Ready Set Gold Corp.

(Formerly Omni Commerce Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2021 AND 2020

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF READY SET GOLD CORP. (FORMERLY OMNI COMMERCE CORP.)

Opinion

We have audited the consolidated financial statements of Ready Set Gold Corp. (the "Company"), which comprise:

- the consolidated statements of financial position as at April 30, 2021 and 2020;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity and cash flows for the years then ended, and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 audit 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $1,934,297 during the year ended April 30, 2021 and, as of that date, had an accumulated deficit of $18,474,410. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

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 audits 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.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, 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 IFRS, 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 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.

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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 Hervé Leong-Chung.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 26, 2021

Ready Set Gold Corp. (formerly Omni Commerce Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT APRIL 30,

		2021		2020
ASSETS				
Current assets				
Cash	$	190,898	$	1,264,356
Marketable securities (Note 5)		-		3,600
GST receivable (Note 16)		161,228		38,763
Prepaid expenses and deposits		328,798		9,470
Total current assets		680,924		1,316,189
Non-current assets				
Convertible debenture (Note 7)		1,777,143		-
Long-term deposits (Note 6)		48,186		25,000
Deferred transaction costs (Note 4)		-		93,972
Exploration and evaluation assets (Note 6)		9,315,095		-
Total assets	$	11,821,348	$	1,435,161
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 11)	$	450,079	$	268,707
Equity				
Share capital (Note 10)		25,801,415		16,122,397
Obligation to issue shares (Note 10)		-		390,000
Reserves (Note 10)		4,003,557		1,153,463
Deficit		(18,433,703)		(16,499,406)
Total equity		11,371,269		1,166,454
Total liabilities and equity	$	11,821,348	$	1,435,161

Nature of operations and going concern (Note 1)
Subsequent events (Note 18)

Approved and authorized on behalf of the Board:

"Christian Scovenna", Director *"Alex McAulay"*, Director

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

Ready Set Gold Corp. (formerly Omni Commerce Corp.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED APRIL 30,

	2021	2020
EXPENSES		
Consulting fees (Note 11)	$ 518,359	$ 232,050
Management fees (Note 11)	93,865	92,500
Marketing	309,597	2,442
Office and miscellaneous	48,608	38,451
Insurance expenses	10,595	-
Professional fees (Note 4)	474,687	659,481
Lease amortization (Note 9)	-	16,428
Share-based payments (Note 10)	768,842	376,690
Transfer agent and regulatory fees	61,915	31,098
Payroll expense	90,815	-
Travel and accommodation	-	10,907
	2,377,283	1,460,047
OTHER ITEMS		
Foreign exchange gain (loss)	(8,827)	7,291
Gain (loss) on marketable securities (Note 5)	109,686	(2,400)
Gain on write-off of accounts payable	100,332	-
Write down on investments (Note 5)	-	(500,000)
Other income (Notes 8, 10 and 12)	48,000	83,400
Finance cost	-	(9,203)
Gain on lease assignment	-	3,929
Interest income (Note 7)	246,120	-
Total other items	495,311	(416,983)
Loss for the year before taxes	(1,881,972)	(1,877,030)
Income tax expense (Note 17)	(52,325)	-
Net loss and comprehensive loss for the year	$ (1,934,297)	$ (1,877,030)
Loss per share		
Basic & diluted	$ (0.09)	$ (0.23)
Weighted average shares outstanding		
Basic & diluted	22,753,911	8,105,706

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

Ready Set Gold Corp. (formerly Omni Commerce Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED APRIL 30,

		2021		2020
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss for the year	$	(1,934,297)	$	(1,877,030)
Items not affecting cash:				
Foreign exchange (gain) loss		8,827		(7,291)
Share-based payment charges		768,842		376,690
(Gain) loss on marketable securities		(109,686)		2,400
Write-down on investments		-		500,000
Lease amortization		-		16,428
Gain on lease assignment		-		(3,929)
Interest income		(246,120)		-
Transaction costs incurred for amalgamation		93,971		-
Flow-through share premium		(48,000)		-
Changes in non-cash working capital items:				
GST receivable		(119,797)		52,184
Prepaid expenses and deposits		591,125		101,227
Restricted cash		-		28,914
Long-term deposits		-		(21,402)
Accounts payable and accrued liabilities		(177,480)		(87,163)
Net cash used in operating activities		(1,172,615)		(918,972)
CASH FLOW FROM INVESTING ACTIVITIES				
Cash assumed on acquisition of Ready Set Gold		1,433,414		-
Proceeds from sale of marketable securities		113,286		-
Deposits made for exploration of Northshore Property		(75,000)		-
Acquisition of exploration and evaluation assets		(1,365,383)		-
Deferred transaction costs		-		(3,972)
Net cash provided by (used in) investing activities		106,317		(3,972)
CASH FLOW FROM FINANCING ACTIVITIES				
Share issuance cost		(7,160)		-
Lease payments		-		(12,499)
Net cash used in financing activities		(7,160)		(12,499)
Change in cash		(1,073,458)		(935,443)
Cash, beginning of year		1,264,356		2,199,799
Cash, end of year	$	190,898	$	1,264,356

Supplemental disclosure of cash flow information:

Non-cash investing and financing activities:				
Exploration expenditures included in accounts payable and accrued liabilities	$	104,693	$	-
Shares issued for acquisition of exploration and evaluation assets	$	1,900,000	$	-
Finder's fee shares issued for exploration and evaluation assets	$	43,500	$	-
Shares issued for amalgamations	$	7,352,678	$	-
Warrants issued for amalgamations	$	2,081,252		
Deferred transaction costs included in accounts payable and accrued liabilities	$	-	$	90,000

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

Ready Set Gold Corp. (formerly Omni Commerce Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital									
	Common Shares		Amount	Shares to be returned to treasury	Obligation to issue shares	Reserves	Deficit		Total Equity
Balance, April 30, 2019	8,119,640	$	16,166,397	(44,000)	390,000	776,773	(14,622,376)	$	2,666,794
Share-based payments (Note 10)	-		-	-	-	376,690	-		376,690
Shares returned to treasury	(30,909)		(44,000)	44,000	-	-	-		-
Loss for the year	-		-	-	-	-	(1,877,030)		(1,877,030)
Balance, April 30, 2020	8,088,731	$	16,122,397	-	390,000	1,153,463	(16,499,406)	$	1,166,454
Shares and warrants issued for amalgamations (Note 4)	18,446,743		7,352,678	-	-	2,081,252	-		9,433,930
Shares issued for exploration and evaluation assets (Note 6)	3,166,666		1,900,000	-	-	-	-		1,900,000
Shares issued for property finder's fees (Note 6)	72,500		43,500	-	-	-	-		43,500
Settlement of share obligation	410,529		390,000	-	(390,000)	-	-		-
Share issuance cost	-		(7,160)	-	-	-	-		(7,160)
Share-based payments (Note 10)	-		-	-	-	768,842	-		768,842
Loss for the year	-		-	-	-	-	(1,934,297)		(1,934,297)
Balance, April 30, 2021	30,185,169	$	25,801,415	-	-	4,003,557	(18,433,703)	$	11,371,269

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Ready Set Gold Corp. ("Ready Set Gold" or the "Company", formerly known as Omni Commerce Corp.) is a company incorporated on April 16, 2006 under the Business Corporations Act (British Columbia) as CCT Capital Ltd., and subsequently changed its name to Mezzi Holdings Inc. on October 24, 2014. On March 28, 2018, the Company changed its name to Omni Commerce Corp. During the year ended April 30, 2018, management made the decision to exit the branded goods business and has been exploring opportunities and negotiating potential transactions in the cannabidiol ("CBD") and cannabis sectors, along with potential mining opportunities.

The Company traded on the TSX Venture Exchange (the "Exchange") under the symbol "OMNI" until it delisted effective as of the close of business on March 24, 2020. The Company is now trading on the Canadian Securities Exchange ("CSE") under the symbol "RDY". The Company's corporate office is located at Suite 220 - 333 Terminal Avenue, Vancouver, BC, Canada.

On May 11, 2020, the Company completed the amalgamation between Ready Set Gold's wholly-owned subsidiary 1230165 B.C. Ltd. ("0165") and 1204970 B.C. Ltd. ("4970") through the issuance of 8,701,180 common shares to the 4970 Shareholders. At the time of the amalgamation, 4970's net assets consisted primarily of a convertible debenture receivable with Dreamfields Brands, Inc. (Note 4 and 7).

On December 4, 2020, the Company completed the amalgamation between Ready Set Gold Corp. ("RSG ON") and its wholly-owned subsidiary 1258952 B.C. Ltd. through the issuance of 9,745,563 Ready Set Gold common shares to the RSG ON Shareholders. Refer to Note 4 for further details on the transaction. Subsequent to the amalgamation, the Company changed its name to "Ready Set Gold".

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the year ended April 30, 2021, the Company incurred a net loss of $1,934,297 (2020 - $1,877,030) and as at April 30, 2021, had an accumulated deficit of $18,433,703 (April 30, 2020 - $16,499,406). As at April 30, 2021, the Company had working capital of $230,845 (April 30, 2020 – $1,047,482). The Company has not generated significant cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These consolidated financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized and issued by the Board of Directors on August 26, 2021.

(Expressed in Canadian Dollars)

Principles of Consolidation

These consolidated financial statements are presented on a consolidated basis and include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

		Percentage Owned	
Entity	Place of Incorporation	April 30, 2021	April 30, 2020
1249319 BC Ltd.	British Columbia, Canada	100%	-
Ready Set Gold ON Ltd.	British Columbia, Canada	100%	-
8918627 Canada Ltd.	British Columbia, Canada	100%	100%
Omni Merger Sub Inc.	California, United States	100%	100%

All intercompany transactions and balances have been eliminated on consolidation.

Significant Accounting Judgements and Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears throughout the consolidated financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

Significant accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

i) Recognition of deferred income tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

ii) The determination of the Company's and its subsidiaries' functional currency – The functional currency determination will be based on management's assessment of the primary economic environment in which the entities operate. The functional and reporting currency of the Company is the Canadian dollar.

iii) Fair value of investments – The Company measures certain financial instruments at fair value. Management uses their judgment to select a variety of methods and make assumptions that are not always supported by quantifiable market prices or rates. Judgment is required in order to determine the appropriate valuation methodology under this standard and subsequently in determining the inputs into the valuation model used. These judgments include assessing the future earnings potential of investee companies, appropriate earnings multiples to apply, adjustments to comparable multiples, liquidity and net assets. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required.

iv) Assessment of the Company's ability to continue as a going concern – The assessment involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

v) Business combination versus asset acquisition – Management has assessed the amalgamations completed during the period between a wholly-owned subsidiary of the Company and 4970 and a wholly-owned subsidiary of the Company and Ready Set Gold Corp. and have concluded that in their view the transactions are asset acquisitions as neither acquired entity had any processes capable of generating outputs and therefore did not constitute a business as defined in terms of IFRS 3 *Business Combinations*.

vi) Assessment of the collectability of the Company's convertible debenture – Management took the security provided by the conversion feature in the instrument and the debtor's financial capacity to repay into consideration in its assessment of the collectability of the Company's convertible debenture.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

i) Share-based payments – The fair value of share-based payments is determined using the Black-Scholes option pricing model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

ii) Impairment – At least annually or whenever there is an indicator for impairment management evaluates the recoverable amount of its exploration and evaluation assets. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral property interests. The Company uses several criteria in its assessments of economic recoverability and profitability of future economic benefit, including geologic and metallurgic information, economics assessment/studies, accessible facilities, existing permits, and ability to continue development. Management has determined that there are no indicators of impairment on its exploration and evaluations interests.

iii) Recoverable value of convertible debenture acquired – The recoverable value of the convertible debenture acquired through the amalgamation between Ready Set Gold's wholly-owned subsidiary and 1204970 B.C. Ltd cannot be fully based on observable market parameters and involve judgment that could affect estimated fair value. The key assumption in determining fair value is the discount rate applied to future cash flows from the debenture which management estimates based on non-convertible debentures of other companies of comparable size with similar risk profiles.

iv) Fair value of net assets acquired – The fair value of the net assets of Ready Set Gold acquired through amalgamation was not readily available, as the Company's shares had been delisted since March 24, 2020. The value of the shares and warrants issued as part of this transaction was determined based on recent financing activity completed by the acquiree. Terms associated with option issuances completed by the Company were also considered when determining a fair value for the amalgamation consideration.

v) Fair value of exploration and evaluation assets – Included in the capitalized exploration and evaluation assets are the shares issued to CLBT Inc. and Balmoral Resources Ltd. to acquire 56% and 44% interest, respectively, on the Northshore Property and issued to a third party agent as finder's fees related to the transaction with CLBT. The fair value of these shares cannot be fully based on observable market parameters as the common shares of the Company was not publicly traded during the time of the acquisitions. The fair value of the shares has been estimated based on the price of shares that the Company intended to offer to arm's length investors under private placement financing. Refer to Note 6 for details of the acquisitions.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently by the Company and its subsidiaries to all periods presented during the most recent fiscal year.

Cash

Cash includes cash on deposit with maturities on the date of purchase of 90 days or less.

Foreign Currency Translation

Foreign currency translations are translated into Canadian as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect at the statement of consolidated financial position date;

(ii) Non-monetary assets and liabilities; at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities or revalued amount at the exchange rate in effect at the statement of consolidated financial position date; and

(iii) Revenue and expense items, at the rate of exchange prevailing at the transaction date.

Gains and losses arising from the translation of foreign currency are included in the determination of net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss Per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the reporting period.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received or at the fair value of the equity instruments issued if it is determined the fair value of goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

All equity-settled share-based payments are reflected in reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Where options are cancelled or expired, the fair value of the options is reclassified from reserves to deficit.

Share Capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and development of its projects. These equity financing transactions may involve issuance of common shares and warrants. The Company’s common shares are classified as equity instruments. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments and recognized as share issuance costs and reserves.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds, and issue costs, from unit placements are allocated between shares and warrants issued according to the residual method.

Financial Instruments

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company’s business model for the such financial assets, is to hold the asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income (“FVTOCI”)

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as “financial asset at fair value through other comprehensive income” in other comprehensive income.

Financial assets measured at fair value through profit or loss (“FVTPL”)

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

A financial liability measured at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liability measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of loss and comprehensive loss.

Financial assets and liabilities are offset and the net amount is presented in the statement of consolidated financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

Exploration and Evaluation Assets

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred. Once the legal right to explore has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to acquisition costs. These direct expenditures include such costs as materials used, staking costs, drilling costs and payments made to contractors. Costs not directly attributable to exploration and evaluation expenditures, including general administration and overhead costs are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects for the Company, the exploration and evaluation expenditures, along with the acquisition costs, are deemed to be impaired and written off.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘Mines under construction’.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company’s assets are reviewed to determine whether there are any indicators that the carrying value of those assets are impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU’s fair value less costs to sell and its value in use. An impairment loss is recognized in the consolidated statement of loss and comprehensive loss to the extent that the carrying amount exceeds the recoverable amount.

In calculating the recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

4. AMALGAMATIONS

Dreamfields Brands

On September 18, 2019, the Company entered into a definitive transaction agreement (the "Dreamfields Definitive Agreement") with Dreamfields Brands, Inc. ("Dreamfields"), a California-based vertically-integrated cannabis manufacturing, distribution, branding, sales and events company. The Dreamfields Definitive Agreement provided that, subject to the satisfaction of certain conditions precedent, including applicable regulatory and stock exchange approvals, Dreamfields would complete a reverse takeover of the Company, pursuant to which the business of Dreamfields will become the business of the Company.

On April 3, 2020, the Company entered into an amalgamation agreement with a wholly-owned subsidiary of Ready Set Gold ("Ready Set Subco") and 1204970 B.C. Ltd. ("4970"), a private British Columbia corporation which is a creditor to Dreamfields, whereby 4970 will become a wholly-owned subsidiary of Ready Set Gold by way of a "three-cornered amalgamation" (the "Amalgamation"). Upon completion of the Amalgamation, all of the issued and outstanding common shares in the capital of 4970 (the "4970 Shares") held by the holders of the 4970 Shares (the "4970 Shareholders") will be cancelled and replaced by the issued shares of the Company.

On April 27, 2020, the Company announced the Dreamfields Definitive Agreement had expired as Dreamfields had not delivered its audited financial statements to the Company and the Company determined that it would not proceed with the contemplated transaction.

On May 11, 2020, the Company completed the Amalgamation between Ready Set Subco and 4970 and issued 8,701,180 common shares to the 4970 Shareholders. The Company also expensed transaction costs of $93,971 as professional fees which were previously capitalized as deferred transaction costs. Upon completion of the Amalgamation, 4970 became a wholly-owned subsidiary of the Company.

(Expressed in Canadian Dollars)

At the time of the Amalgamation, 4970's net assets consisted primarily of a convertible debenture receivable with Dreamfields (the "Convertible Debenture") (Note 7), and it did not have any processes capable of generating outputs; therefore, 4970 did not meet the definition of a business. Accordingly, as 4970 did not qualify as a business in accordance with IFRS 3 *Business Combinations*, the amalgamation did not constitute a business combination and has been accounted for as an asset acquisition.

The Company's shares had been delisted since March 24, 2020, accordingly the fair value of the shares of the Company is not readily determinable. Management has determined the best estimate of fair value is represented by the fair value of the net assets acquired of 4970 in accordance with IFRS 2 *Share-based payments*, determined as follows.

Fair value of identifiable net assets acquired		
Convertible Debenture	$	1,531,023
Accounts payable and accrued liabilities		(25,681)
	$	1,505,342
Total consideration paid		
8,701,180 common shares	$	1,505,342

<u>Ready Set Gold</u>

On December 4, 2020, the Company entered into a share exchange agreement for RSG ON. Under the agreement, the Company was to exchange one common share for each RSG ON share held by shareholders of RSG ON, for a total of 9,745,563 shares. Furthermore, each warrant outstanding of RSG ON was exchanged for an equivalent warrant of the Company with the same terms. As a result, 4,696,796 warrants were issued subject to the merger.

At the time of the acquisition, RSG ON had assets and liabilities consisting of cash, prepaid expenses, exploration and evaluation assets, accounts receivable and payable and a flowthrough premium liability. RSG ON did not have any outputs that would result in it meeting the definition of a business. Since RSG ON did not qualify as a business under IFRS 3 *Business Combinations*, the acquisition did not constitute a business combination and has been accounted for as an asset acquisition. As such, the purchase premium was allocated to the exploration and evaluation assets based on their value in comparison to RSG ON's other assets.

The Company's shares had been delisted since March 24, 2020, accordingly the fair value of the shares of the Company were not readily determinable. The shares were deemed to have a share price of $0.60 per share based on recent financing completed by RSG ON. The replacement warrants issued as part of the exchange consideration were determined to have a fair value of $2,081,252 based on the Black-Scholes option pricing model with the following inputs: share price of $0.60, exercise price of $0.60 - $1.00, expected life of 1.8 – 1.9 years, volatility of 185% and risk-free interest rate of 0.24%. These inputs were determined based on the terms outlined in the respective agreements, comparable company share prices and publicly available interest rate information.

(Expressed in Canadian Dollars)

Fair value of identifiable net assets acquired		
Cash	$	1,433,414
Prepaid expenses and deposits		910,453
Exploration and evaluation assets		5,849,705
Accounts receivable		2,668
Accounts payable and accrued liabilities		(280,850)
Flow-through premium liability		(48,000)
Due to Ready Set Gold Corp. (formerly, Omni Commerce Corp.)		61,199
	$	7,928,589
Total consideration paid		
9,745,563 common shares and 4,696,796 warrants	$	7,928,589

5. MARKETABLE SECURITIES

The Company held 120,000 common shares of Ashanti Gold Corp. ("Ashanti"), a publicly listed company. On August 22, 2019, Desert Gold Ventures Inc. ("Desert Gold") closed a business combination with Ashanti. Each shareholder of Ashanti received 0.2857 Desert Gold shares for each Ashanti share. As a result, the Company received 34,284 common shares of Desert Gold.

		Desert Gold
Balance, April 30, 2019	$	6,000
Unrealized loss		(2,400)
Balance, April 30, 2020		3,600
Unrealized gain		1,886
Disposition		(5,486)
Balance, April 30, 2021	$	-

During the year ended April 30, 2021, the Company sold all of its shares in Desert Gold for total proceeds of $5,091. A gain of $1,491 was recognized on the Company's investment in Desert Gold during the year ended April 30, 2021.

On June 20, 2018, the Company acquired 1,000,000 shares of Cultivate Capital Corp. ("Cultivate"). In March 2020, Slang Worldwide ("Slang") acquired Cultivate through a share exchange on a 0.2440 to 1 basis. After completion of this transaction, the Company held 244,000 shares of Slang. During the year ended April 30, 2020 and 2021, the Company revalued its shares of Slang based on the associated listed share price. Changes in the fair values of the Slang investment are as follows:

		Slang Worldwide
Balance, April 30, 2019	$	500,000
Write down on investment		(500,000)
Balance, April 30, 2020		-
Unrealized gain		108,195
Disposition		(108,195)
Balance, April 30, 2021	$	-

During the year ended April 30, 2021, the Company sold all of its shares in Slang for total proceeds of $108,195. The Company recognized a gain of $108,195 on its shares of Slang during the year ended April 30, 2021.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The following table summarizes costs of expenditures on exploration and evaluation assets for years ended April 30, 2021 and April 30, 2020.

Acquisition costs		North Shore	Schreiber, Thunder Bay	Hemlo Eastern Flank	Emmons Peak	Total
Balance at April 30, 2019	$	-	-	-	-	-
Balance at April 30, 2020		-	-	-	-	-
Additions		2,505,000	25,000	5,837,705	12,000	8,379,705
Balance at April 30, 2021	**$**	**2,505,000**	**25,000**	**5,837,705**	**12,000**	**8,379,705**
Exploration costs		North Shore	Schreiber, Thunder Bay	Hemlo Eastern Flank	Emmons Peak	Total
Balance at April 30, 2019	$	-	-	-	-	-
Balance at April 30, 2020		-	-	-	-	-
Geological consulting		299,605	-	-	-	299,605
Sampling		32,352	-	-	-	32,352
Magnetic survey		34,500	-	-	-	34,500
Equipment expenses		42,376	-	-	-	42,376
Drilling		483,057		-	-	483,057
Finder's fees		43,500	-	-	-	43,500
Balance at April 30, 2021	**$**	**935,390**	**-**	**-**	**-**	**935,390**
NET BOOK VALUE						
Balance at April 30, 2020	**$**	**-**	**-**	**-**	**-**	**-**
Balance at April 30, 2021	**$**	**3,440,390**	**25,000**	**5,837,705**	**12,000**	**9,315,095**

The Company paid a $75,000 deposit to a vendor for drilling work on the North Shore property. The deposit will be deducted from future drilling invoices until fully applied. As at April 30, 2021, the Company had a remaining deposit balance of $48,186.

North Shore Property

CBLT Inc.

On April 24, 2020, the Company entered into a letter of intent (the "CBLT LOI") with CBLT Inc. ("CBLT"). The Company agreed to acquire CBLT's right, title and interest in and to its 56% joint venture interest in the Northshore Gold Property (the "Northshore Property"), located in the Schreiber-Hemlo Greenstone Belt, 115 km west of Hemlo and 200 km east of Thunder Bay, on the terms in the CBLT LOI.

On June 1, 2020, the Company signed a definitive agreement to acquire the Northshore property. Both parties agreed on the following consideration for a total of $1,450,000:

- Payment of $25,000 in cash consideration as a non-refundable deposit, which was paid by the Company in connection with the entry into the letter of intent;
- Payment of $25,000 in cash consideration as a non-refundable deposit, which was paid by the Company in connection with the execution of the definitive agreement;
- Payment of $300,000 in cash consideration, which was due on the Closing date; and
- Issuance of $1,100,000 worth of common shares in the capital of the Company (each, an "Ready Set Gold Share") at a price equal to the price of the Sub Receipts (as defined below) (collectively, the "Consideration Shares") on the Closing date.

In addition, under the terms of the agreement, the Company agreed to consolidate its total issued and outstanding common shares on the basis of five pre-consolidation Ready Set Gold Shares for one post-consolidation Ready Set Gold Share (collectively, the "Consolidation") prior to Closing. The Company also agreed to raise gross proceeds of not less than $1.5 million through the private placement (the "Financing") of subscription receipts of Ready Set Gold (each, a "Sub Receipt"). Each Sub Receipt will be issued at a subscription price of $0.60 per Sub Receipt and will automatically convert into units of the Company (each, a "Unit") in the event of the occurrence of the Escrow Release Condition (as defined herein) with each Unit comprised of one Ready Set Gold Share and one common share purchase warrant (each, a "Financing Warrant"), with each Financing Warrant entitling the holder to acquire one additional Ready Set Gold Share at an exercise price of $1.00 per post-consolidation Ready Set Gold Share for a period of 2 years from the date of issuance of the Financing Warrant. The Escrow Release Condition is the satisfaction or waiver of all conditions precedent to the Closing date.

As part of the closing of the transactions, CBLT waived the requirements for the Company to complete the Consolidation and the Financing.

On August 18, 2020, the Company completed the acquisition of CBLT's 56% interest in the Northshore Property and made a cash payment of $300,000 and issued 1,833,333 Ready Set Gold shares with a fair value of $1,100,000. In connection with the transaction, the Company issued 72,500 common shares of the Company at total fair value of $43,500 to an arm's length finder.

All of the Consideration Shares are subject to the terms of a voluntary escrow agreement dated August 18, 2020, which terms include the release of 25% of the Consideration Shares from escrow on each of the days which is four, six, eight and 12 months after the closing of the transaction. The voluntary escrow will be in addition to and any resale restrictions imposed under applicable securities laws. The finder's shares are subject to a hold period expiring four months and one day from the closing of the transaction.

<u>Balmoral Resources Ltd.</u>

On June 11, 2020, the Company entered into a signed definitive agreement with Balmoral Resources Ltd. to obtain the remaining 44% of the Northshore property giving the Company 100% ownership. The Company paid $17,500 upon signing of an LOI and paid an additional $17,500 upon the signing of the definitive agreement on June 22, 2020.

In addition to these deposits, the Company has agreed to consideration of:

- Payment of $220,000 in cash consideration in addition to the deposits;
- Agreed to consolidate common shares on the basis of five pre-consolidation shares for one share prior to Closing;
- Issuance of 1,333,333 common shares of the Company; and
- Agreed to complete the Financing described above.

Balmoral also waived the requirements for the Company to complete the Consolidation and the Financing on Closing.

On August 31, 2020, the Company completed the acquisition of Balmoral's 44% interest in the Northshore Property and made a cash payment of $220,000 and issued 1,333,333 common shares in the capital of the Company with a fair value of $800,000. Subsequent to the acquisition, the Company officially holds 100% interest in the Northshore property.

Schreiber Area, Thunder Bay

On August 14, 2020, the Company entered into a purchase agreement with Trillium Mining Corp. to purchase a 100% owned interest in mining rights of 11 contiguous claims comprising a total of 233.963 hectares located in the Schreiber Area of Thunder Bay Mining Division, Ontario. The Company has agreed to pay Trillium Mining Corp. a cash consideration of $25,000. During the year ended April 30, 2021, the Company has made payment in full to the vendor. As at April 30, 2021, all the claims are in good standing.

Hemlo Eastern Flanks Project

As a result of its amalgamation activity, the Company acquired Ready Set Gold's 100% undivided interest in the Hemlo Eastern Flanks property. $5,837,705 of the consideration issued to complete the Company's amalgamation with RSG ON was allocated to this property (Note 4).

Emmons Peak Project

On June 26, 2020, prior to its amalgamation, Ready Set Gold entered into an option agreement to acquire a 100% undivided interest in the Emmons Peak Project. This property was located 50 km south of Dryden, ON. In order to exercise the Option Agreement, the Company must make the following payments:

- Cash payment of $12,000 five days from execution of the Option Agreement – paid;
- Cash payment of $15,000 and 200,000 shares on the first anniversary of the Option Agreement;
- Cash payment of $20,000 and 200,000 shares on the second anniversary of the Option Agreement;
- Cash payment of $28,000 on the third anniversary of the Option Agreement.

7. CONVERTIBLE DEBENTURE

The Company's subsidiary, 4970, holds a Convertible Debenture receivable from Dreamfields in the principal amount of $1,643,736. The Convertible Debenture bears interest at 8% per annum and matures on October 28, 2021. The principal amount and any accrued interest are convertible into common shares of Dreamfields at a conversion price of $0.09580355 per share at the option of 4970 at any time.

At the time of the Amalgamation, the fair value of the Convertible Debenture was estimated to be $1,531,023 by discounting the expected future cash flows using an estimated fair value interest rate of 15%. This interest rate was based on other companies of comparable size with similar risk profiles.

During the year ended April 30, 2021, the Company recognized interest income of $246,120 (2020 - $nil). As at April 30, 2021, the carrying value of the Convertible Debenture was $1,777,143.

Management has assessed that the Convertible Debenture is fully collectable as at April 30, 2021.

On June 11, 2021, the Company agreed to have the Convertible Debenture issued by Dreamfields replaced with a $1,259,064 USD Promissory Note. The new note bears interest at 8% per annum and matures on October 28, 2021.

8. INVESTMENTS

On May 31, 2018, the Company entered into a letter of intent (the "PureKana LOI") with PureKana LLC ("PureKana"), as superseded by a binding letter agreement dated July 30, 2018, to acquire all issued and outstanding securities of PureKana, a limited liability company organized under the laws of the State of Arizona which distributes cannabidiol products (the "PureKana Investment"). Pursuant to the PureKana LOI, a non-refundable payment of $130,040 (USD $100,000) was paid to PureKana as a deposit. During the year ended April 30, 2020, the Company received USD $100,000 from PureKana when both parties reached a settlement agreement on the failed transaction. During the year ended April 30, 2020, the $130,040 (USD $100,000) was recorded in other income.

(Expressed in Canadian Dollars)

9. RIGHT OF USE ASSET AND LEASE LIABILITY

	April 30, 2021	April 30, 2020
Right of Use Asset		
Opening balance	$ -	$ -
Recognized on adoption of IFRS 16	-	189,210
Depreciation	-	(16,428)
Lease assignment	-	(172,782)
Closing balance	$ -	$ -
Lease Liability		
Opening balance	$ -	$ -
Recognized on adoption of IFRS 16	-	189,120
Finance cost – lease interest	-	9,203
Lease payments	-	(21,702)
Lease liability	-	176,621
Lease assignment	-	(176,621)
Closing balance	$ -	$ -

The Company’s lease relates to an office lease. Interest expense on the lease liabilities for the year ended April 30, 2021 is $nil (2020 - $9,203). Depreciation of right-to-use assets is calculated using the straight-line method over the lease term. On November 1, 2019, the Company entered into a lease assignment agreement where another party took over the lease obligation resulting in a gain on lease assignment of $3,929 as at April 30, 2020.

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital:

Unlimited number of voting common shares without par value.
Unlimited number of preferred shares without par value.

b) Issued share capital:

As at April 30, 2021, the Company had 30,185,169 common shares issued and outstanding (April 30, 2020 – 8,088,731). 4,146,628 shares were in escrow at April 30, 2021.

During the year ended April 30, 2021:

The Company issued 18,446,743 common shares with an estimated fair value of $7,352,678 in conjunction with amalgamations (Note 4).

The Company issued 1,833,333 and 1,333,333 common shares with estimated fair values of $1,100,000 and $800,000 to purchase a 56% and 44% interest in the Northshore property, respectively (Note 6).

The Company issued 72,500 common shares as finder’s fee in connection with the purchase of a 56% interest of the Northshore property (Note 6).

The Company issued 410,529 common shares to settle its $390,000 obligation to issue shares.

(Expressed in Canadian Dollars)

On November 23, 2020, the Company effected a consolidation of its total issued and outstanding common shares on the basis of five pre-consolidation Ready Set Gold Shares for one post-consolidation Ready Set Gold Share. The references to the number of common shares, options and warrants, have been adjusted retroactively to reflect the share consolidation. The exercise or conversion price of, and the number of common shares issuable under any securities of the Company has been proportionally adjusted upon the completion of the share consolidation.

During the year ended April 30, 2021, the Company entered into flow-through share subscription agreements whereby it was obligated to incur a total of $240,000 on flow-through eligible expenditures by December 31, 2021. As of April 30, 2021, the Company had fulfilled its exploration expenditure obligations pertaining to the flow-through shares issued and recognized $48,000 (2020 - $Nil) in other income.

During the year ended April 30, 2020:

The Company returned to treasury 30,909 common shares.

c) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company.

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2019	20,500	$ 0.62
Expired	(2,000)	(1.13)
Granted	750,000	0.95
Balance, April 30, 2020	768,500	$ 0.94
Expired	(3,500)	(1.00)
Granted	2,080,000	0.60
Balance, April 30, 2021	2,845,000	0.69
Number of options, exercisable	1,416,250	$ 0.78

As at April 30, 2021, the following stock options were outstanding and exercisable:

Outstanding Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date
7,500	7,500	$ 0.45	June 10, 2021
3,500	3,500	$ 0.45	October 17, 2021
750,000	750,000	$ 0.95	October 28, 2021
4,000	4,000	$ 0.43	December 6, 2021
780,000	195,000	$ 0.60	December 4, 2022
225,000	187,500	$ 0.60	January 7, 2023
1,075,000	268,750	$ 0.60	December 4, 2025
2,845,000	1,416,250		

The Company granted 2,080,000 options (2020 - 750,000) and recognized $768,842 (2020 - $376,690) in share-based compensation during the year ended April 30, 2021. 1,605,000 of the options vest quarterly over a period of one year following the grant date. 37,500 options vest April 7, 2021. 37,500 options vest July 7, 2021. 250,000 of the options vest quarterly over a period of one year starting on May 15, 2021. The remaining 150,000 options vested on the grant date. The options were valued using the Black-Scholes option pricing model with the following inputs: share price of $0.38 - $0.60, exercise price of $$0.60, expected life of 2 - 5 years, volatility of 158% – 377% and risk-free interest rate of 0.18% – 0.99%. These inputs were determined based on the terms outlined in the respective option agreements, comparable company share prices and publicly available interest rate information.

(Expressed in Canadian Dollars)

As of April 30, 2021, the weighted average remaining contractual life of outstanding options is 2.44 years (2020 – 1.49 years).

d) Warrants

As at April 30, 2021, warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, April 30, 2019	1,115,324	$	0.50
Granted			
Expired	(1,115,324)		0.50
Balance, April 30, 2020	-	$	-
Granted	4,696,796		1.00
Expired	-		-
Balance, April 30, 2021	4,696,796	$	1.00

The Company granted 4,696,796 warrants (2020 - nil) during the year ended April 30, 2021 pursuant to the RSG ON amalgamation (Note 4). The warrants were determined to have a value of $nil.

As of April 30, 2021, the weighted average remaining contractual life of outstanding warrants is 1.47 years (2020 – nil years).

11. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its executive officers. During the years ended April 30, 2021 and 2020, the Company incurred the following fees charged by directors and officers and companies controlled by directors and officers of the Company:

	Nature of transactions		2021		2020
Key management personnel:					
A company controlled by the former CFO	Management	$	20,000	$	60,000
A company controlled by current CFO	Management		73,865		-
A company controlled by a director	Consulting		90,190		9,000
Former CEO, current director	Consulting		31,500		92,500
Current CEO and director	Consulting		59,132		-
Current directors	Consulting		61,000		-
Total		$	335,687	$	161,500

In addition to management and consulting fees, $442,931 (2020 - $376,690) in share-based compensation expenses were incurred by the Company in relation to 1,325,000 options (2020 – 750,000) granted to directors and officers of the Company during the year ended April 30, 2021.

At April 30, 2021, $47,037 (April 30, 2020 - $nil) was owed to related parties for management and consulting fees payable. These amounts are non-interest bearing, unsecured and due on demand.

(Expressed in Canadian Dollars)

12. REVERSAL OF BAD DEBT PROVISION

During the year ended April 30, 2020, the Company wrote-off the promissory note to Regal Green Remedies Inc. which was due to be repaid on March 1, 2020 and $46,345 (USD $35,000) was recorded in other income. The collectability of the loan was re-assessed during the year ended April 30, 2021. Based on this assessment, the loan collectability was still determined to be uncertain and the loan provision was reinstated.

13. FINANCIAL INSTRUMENTS AND RISK

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash	Fair Value through Profit and Loss
Convertible debenture	Amortized Cost
Marketable securities	Fair Value through Profit and Loss
Accounts payable and accrued liabilities	Amortized Cost

The fair value of accounts payable and accrued liabilities approximates its carrying amount due to the short-term nature. The carrying value of the Company's convertible debenture approximates its fair value due to minimal changes in interest rates and the Company's credit risk issuance of the instruments. Cash and marketable securities are measured at fair value using level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and the convertible debenture. The Company limits its exposure to credit risk with respect to cash by holding it with major Canadian financial institutions. The credit risk of the Company's convertible debenture is mitigated as the Company holds the option to convert the convertible debenture into shares of Dreamfields.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2021, the Company had a cash balance of $190,898 (April 30, 2020 - $1,264,356) to settle current liabilities of $450,079 (April 30, 2020 - $268,707). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company has cash balances and a convertible debenture that bear interest at 8% per annum. The Company is satisfied with the credit ratings of its banks and the interest rate on the convertible debenture is fixed. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

As at April 30, 2021, the Company had the Canadian equivalent of cash totaling $1,614 (April 30, 2020 - $16,156) and accounts payable totaling $nil (April 30, 2020 - $385) denominated in US dollars. Assuming all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar would not materially affect the loss and comprehensive loss.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities were carried at quoted prices, and were therefore directly affected by fluctuations in the market value of the underlying securities. These securities were sold during the year ended April 30, 2021. The Company currently does not hold any other financial instruments that would result in material exposure to other price risk.

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its capital, which comprises all components of equity (i.e., share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the year ended April 30, 2021.

15. SEGMENTED INFORMATION

During the year ended April 31, 2020, the Company changed its business to the mining sector and continues in this operating segment. All long-term assets are located in Canada.

16. COMMITMENT AND CONTINGENCIES

Re-assessment of claimed input tax credits

On November 9, 2020, the Company received a letter from the Canada Revenue Agency ("CRA") notifying that it was subject to a re-assessment by CRA on Input Tax Credits claimed during the period from November 1, 2017 to January 31, 2020. The letter outlined that the Company has claimed and received $125,893 of Input Tax Credits during the examined period that were not eligible. On June 18, 2021, the Company received an initial Notice of Reassessment denying $7,386 of previously claimed Input Tax Credits. While the CRA is still conducting an audit on other filed GST/HST returns, the Company does not believe that there will be any further amounts payable. Accordingly, the Company has recognized a provision of $7,386 as a reduction from GST receivable on its statement of financial position as at April 30, 2021.

(Expressed in Canadian Dollars)

17. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

		April 30, 2021		April 30, 2020
Loss before taxes for the year	$	(1,881,972)	$	(1,877,030)
Canadian federal and provincial income tax rates		27.00%		27.00%
Expected income tax recovery based on the above rates	$	(508,132)	$	(506,798)
Non-deductible expenditures		150,154		103,004
Financing fees charged to equity		(1,933)		-
Flow-through expenditures incurred		64,800		-
Change in tax assets not recognized		329,449		-
Change in timing differences		-		168,503
Unrecognized deferred tax assets		-		235,291
Income tax expense	$	34,338	$	-

An additional $17,987 in income tax expenses relating to income tax on interest income earned in 1204970 BC Ltd. prior to its acquisition was also recognized by the Company. In total, the Company recognized $52,325 (2020 - $nil) in current income tax expenses during the year ended April 30, 2021.

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

		April 30, 2021		April 30, 2020
Non-capital losses	$	3,868,000	$	3,143,000
Property and equipment		308,000		305,000
Exploration and evaluation assets		(48,000)		21,000
Share issuance costs		22,000		43,000
Investments		-		17,000
Total	$	4,150,000	$	3,529,000

As at April 30, 2021, the Company has non capital losses of approximately $14,326,000 (2020 - $11,988,000) that may be available to offset future income for income tax purposes, which commence expiring in 2027 to 2041. $5,944,000 (2020 - $5,944,000) of the non-capital losses relate directly to the Mezzi business. The Company has resource expenditure pools totaling $3,300,000 (2020 - $21,000) available for deduction against certain resource-based income that may be carried forward indefinitely.

Due to the uncertainty of realization of these deductible temporary differences, the tax benefit is not reflected in the consolidated financial statements.

18. SUBSEQUENT EVENTS

On May 19, 2021, the Company issued 250,000 stock options to a director with an expiry date of May 19, 2026 and a quarterly vesting period for one year starting on August 19, 2021. The options have an exercise price of $0.25 per share. 796,250 stock options that have full vested were also cancelled before reaching the expiry date. These options had exercise prices ranging from $0.43 to $0.95 per share.

On June 1, 2021 and June 14, 2021, the Company announced the appointment of new directors to the Board of Directors. 150,000 and 200,000 options were granted to these individuals respectively. The options are exercisable at a price of $0.25 per unit, expire five years following the grant date and vest quarterly for a period of one year.

During June and July 2021, the Company closed two tranches of convertible debenture private placements. 1,820 debenture units at a price of $1,000 per unit for total proceeds of $1,820,000 were issued in the first tranche of financing. 441 units at a price of $1,000 per unit for gross proceeds of $441,000 were closed in the second tranche of financing. Each debenture unit will be comprised of a $1,000 principal amount three-year 7.5% senior unsecured convertible debenture and 3,334 common share purchase warrants of the Company. The warrants entitle holders to acquire one common share of the Company at a price of $0.47 per share for a period of 36 months from the date of issue.

Each debenture will be convertible at any time after the date of issue at the option of the holder into common shares of the Company at a price of $0.27 per share, subject to adjustment. After 24 months following the date of issue, if the common shares trade at or below $0.90, based on the trailing 30-day volume-weighted average price of the common shares traded on the CSE, the Company will have the right, exercisable within 10 business days of the end of the trading period, to require the automatic conversion of the debentures at the conversion price by giving the holder 10 business days' prior written notice.