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**ROCKSHIELD CAPITAL CORP.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
MAY 31, 2021

*(Unaudited - Expressed in Canadian Dollars)*

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**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**ROCKSHIELD CAPITAL CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	May 31, 2021 \$	November 30, 2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		6,584,268	3,542,588
Advances receivable	6(b)	9,000	3,000
GST receivable		12,749	4,386
Prepaid expenses		30,710	1,185
Investments	4	<u>1,305,885</u>	<u>1,492,271</u>
<b>Total current assets</b>		<u>7,942,612</u>	<u>5,043,430</u>
<b>Non-current assets</b>			
Deposit on proposed investment	4(b)	1,000,000	-
Deferred costs	4(b)	<u>132,325</u>	<u>-</u>
<b>Total non-current assets</b>		<u>1,132,325</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>9,074,937</u>	<u>5,043,430</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		<u>176,672</u>	<u>8,300</u>
<b>TOTAL LIABILITIES</b>		<u>176,672</u>	<u>8,300</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	5	27,856,043	24,865,933
Share-based payments reserve		6,643,322	4,111,318
Deficit		<u>(25,601,100)</u>	<u>(23,942,121)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>8,898,265</u>	<u>5,035,130</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>9,074,937</u>	<u>5,043,430</u>

**Nature of Operations** - Note 1

**Events after the Reporting Period** - Note 10

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on July 23, 2021 and are signed on its behalf by:

/s/ Dave Doherty  
 Dave Doherty  
 Director

/s/ Nick DeMare  
 Nick DeMare  
 Director

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

**ROCKSHIELD CAPITAL CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS AND**  
**COMPREHENSIVE LOSS**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	Three Months Ended		Six Months Ended	
		May 31, 2021 \$	May 31, 2020 \$	May 31, 2021 \$	May 31, 2020 \$
<b>Expenses</b>					
Accounting and administration	6(a)(ii)	20,500	13,200	31,300	25,550
Audit		-	27,500	27,500	27,500
Directors and officers compensation	6(a)(i)	20,472	28,035	41,344	57,378
Insurance		-	4,375	-	8,750
Legal		16,640	710	35,299	710
Office		2,310	2,028	4,160	3,450
Professional fees		58,893	-	74,767	-
Regulatory		4,993	3,008	7,243	5,058
Rent		-	4,058	-	6,648
Share-based compensation	5	1,820,738	17,187	2,517,800	44,284
Shareholder costs		2,350	-	2,350	-
Transfer agent		950	281	2,474	1,334
Travel		-	864	-	3,984
Website		660	803	1,320	1,463
		<u>1,948,506</u>	<u>102,049</u>	<u>2,745,557</u>	<u>186,109</u>
<b>Loss before other items</b>		<u>(1,948,506)</u>	<u>(102,049)</u>	<u>(2,745,557)</u>	<u>(186,109)</u>
<b>Other items</b>					
Realized (loss) gain on sale of investments	4(a)	(59,541)	(417,613)	(231,581)	(926,955)
Unrealized gain (loss) on investments	4(a)	(178,737)	171,109	1,301,568	(250,759)
Interest income		11,671	5,161	18,133	16,131
Foreign exchange		(1,036)	507	(1,542)	784
		<u>(227,643)</u>	<u>(240,836)</u>	<u>1,086,578</u>	<u>(1,160,799)</u>
<b>Net loss and comprehensive loss for the period</b>		<u>(2,176,149)</u>	<u>(342,885)</u>	<u>(1,658,979)</u>	<u>(1,346,908)</u>
<b>Loss per share - basic and diluted</b>		<u>\$(0.02)</u>	<u>\$(0.01)</u>	<u>\$(0.02)</u>	<u>\$(0.03)</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<u>89,470,687</u>	<u>46,740,676</u>	<u>78,938,802</u>	<u>46,740,676</u>

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

**ROCKSHIELD CAPITAL CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
*(Unaudited - Expressed in Canadian Dollars)*

<b>Six Months Ended May 31, 2021</b>					
	<b>Share Capital</b>		<b>Share-Based Payments Reserve \$</b>	<b>Deficit \$</b>	<b>Total Shareholders' Equity \$</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance at November 30, 2020</b>	45,595,354	24,865,933	4,111,318	(23,942,121)	5,035,130
Common shares issued for:					
Cash - private placement	40,000,000	3,000,000	-	-	3,000,000
Cash - exercise of warrants	200,000	30,000	-	-	30,000
Redemption of DSUs	125,000	56,875	(56,875)	-	-
Finder's fees	3,550,333	190,196	76,079	-	266,275
Share issue costs	-	(291,961)	-	-	(291,961)
Share-based compensation	-	-	2,517,800	-	2,517,800
Transfer on exercise of warrants	-	5,000	(5,000)	-	-
Net loss for the period	-	-	-	(1,658,979)	(1,658,979)
<b>Balance at May 31, 2021</b>	<b>89,470,687</b>	<b>27,856,043</b>	<b>6,643,322</b>	<b>(25,601,100)</b>	<b>8,898,265</b>

<b>Six Months Ended May 31, 2020</b>					
	<b>Share Capital</b>		<b>Share-Based Payments Reserve \$</b>	<b>Deficit \$</b>	<b>Total Shareholders' Equity \$</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance at November 30, 2019</b>	45,595,354	24,865,933	4,076,853	(23,005,503)	5,937,283
Share-based compensation	-	-	44,284	-	44,284
Net loss for the period	-	-	-	(1,346,908)	(1,346,908)
<b>Balance at May 31, 2020</b>	<b>45,595,354</b>	<b>24,865,933</b>	<b>4,121,137</b>	<b>(24,352,411)</b>	<b>4,634,659</b>

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

**ROCKSHIELD CAPITAL CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
*(Unaudited - Expressed in Canadian Dollars)*

	<b>Six Months Ended</b>	
	<b>May 31, 2021</b>	<b>May 31, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net loss for the period	(1,658,979)	(1,346,908)
Adjustments for:		
Realized loss on sale of investments	231,581	926,955
Unrealized (gain) loss on investments	(1,301,568)	250,759
Share-based compensation	2,517,800	44,284
Changes in non-cash working capital items:		
Advances receivable	(6,000)	10,700
GST receivable	(8,363)	(2,428)
Prepaid expenses	(29,525)	4,359
Accounts payable and accrued liabilities	168,372	(7,063)
<b>Net cash used in operating activities</b>	<u>(86,682)</u>	<u>(119,342)</u>
<b>Investing activities</b>		
Proceeds from sale of investments	1,256,373	437,573
Investment purchases	-	(604,603)
Deposit on proposed investment	(1,000,000)	-
Legal costs incurred on proposed investment	(132,325)	-
<b>Net cash provided by (used in) investing activities</b>	<u>124,048</u>	<u>(167,030)</u>
<b>Financing activities</b>		
Issuance of common shares	3,030,000	-
Share issue costs	(25,686)	-
<b>Net cash provided by financing activities</b>	<u>3,004,314</u>	<u>-</u>
<b>Net change in cash</b>	3,041,680	(286,372)
<b>Cash at beginning of period</b>	<u>3,542,588</u>	<u>3,083,702</u>
<b>Cash at end of period</b>	<u>6,584,268</u>	<u>2,797,330</u>

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

**ROCKSHIELD CAPITAL CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED MAY 31, 2021**  
*(Unaudited - Expressed in Canadian Dollars)*

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**1. Nature of Operations**

Rockshield Capital Corp. (the “Company”) is a publicly-traded Canadian based venture capital firm focused on investments in early stage companies with high growth potential. The Company’s common shares trade on the Canadian Securities Exchange (“CSE”) under the trading symbol “RKS”. The Company’s principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

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 discharge its liabilities in the normal course of business operations for the foreseeable future. During the six months ended May 31, 2021 the Company recorded a net loss of \$1,658,979 and, as at May 31, 2021, had working capital of \$7,765,940. On April 23, 2021 the Company entered in a binding letter of intent to assume the contractual rights to invest in various equity interests in a number of companies operating in the plant-based food market, as described in Note 4(b). The Company has adequate financial resources to cover current levels of corporate operations and expected investment purchases for the next twelve months. However, as a junior venture capital firm, the Company is subject to risks and challenges similar to other companies in a comparable stage. These risks include, but are not limited to, dependence on key individuals, investment risks, market risks, illiquid securities and the ability to maintain adequate cash flows and continuing as a going concern.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern or be unable to realize its assets or discharge its liabilities in the normal course of business. Such adjustments can be material.

During March 2020 the World Health Organization characterized COVID-19 as a pandemic. COVID-19 has had a material adverse impact on global economies. In order to combat the spread of COVID-19 governments worldwide, including Canada, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures.

Determining the impact of COVID-19 on the valuation of the Company’s investment portfolio required significant judgement given the amount of uncertainty regarding the long-term impact of COVID-19. The ultimate impact of COVID-19 on the financial results of the Company will depend on future developments, including the duration and spread of the pandemic and related advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and difficult to predict. If the financial markets and/or the overall economy are impacted for a period significantly longer than currently implied by the markets, the financial results of the Company, including the fair value of its corporate investments, may be materially adversely affected.

**2. Basis of Preparation**

***Statement of Compliance***

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2020, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s audited consolidated financial statements for the year ended November 30, 2020.

***Basis of Measurement and Presentation***

The Company’s condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

**ROCKSHIELD CAPITAL CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED MAY 31, 2021**  
*(Unaudited - Expressed in Canadian Dollars)*

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**3. Subsidiary**

As at May 31, 2021 the Company had one wholly-owned subsidiary, Rockshield Plywood Corp., which is an inactive holding company.

**4. Investments**

- (a) The Company's investments in marketable securities include common shares and other equity instruments of Canadian and U.S. companies that are listed on various Canadian stock exchanges or the OTCQB. The Company also has investments in common shares of private companies which plan to publicly list their shares.

Management has designated its investments in common shares and warrants of companies as "investments in equity/debt instruments" with the change in fair value recognized in profit or loss. The carrying values of the listed common shares and warrants have been directly referenced to published price quotations in an active market. The carrying values of equity and debt investments in unlisted private companies are valued at fair value using non-observable market inputs based on specific company information and general market conditions. The carrying values of the unlisted warrants are valued at fair value using the Black-Scholes option pricing model.

During the six months ended May 31, 2021 the Company sold certain of its investments for proceeds totalling \$1,256,373 (2020 - \$437,573) and recognized a loss of \$231,581 (2020 - \$926,955). In addition, the Company recorded unrealized gain of \$1,301,568 (2020 - loss of \$250,759) on investments held.

- (b) On April 23, 2021 the Company entered into a binding letter of intent ("LOI") with Novel Agri-Technologies Inc. ("Novel") pursuant to which the Company will assume Novel's contractual rights to acquire 100% of two, and 75% of a third, private arm's length plant-based food companies (combined the "Target Companies").

Under the terms set out in the LOI the Company will issue up to 85,000,000 common shares (the "Consideration Shares") of the Company and provide a total cash consideration of \$3,000,000 to the shareholders of the Target Companies and Novel, in which \$1,000,000 (the "Initial Payment") was made and the remaining \$2,000,000 payable on closing (the "Closing") of the investments in the Target Companies (the "Plant-based Investments"). In the event the Plant-based Investments are not completed \$750,000 of the Initial Payment will be converted to a three-year term loan to Novel bearing interest at a rate of 8% per annum. It is anticipated that Novel will receive at Closing a profits interest in the Target Companies convertible into its respective share of the Consideration Shares.

The completion of the Plant-based Investments are subject to the negotiation of definitive acquisition agreements with each of the Target Companies, which shall include customary closing conditions. The Company is working through its due diligence on each prospective investment and has not completed all its due diligence and, accordingly, there may be adjustments. Finders' fees are payable in connection with the Plant-based Investments. Further deferred considerations are payable in shares or cash at the Company's election.

As at May 31, 2021 the Company has incurred \$132,325 for legal costs associated with the proposed investments.

**5. Share Capital**

- (a) *Authorized Share Capital*

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.



**ROCKSHIELD CAPITAL CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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*(Unaudited - Expressed in Canadian Dollars)*

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**5. Share Capital (continued)**

(b) ***Equity Financings***

*Six Months ended May 31, 2021*

On January 15, 2021 the Company completed a non-brokered private placement of 40,000,000 units at \$0.075 per unit for total proceeds of \$3,000,000. Each unit comprised one common share and one share purchase warrant entitling the holder to purchase an additional common share at a price of \$0.15 per share on or before January 15, 2023. Certain directors and officers of the Company acquired a total of 4,133,334 units of the private placement.

The Company also issued 3,550,333 finders' units having the same terms as the private placement units. The units were recorded at a fair value of \$266,275. The fair value of the underlying warrants to the finder's units has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.15%; expected volatility of 116%; an expected life of two years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The value assigned to the underlying warrants to the finder's units was \$76,079.

The Company incurred a total of \$25,686 for filing fees and legal costs.

*Fiscal 2020*

No financings were conducted by the Company during fiscal 2020.

(c) ***Normal Course Issuer Bid***

On April 30, 2021 the Company filed a normal course issuer bid (the "NCIB") which authorizes the Company to repurchase for cancellation up to 4,473,534 common shares. The NCIB will expire on April 30, 2022. No shares have been repurchased by the Company as at May 31, 2021. See also Note 9(b).

(d) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at May 31, 2021 and 2020 and the changes for the six months ended on those dates is as follows:

	2021		2020	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	-	-	1,236,499	0.80
Issued	43,550,333	0.15	-	-
Exercised	(200,000)	0.15	-	-
Expired	-	-	(1,236,499)	0.80
	<u>43,350,333</u>	<u>0.15</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>43,350,333</u>	0.15	-	-

As at May 31, 2021 there were 43,350,333 warrants outstanding and exercisable at an exercise price of \$0.15 per share, expiring January 15, 2023.

**ROCKSHIELD CAPITAL CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**5. Share Capital (continued)**

(e) *Share Option Plan*

On February 26, 2021 the Company's Board of Directors approved a rolling share option plan (the "Rolling Share Option Plan") as a replacement to the Company's Fixed Share Option Plan. Under the Rolling Share Option Plan the maximum number of common shares which can be reserved for issuance is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options shall not be less than the price determined in accordance with CSE policies while the Company's shares are listed on the CSE. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During the six months ended May 31, 2021 the Company granted share options to purchase 7,700,000 common shares and recorded share-based compensation expense of \$928,027 on the vesting of share options granted. The fair value of the share options granted was estimated using the Black-Scholes Option Pricing Model using the following assumptions: risk-free interest rate of 0.90%; estimated volatility of 112%; expected life of 5 years; expected dividend yield of 0%; and an estimated forfeiture rate of 0%.

The Company did not grant any share options during the six months ended May 31, 2020.

The weighted average measurement date fair value of all share options granted and vested during the six months ended May 31, 2021, using the Black-Scholes Option Pricing Model, was \$0.45 per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at May 31, 2021 and 2020 and the changes for the six months ended on those dates is as follows:

	2021		2020	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	-	-	-	-
Granted	7,700,000	0.56	-	-
Balance, end of period	7,700,000	0.56	-	-

The following table summarizes information about the share options outstanding and exercisable at May 31, 2021:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
7,700,000	250,000	0.56	February 26, 2026

(f) *Deferred Share Unit ("DSU") Plan and Restricted Share Unit ("RSU") Plan*

On October 24, 2016 a deferred share unit ("DSU") plan was approved by the Company's Board of directors and subsequently ratified by the Company's shareholders. Under the DSU Plan an eligible participant could elect to receive DSUs up to 100% of his or her annual base compensation. In addition, the Board could award additional DSUs to the participant. The maximum number of DSUs that could be awarded pursuant to the DSU Plan was 4,552,785 DSUs. On January 5, 2018 the Company awarded a total of 1,500,000 DSUs.

**ROCKSHIELD CAPITAL CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**5. Share Capital (continued)**

On December 14, 2020 the Company awarded a total of 500,000 DSUs which vested immediately. During the six months ended May 31, 2021 the Company recorded share-based compensation expense of \$42,730 (2020 - \$27,097) for the DSUs awarded on December 14, 2020 and the final vesting of DSUs which had been awarded in fiscal 2018.

On January 27, 2021 the Company issued 125,000 common shares of the Company on the partial redemption of DSUs by a former director of the Company, with the remaining 75,000 DSUs expiring.

On February 26, 2021 the Company's Board of Directors approved a rolling restricted share unit plan (the "RSU Plan") as a replacement for the Company's DSU plan. Under the RSU Plan the maximum number of restricted shares units ("RSUs") which can be awarded is 10% of the issued and outstanding common shares of the Company. RSUs awarded may be subject to vesting provisions as determined by the Board of Directors. The remaining 1,550,000 DSUs outstanding were transferred to the RSU Plan, with equivalent and no additional vesting, subject to the terms and provisions of the RSU Plan. Under IFRS 2, *Share-based Payment*, the transferring of the DSUs into RSUs are considered to be a modification and the Company has recognized additional share-based compensation expense of \$337,250 during the six months ended May 31, 2021.

On February 26, 2021 the Company also awarded 7,350,000 RSUs of which 300,000 RSUs vested immediately and 7,050,000 RSUs are subject to vesting over two years. During the six months ended May 31, 2021 the Company recognized \$1,209,793 as share-based compensation expense relating to the vesting of the RSUs.

A summary of the Company's DSUs is as follows:

	<b>Number of DSUs</b>
Balance as at November 30, 2018	1,500,000
Cancelled	<u>(100,000)</u>
Balance as at November 30, 2019	1,400,000
Cancelled	<u>(150,000)</u>
Balance as at November 30, 2020	1,250,000
Awarded	500,000
Redeemed	(125,000)
Cancelled	(75,000)
Transferred to RSU Plan	<u>(1,550,000)</u>
Balance as at May 31, 2021	<u>-</u>

A summary of the Company's RSUs is as follows:

	<b>Number of RSUs</b>
Balance as at November 30, 2020	-
Transferred from DSU Plan	1,550,000
Awarded	<u>7,350,000</u>
Balance as at May 31, 2021	<u>8,900,000</u>

The following table summarizes information about the RSUs outstanding and exercisable at May 31, 2021:

<b>Number Outstanding</b>	<b>Number Exercisable</b>	<b>Expiry Date</b>
<u>8,900,000</u>	<u>1,850,000</u>	February 26, 2023

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*(Unaudited - Expressed in Canadian Dollars)*

**6. Related Party Disclosures**

(a) Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(i) During the six months ended May 31, 2021 and 2020 the following amounts were incurred with respect to these positions:

	2021 \$	2020 \$
Management compensation	41,344	57,378
Share-based compensation on stock options	218,255	-
Share-based compensation on RSUs	464,508	-
Share-based compensation on DSUs	41,484	36,083
Share-based compensation on transferring DSUs to RSUs	<u>313,500</u>	<u>-</u>
	<u>1,079,091</u>	<u>93,461</u>

As at May 31, 2021 \$4,225 (November 30, 2020 - \$nil) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the six months ended May 31, 2021 the Company incurred a total of \$31,300 (2020 - \$25,550) by Chase Management Ltd. ("Chase"), a private corporation owned by the Chief Financial Officer ("CFO"), for accounting and administration services provided by Chase personnel, excluding the CFO. As at May 31, 2021 \$10,500 (November 30, 2020 - \$6,500) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended May 31, 2021 the Company recorded \$137,495 share-based compensation for share options, DSUs and RSUs granted to Chase. During the six months ended May 31, 2020 the Company recorded \$8,201 share-based compensation for 250,000 DSUs granted to Chase.

(b) The Company has made ongoing advances to Rockshield Opportunities Corp. ("Rockshield Opportunities") a company which was initially incorporated as a wholly-owned subsidiary of the Company and of which its common shares were subsequently distributed to the Company shareholders. Certain of the Company's directors remain as directors of Rockshield Opportunities. As at May 31, 2021 \$9,000 (November 30, 2020 - \$3,000) is outstanding, which are non-interest bearing and repayable on demand.

**7. Financial Instruments and Risk Management**

***Categories of Financial Assets and Financial Liabilities***

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; and FVOCI. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	May 31, 2021 \$	November 30, 2020 \$
Cash	FVTPL	6,584,268	3,542,588
Advances receivable	Amortized cost	9,000	3,000
Investments	FVTPL	1,305,885	1,492,271
Deposit on proposed investment	Amortized cost	1,000,000	-
Accounts payable and accrued liabilities	Amortized cost	(176,672)	(8,300)

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**7. Financial Instruments and Risk Management (continued)**

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

*Fair Value*

The fair values of the Company's financial assets and liabilities approximates the carrying amounts either due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

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 - 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 value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable, advances receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash, investments and deposit on investment approximate their fair value. The fair value of cash and investment in common shares under the fair value hierarchy is measured using Level 1 and Level 3 inputs. The fair value of deposit on proposed investment is measured using Level 3 inputs.

The following is an analysis of the Company's financial assets measured at fair value as at May 31, 2021 and November 30, 2020:

	<b>May 31, 2021</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash	6,584,268	-	-
Investments	1,305,885	-	-
Deposit on proposed investment	-	-	1,000,000
	<u>7,890,153</u>	<u>-</u>	<u>1,000,000</u>
	<b>November 30, 2020</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash	3,542,588	-	-
Investments	1,492,271	-	-
	<u>5,034,859</u>	<u>-</u>	<u>-</u>

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

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**7. Financial Instruments and Risk Management (continued)**

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

<b>Contractual Maturity Analysis at May 31, 2021</b>					
	<b>Less than 3 Months \$</b>	<b>3 - 12 Months \$</b>	<b>1 - 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
Cash	6,584,268	-	-	-	6,584,268
Advances receivable	9,000	-	-	-	9,000
Investments	1,305,885	-	-	-	1,305,885
Deposit on proposed investment	-	-	-	1,000,000	1,000,000
Accounts payable and accrued liabilities	(176,672)	-	-	-	(176,672)

  

<b>Contractual Maturity Analysis at November 30, 2020</b>					
	<b>Less than 3 Months \$</b>	<b>3 - 12 Months \$</b>	<b>1 - 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
Cash	3,542,588	-	-	-	3,542,588
Advances receivable	3,000	-	-	-	3,000
Investments	1,492,271	-	-	-	1,492,271
Accounts payable and accrued liabilities	(8,300)	-	-	-	(8,300)

*Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and demand deposits bear floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Equity Price Risk

The Company holds investments in publicly traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. See also Note 3.

(c) Concentration Risk

As at May 31, 2021, \$1,101,648 of the Company's portfolio of investments was held in one company. This investment represents approximately 84% of the Company's investment portfolio and poor performance in the market price of this investment could adversely affect the Company's results. The Company has also deposited \$1,000,000 on a proposed investment.

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**7. Financial Instruments and Risk Management (continued)**

*Capital Management*

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its investments. 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 defines capital that it manages as share capital. The Company will continue to assess new investment opportunities as they arise and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's approach to capital management during the six months ended May 31, 2021 or fiscal 2020. The Company is not subject to any externally imposed capital requirements.

**8. Supplemental Cash Flow Information**

During the six months ended May 31, 2021 and 2020 non-cash activities were conducted by the Company as follows:

	2021	2020
	\$	\$
Financing activities		
Issuance of share capital	252,071	-
Share issue costs	(266,275)	-
Share-based payments reserve	<u>14,204</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**9. Events after the Reporting Period**

- (a) Subsequent to May 31, 2021 the Company repurchased a total of 272,500 common shares for \$142,997 cash consideration under the NCIB.
- (b) On July 6, 2021 the Company issued 60,000 common shares of the Company for \$30,000 professional services provided by a party at arms-length to the Company.