NEXCO RESOURCES INC

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
MAY 31, 2022 AND 2021

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed 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 interim financial statements they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended May 31, 2022 and 2021 have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed interim financial statements.

NEXCO RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

		May 31, 2022		August 31, 2021
Assets				
Current				
Cash	$	462,565	$	712,674
Prepaid expenses (Note 9)		10,500		10,000
Amounts receivable		68,275		55,541
		541,340		778,215
Advances (Note 5)		4,124,466		4,124,466
Exploration and Evaluation Asset (Note 6)		1		1
	$	4,665,807	$	4,902,682
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 9)		60,914		63,930
Convertible debentures (Note 7)		2,154,798		1,776,688
		2,215,712		1,840,618
Equity				
Share Capital (Note 8)		3,974,690		3,924,690
Contributes surplus		796,195		796,195
Deficit		(2,320,790)		(1,658,821)
		2,450,095		3,062,064
	$	4,665,807	$	4,902,682

NATURE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the Board on July 18, 2022.

/s/ "*Zayn Kalyan*"	/s/ "*Geoff Balderson*"
______________________________ Director	____________________________Director
Zayn Kalyan	Geoff Balderson

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

NEXCO RESOURCES INC.
STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2022 **$**	**2021** **$**	**2022** **$**	**2021** **$**
General and administration				
Accretion and interest (Note 7)	135,609	-	378,110	-
Consulting fees	65,982	48,686	158,736	211,161
Interest	-	-	-	5,293
Marketing	-	905	-	46,765
Office and general	514	1,786	6,475	7,467
Professional fees	6,572	16,842	49,379	83,938
Rent	8,680	18,113	53,437	52,758
Transfer agent and filing fees	3,532	3,299	11,709	17,220
Travel	-	-	4,123	2,312
Net loss and comprehensive loss	(220,889)	(89,631)	(661,969)	(426,914)
Basic and Diluted Loss Per Common Share	(0.01)	(0.00)	(0.02)	(0.02)
Weighted Average Number of Common Shares Outstanding	35,745,999	35,612,666	35,656,622	23,986,854

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

NEXCO RESOURCES INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MAY 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

Nine Months Ended May 31, 2021

	Common Shares								
	# of Shares		**Amount**		**Contributed Surplus**		**Deficit**		**Equity**
Balance, September 1, 2020	9,214,000	$	875,394	$	315,827	$	(899,371)	$	291,850
Private placements, net	26,398,666		3,104,344		324,755		-		3,429,099
Net loss for the period	-		-		-		(426,914)		(426,914)
Balance, May 31, 2021	35,612,666	$	3,979,738	$	640,582	$	(1,326,285)	$	3,294,035

Nine Months Ended May 31, 2022

	Common Shares								
	# of Shares		**Amount**		**Contributed Surplus**		**Deficit**		**Equity**
Balance, September 1, 2021	35,612,666	$	3,924,690	$	796,195	$	(1,658,821)	$	3,062,064
Warrants exercised	250,000		50,000		-		-		50,000
Net loss for the period	-		-		-		(661,969)		(661,969)
Balance, May 31, 2022	35,862,666	$	3,974,690	$	796,195	$	(2,320,790)	$	2,450,095

NEXCO RESOURCES INC.
STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

	Nine Months Ended May 31,	
	2022 **$**	**2021** **$**
Cash Flows from Operating Activities		
Net loss for the period	(661,969)	(426,914)
Items not involving cash:		
Accretion and interest	378,110	-
Changes in non-cash working capital items		
(Increase) decrease in prepaid expenses	(500)	3,715
(Increase) in accounts receivable	(12,734)	(45,243)
(Decrease) increase in accounts payable and accrued liabilities	(3,016)	(1,471)
	(300,109)	(469,913)
Cash Flows from Investing Activities		
Advances	-	(2,865,674)
Cash Flows from Financing Activities		
Proceeds from private placement, net	-	3,429,099
Exercise of warrants	50,000	-
	50,000	3,429,099
Change in Cash During the Period	(250,109)	93,512
Cash, Beginning of Period	712,674	146,205
Cash, End of Period	462,565	239,717
Cash Paid During the Period for Interest	-	-
Cash Paid During the Period for Income Taxes	-	-

1. NATURE OF OPERATIONS

Nexco Resources Inc. ("the Company") was incorporated on December 14, 2012 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is suite 750-1095 W Pender Street, Vancouver, British Columbia, Canada.

Effective August 19, 2020, the Company consolidated all its issued and outstanding share capital on a basis of one post-consolidated share for two pre-consolidated shares. All share and per share amounts in these financial statements have been retroactively adjusted to reflect this share consolidation.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2022, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

As at May 31, 2022, the Company had a deficit of $2,320,790 (August 31, 2021 - $1,658,821), which has been funded by the issuance of debt and equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

Proposed Transaction (the "Transaction")

On November 30, 2020, the Company entered into a Letter of Intent ("LOI") with SymptomSense, LLC ("SymptomSense"). Pursuant to the LOI, the Company proposed to purchase all of the issued and outstanding securities of SymptomSense. Upon completion of the transaction, SymptomSense would become a wholly owned subsidiary of the Company and the Company would carry on the business of SymptomSense.

On May 25, 2021, the Company announced that further to the LOI, it had signed a definitive securities exchange agreement (the "Definitive Agreement") with Soter Technologies, LLC ("Soter" or the "Target"), a private arm's length limited liability company incorporated under the laws of the State of New York, and the owners of the Target (the "Vendors") pursuant to which the Company has agreed to purchase all of the issued and outstanding equity securities of the Target (the "Target Securities") from the Vendors (the "Transaction").

1. NATURE OF OPERATIONS (continued)

Upon completion of the Transaction (the "Closing"), the Target will become a wholly owned subsidiary of the Company and the Company will carry on the business of the Target, which includes the business of its subsidiary, SymptomSense, LLC. The Transaction will constitute a Fundamental Change of the Company in accordance with the policies of the Canadian Securities Exchange (the "CSE"). The Company had previously entered into a letter of intent dated November 30, 2020 to acquire only SymptomSense, but the parties have now agreed to acquire Soter, as the parent company to SymptomSense.

The Definitive Agreement provides that the Company will acquire all of the outstanding Target Securities from the Vendors in exchange for the issuance of common shares of the Company (each, a "Consideration Share") to the Vendors at a deemed price of $0.25 per Consideration Share as follows: (i) the issuance of 18,266,200 Consideration Shares on the Closing; and (ii) the issuance of up to 38,815,675 Consideration Shares as a post-Closing performance earn-out upon the Company achieving certain business objective and revenue milestones following the closing of the Transaction. On Closing, the Company will also issue an aggregate of 1,000,000 performance share units to senior executive personnel of the Target that will vest and become exercisable into common shares of the Company (each, a "Share") upon the Company achieving US$20,000,000 in last twelve months revenue following the Closing. On Closing, the Company has also agreed to: (i) issue an aggregate of 4,233,800 restricted share units ("RSUs") to employees and consultants of the Target and Nexco which will vest and become exercisable into Shares immediately upon the Closing; and (ii) issue an aggregate of 4,184,325 performance share units ("PSUs") to employees and consultants of the Target which will vest and become exercisable into Shares upon the Company achieving certain business objective and revenue milestones following the Closing. The Company has agreed to pay a finder's fee of 1,000,000 common shares in connection with the Transaction. In additional to any escrow conditions imposed by the CSE, all of the Consideration Shares, RSUs and PSUs will be subject to a pooling agreement between the Company and the recipients of such securities providing for the release of such securities as follows: 1/8th on the date that is nine months from issuance (the "First Release Date") and an additional 1/8th every three months after the First Release Date.

On June 15, 2022, the Company executed an amended and restated share exchange agreement (the "Amended Definitive Agreement") with Soter, amending and restating the original Definitive Agreement dated May 25, 2021, as amended on July 9, 2021. The Amended Definitive Agreement provides for an extension to the completion deadline for the Transaction to November 1, 2022 and certain other material amendments as follows:

i. the final tranche in the amount of US$300,000 of a bridge loan (the "Bridge Loan") in the aggregate amount of US$3,600,000 will be advanced by the Company to Soter within two business days of the date that the Company receives full access to Soter Technologies' financial records (and in connection with the amended terms of the Bridge Loan, the Company and Soter intend to enter into an amended and restated loan agreement and general security agreement, providing for a secured interest granted by Soter to the Company over all present and after acquired property of Soter). On closing of the Transaction, the Bridge Loan will be deemed to be an inter-company loan;
ii. the equity concurrent financing to be completed by the Company prior to the Closing will be for minimum aggregate proceeds of $4,500,000, instead of $6,500,000;
iii. certain changes to various business objective and revenue milestones, which if achieved, would result in: (i) up to 38,815,675 earn-out consideration shares of the Company being issuable to the Soter Vendors, and (ii) up to 4,184,325 performance share units, issued to employees and consultants of Soter at the Closing, being vested and becoming exercisable into common shares of the Company; and

1. NATURE OF OPERATIONS (continued)

    iv. the number of restricted share units ("RSUs") of the Company issuable to employees and consultants of Soter at the Closing has been reduced from 4,233,800 to 2,233,800 RSUs, which RSUs will vest and become exercisable into Shares immediately upon the Closing.

2. BASIS OF PRESENTATION

These unaudited condensed 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 unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended August 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these unaudited condensed interim financial statements are consistent with those applied in the Company's audited financial statements for the year ended August 31, 2021. The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting 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 factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable; and
ii. the inputs used in accounting for share-based payments.

Significant accounting judgments

i. the measurement of deferred income tax assets and liabilities;
ii. the determination of categories of financial assets and financial liabilities
iii. the evaluation of the Company's ability to continue as a going concern; and
iv. realization of advance receivables.

(Unaudited - Expressed in Canadian dollars)

4. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

5. ADVANCES

On December 31, 2020, the Company entered into a loan agreement with SymptomSense as part of the Transaction described in Note 1. In accordance with the agreement, the Company agreed to advance a secured bridge loan in the amount of up to US$3,600,000 to the Soter (the "Bridge Loan"), which is secured against all present and after acquired property of the Soter.

The agreement includes the following terms:

- interest rate of 5% per annum, commencing on March 31, 2021;
- maturity date of November 25, 2021 ("Maturity Date");
- with no obligation to make payment of either principal or interest prior to the Maturity Date; and
- covenants limiting Sorter's ability to use proceeds from the Bridge Loan for purposes other than maintenance of working capital.

During the year ended August 31, 2021, the Company advanced a principal amount of $4,124,466 (US$3,300,000) to Soter and SymptomSense relating to the Bridge Loan.

On December 2, 2021, the Company issued a demand letter to Soter and SymptomSense stating they were in default of the Bridge Loan agreement and that the principal amount of $4,124,466 (US$3,300,000) plus accrued interest to November 25, 2021, was due in full. According to the security agreement relating to the Bridge Loan, Soter and SymptomSense had until February 17, 2022 to cure their default.

On June 15, 2022, the Company executed an amended and restated share exchange agreement (the "Amended Definitive Agreement") with Soter, amending and restating the original Definitive Agreement dated May 25, 2021, as amended on July 9, 2021. The Amended Definitive Agreement provides for an extension to the completion deadline for the Transaction to November 1, 2022 and certain other material amendments (see Note 1).

6. EXPLORATION AND EVALUATION ASSET

	Acquisition costs	Exploration costs	Total
	$	$	$
Balance, August 31, 2020	30,250	144,345	174,595
Impairment	(30,249)	(144,345)	(174,594)
Balance, August 31, 2021 and May 31, 2022	1	-	1

Berger Property

Pursuant to an initial and amended option agreements (the "Agreement") dated August 21, 2014 and July 31, 2015, with the Optionor, the Company was granted an option to acquire a 100% undivided interest in the Berger Property (the "Property") which consists of 2 mining claims located in the Kamloops Mining District of British Columbia.

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSET (continued)

In accordance with the Agreement, the Company has acquired a 100% undivided interest in the Property by issuing a total of 100,000 common shares and making cash payment of $12,000. The Optionor will retain a 2% Net Smelter Returns (“NSR”) royalty on the Property. The Company has the right to purchase the NSR at a purchase price of $1,000,000 per percentage point during the 5-year period commencing from the date upon which the Property is put into commercial production. During the year ended August 31, 2021, the Company recorded an impairment charge of $174,594 to reflect the uncertainty related to the Company of future work.

7. CONVERTIBLE DEBENTURES

	$
Balance outstanding, September 1, 2021	1,776,688
Accretion and interest	378,110
Balance outstanding, May 31, 2022	2,154,798

i. On July 20, 2021, the Company announced it closed the first tranche of its non-brokered private placement of unsecured convertible debentures (each, a “Debenture”) of the Company for total gross proceeds of $350,000. All securities issued in connection with the first tranche will be subject to a hold period expiring November 21, 2021. In connection with the closing of the first tranche, the Company paid finder’s fees in the amount of $28,100 and issued 112,000 broker warrants exercisable at $0.25 for two years. The fair value of the brokers’ warrants was $23,666 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

ii. On August 10, 2021, the Company announced it closed a second tranche of a non-brokered private placement of unsecured convertible debentures (each, a “Debenture”) of the Company for total gross proceeds of $959,500. All securities issued in connection with the second tranche will be subject to a hold period expiring December 1, 2021. In connection with the closing of the first tranche, the Company paid finder’s fees in the amount of $77,360 and issued 307,040 broker warrants exercisable at $0.25 for two years. The fair value of the brokers’ warrants was $64,878 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

iii. On August 25, 2021, the Company announced it closed a third tranche of a non-brokered private placement of unsecured convertible debentures (each, a “Debenture”) of the Company for total gross proceeds of $720,500. All securities issued in connection with the second tranche will be subject to a hold period expiring December 1, 2021. In connection with the closing of the first tranche, the Company paid finder’s fees in the amount of $57,740 and issued 230,560 broker warrants exercisable at $0.25 for two years.

(Unaudited - Expressed in Canadian dollars)

7. CONVERTIBLE DEBENTURES (continued)

The fair value of the brokers' warrants was $48,531 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

During the nine months ended May 31, 2022, the Company recorded accretion of $226,278 and interest of $151,832 relating to convertible debentures. During the nine months ended May 31, 2021 there was no accretion or interest expense recorded relating to convertible debentures. All debentures of the Company will bear interest at 10% per annum, from the date of issuance, payable upon the earlier of the Maturity Date (as defined below) or the date of any conversion thereof. The Debentures will mature on the date that is one year from the date of issuance (the "Maturity Date").

At the Maturity Date, the outstanding Debentures will automatically convert into units of the Company (each, a "Unit") at the following conversion price: (a) if the Company's Transaction with Soter and SymptomSense has not yet closed, $0.225 per Unit (the "Conversion Price"), with each Unit consisting of one common share in the capital of the Company (each, a "Share") and one-half of one non-transferable share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into one Share (each, a "Warrant Share") at a price of $0.75 per Warrant Share for a period of two years from the date of the Closing; and (b) if the Transaction has closed, the greater of: (i) the Conversion Price and (ii) a price (the "Alternative Conversion Price") equal to 75% of the price per security at which equity securities are issued by the Company in the concurrent financing (the "Concurrent Financing") carried out in connection with the Transaction (the "Concurrent Financing Price").

8. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

As at May 31, 2022, 35,862,666 (August 31, 2021 – 35,612,666; May 31, 2021 – 35,612,666) common shares were issued and outstanding.

c) Financing

i. During the nine months ended May 31, 2022, the Company received net proceeds of $50,000 for the exercise of 250,000 share purchase warrants at an exercise price of $0.20;

ii. On October 16, 2020, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 3,399,000 units (a "Unit") in the capital of the Company at a purchase price of $0.075 per Unit for gross proceeds of $254,925. Each Unit consists of one common share (a "Common Share") of the Company and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to purchase an additional Common Share (a "Warrant Share") of the Company at an exercise price of $0.15 per Warrant Share and expire on October 16, 2023.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

iii. On December 31, 2020, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 12,423,000 units (a "Unit") in the capital of the Company at a purchase price of $0.15 per Unit for gross proceeds of $1,863,450. Each Unit consists of one common share (a "Common Share") of the Company and one half of one transferable Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to purchase an additional Common Share (a "Warrant Share") of the Company at an exercise price of $0.30 per Warrant Share until December 31, 2022. Finder's fees of $149,176 were paid and 993,840 brokers' warrants were issued, at an exercise price of $0.20, exercisable until December 31, 2022. The fair value of the brokers' warrants was $175,680 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.2%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

iv. On January 20, 2021, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 10,576,666 units (a "Unit") in the capital of the Company at a purchase price of $0.15 per Unit for gross proceeds of $1,586,500. Each Unit consists of one common share (a "Common Share") of the Company and one half of one transferable Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to purchase an additional Common Share (a "Warrant Share") of the Company at an exercise price of $0.30 per Warrant Share until January 20, 2023. Finder's fees of $126,600 were paid and 843,333 brokers' warrants were issued, at an exercise price of $0.20, exercisable until January 20, 2023. The fair value of the brokers' warrants was $149,075 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.2%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

(d) Stock Option Plan:

The Company has adopted a 10% rolling incentive stock option plan, which provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options ("Options") to purchase up to 10% of the issued and outstanding common shares of the Company at the date of grant.

In addition, no Options may be granted under the stock option plan if the number of common shares, calculated on a fully diluted basis, issued within 12 months to (i) related persons, exceeds 10% of the outstanding common shares of the Company, or (ii) a related person and the associates of the related person, exceeds 5% of the outstanding common shares of the Company.

During the nine months ended May 31, 2022 the Company did not grant any stock options.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

The following table summarizes stock option transactions:

	Number of options	**Weighted average exercise price**
		$
Outstanding, August 31, 2019	200,000	0.30
Cancelled	(100,000)	(0.30)
Outstanding, August 31, 2020	100,000	0.30
Cancelled	(100,000)	(0.30)
Outstanding, August 31, 2021 and May 31, 2022	-	-

(e) Warrants:

i. During the nine months ended May 31, 2022, the Company did not issue any warrants. On April 26, 2022, the Company announced the extension of the warrant expiry date for the holders of 4,019,500 warrants issued on April 16, 2019. The new expiry date is June 16, 2022 and other terms of the original warrants remain unchanged.

ii. During the year ended August 31, 2021, the Company issued 14,898,533 Warrants and 2,486,773 Brokers' Warrants.

The following table summarizes warrant transactions:

	Number of warrants	**Weighted average exercise price**
		$
Outstanding, August 31, 2020	4,269,500	0.20
Issued	17,385,606	0.16
Outstanding, August 31, 2021	21,655,106	0.36
Exercised	(250,000)	(0.20)
Outstanding, May 31, 2022	21,405,106	0.25

The following table summarizes the warrants outstanding and exercisable as at May 31, 2022:

Exercise price	**Number of warrants**	**Exercisable**	**Expiry date**
$ 0.20	4,019,500*	4,019,500*	June 16, 2022
$ 0.15	3,399,000	3,399,000	October 16, 2023
$ 0.30	6,211,500	6,211,500	December 31, 2022
$ 0.20	993,840	993,840	December 31, 2022
$ 0.30	5,288,333	5,288,333	January 20, 2023
$ 0.20	843,333	843,333	January 20, 2023
$ 0.25	112,000	112,000	July 20, 2023
$ 0.25	307,040	307,040	July 30, 2023
$ 0.25	230,560	230,560	August 25, 2023
	21,405,106	21,405,106	

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

* Subsequent to May 31, 2022, these warrants expired unexercised.

9. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The Company had the following related party transactions during the nine months ended May 31:

	2022	**2021**
	$	$
Consulting fees - CEO	90,000	72,500
Consulting fees – Former Director	-	5,000

As at May 31, 2022 there is $Nil (2021 - $7,875) in accounts payable and accrued liabilities owing to related parties of the Company. As at May 31, 2022, $10,500 was recorded in prepaid expenses as a prepayment of June 2022 fees of the CEO. Amounts due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at May 31, 2022 are as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$	$	$	$
Cash	462,565	-	-	462,565

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations.

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.