68,250 (2020 - \$63,000) to company controlled by an officer of the Company for accounting fees.
- (e) The Company paid \$13,500 (2020 - \$13,500) 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-terms benefits and termination benefits were made during the nine months ended March 31, 2021, and 2020. Short-term key management compensation consists of the following for the nine months ended March 31, 2021, and 2020:

	<b>2021</b>	<b>2020</b>
Management fees	\$ 214,875	\$ 222,500
Accounting fees	63,000	63,000
Share-based payments	196,188	-
Write off of Related Party prior year advances	-	20,000
	<b>\$ 479,313</b>	<b>\$ 305,500</b>

**7. 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).

**8. 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.

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

**9. 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 March 31, 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 number 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 March 31, 2021 relating to cash and cash equivalents of \$372,211. 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 March 31, 2021, the Company has cash and cash equivalents balance of \$372,211 to settle its short-term liabilities of \$49,359 and will therefore need to raise additional capital during the next quarter in order to meet its obligations.

(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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**9. 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 March 31, 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 \$4,000.

(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 nine-month period ended March 31, 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.

**10. SEGMENTED DISCLOSURE**

The Company has one operating segment: mineral exploration. The Company operates in one geographical segment, the United States of America. Corporate administrative activities are conducted in Canada. All non-current assets of the Company are located in the US, as disclosed in Notes 3 and 4.

**11. SUBSEQUENT EVENT**

Subsequent to the period end, the Company received gross proceeds of \$1,134,750 for the exercise 7,562,500 warrants.

The Company also closed 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 with all securities issued having a four-month hold period. Each unit in this offering consists of one common share and one-half of a share purchase warrant. Each whole warrant entitles the unitholder to purchase one additional common share at a price of \$0.30 per share at any time within 24 months of the closing. Finder's fees paid in conjunction with this non-brokered placement included \$1,540 in cash and 7,000 warrants.