BioVaxys Technology Corp.

(formerly Lions Bay Mining Corp.)

Condensed Consolidated Interim Financial Statements

For the Six Months Ended April 30, 2021

(Expressed in Canadian dollars)

(Unaudited)

BioVaxys Technology Corp. (formerly Lions Bay Mining Corp.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

As at		April 30, 2021		October 31, 2020
ASSETS				
CURRENT ASSETS				
Cash	$	1,379,967	$	2,423,095
GST receivable		15,930		48,316
Prepaid expenses		154,580		590,708
		1,550,477		3,062,119
Intangible assets (notes 4 and 5)		7,396,821		7,396,821
TOTAL ASSETS	**$**	**8,947,298**	**$**	**10,458,940**
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable (note 6)	$	213,050	$	753,798
Accrued liabilities		34,526		50,513
Due to related parties (note 6)		107,978		95,780
TOTAL LIABILITIES		355,554		900,091
SHAREHOLDERS' EQUITY				
Share capital (note 7)		12,126,044		10,751,647
Reserves (note 7)		1,047,196		372,988
Accumulated other comprehensive income (loss)		16,103		(1,273)
Deficit		(4,597,599)		(1,564,513)
TOTAL SHAREHOLDERS' EQUITY		8,591,744		9,558,849
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**8,947,298**	**$**	**10,458,940**

Going concern (note 2)
Subsequent events (notes 7 and 11)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on June 29, 2021. They are signed on the Company's behalf by:

/s/ James Passin
________________________________,
Director & Chief Executive Officer

/s/ Daren Hermiston
________________________________,
Director

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

BioVaxys Technology Corp. (formerly Lions Bay Mining Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended April 30, 2021	Three months ended April 30, 2020	Six months ended April 30, 2021	Six months ended April 30, 2020
OPERATING EXPENSES				
Advertising and promotion	$ 321,794	$ -	$ 850,387	$ -
General and administrative (note 6)	54,145	69	87,415	3,931
Investor relations	120,709	7,680	198,845	7,680
Management and consulting fees (note 6)	308,920	11,700	867,602	23,400
Professional fees (note 6)	183,055	35,922	221,939	46,959
Research and development	(14,421)	-	99,659	-
Share-based payments (notes 6 and 7)	510,828	-	677,581	-
Transfer agent, regulatory and listing fees	10,574	6,054	29,543	11,264
Travel and accommodation	-	903	579	903
	(1,495,604)	(62,328)	(3,033,550)	(94,137)
OTHER INCOME (LOSS)				
Foreign exchange loss	(517)	(9)	(751)	(11)
Interest income	425	-	1,215	-
	(92)	(9)	464	(11)
Net loss from continuing operations	(1,495,696)	(62,337)	(3,033,086)	(94,148)
Net loss from discontinued operation (note 10)	-	(3,088)	-	(4,888)
NET LOSS FOR THE PERIOD	(1,495,696)	(65,425)	(3,033,086)	(99,036)
Other comprehensive income (loss)				
Foreign currency translation adjustment	(1,126)	-	17,376	-
COMPREHENSIVE LOSS	**$ (1,496,822)**	**$ (65,425)**	**$ (3,015,710)**	**$ (99,036)**
Loss per share from continuing operations, basic and diluted	$ (0.02)	$ (0.00)	$ (0.04)	$ (0.00)
Loss per share from discontinued operation, basic and diluted	$ -	$ (0.00)	$ -	$ (0.00)
Weighted average number of common shares outstanding, basic and diluted	81,264,976	21,474,856	78,813,705	21,474,856

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

BioVaxys Technology Corp. (formerly Lions Bay Mining Corp.)
Condensed Consolidated Interim Statements of Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of Shares *	Share Capital	Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
Balance, October 31, 2019	**21,454,856**	**$ 571,309**	**$ 10,150**	**$ -**	**$ (391,347)**	**$ 190,112**
Forfeiture of stock options	-	-	(1,145)	-	1,145	-
Net loss for the period	-	-	-	-	(99,036)	(99,036)
Balance, April 30, 2020	**21,454,856**	**571,309**	**9,005**	**-**	**(489,238)**	**91,076**
Balance, October 31, 2020	**74,074,611**	**10,751,647**	**372,988**	**(1,273)**	**(1,564,513)**	**9,558,849**
Shares issued in private placement, net	4,417,647	1,066,500	-	-	-	1,066,500
Exercise of stock options	100,000	2,395	(1,145)	-	-	1,250
Exercise of warrants	2,860,816	256,930	(2,228)	-	-	254,702
Shares issued for service	144,527	48,572	-	-	-	48,572
Share-based payments	-	-	677,581	-	-	677,581
Foreign currency translation adjustment	-	-	-	17,376	-	17,376
Net loss for the period	-	-	-	-	(3,033,086)	(3,033,086)
Balance, April 30, 2021	**81,597,601**	**$ 12,126,044**	**$ 1,047,196**	**$ 16,103**	**$ (4,597,599)**	**$ 8,591,744**

** The numbers of shares in the above table have been restated to retrospectively reflect the effect of the two-for-one stock split (Note 7) effective April 29, 2020.*

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

(Expressed in Canadian dollars)

For the six months ended		**April 30, 2021**		**April 30, 2020**
OPERATING ACTIVITIES				
Net loss from continuing operations	$	(3,033,086)	$	(94,148)
Non-cash items				
Share-based payments		677,581		-
Shares issued for services		48,572		-
Net changes in non-cash working capital items				
GST receivable		32,386		(462)
Prepaid expenses		434,588		-
Accounts payable and accrued liabilities		(555,587)		29,683
Due to related parties		13,163		27,000
Cash used in operating activities of continuing operations		**(2,382,383)**		**(37,927)**
INVESTING ACTIVITY				
Funds advanced		-		(28,235)
Cash provided by investing activity of continuing operations		**-**		**(28,235)**
FINANCING ACTIVITIES				
Proceeds from shares issued in private placement, net		1,066,500		-
Proceeds from warrants exercised		254,702		-
Proceeds from stock options exercised		1,250		-
Cash provided by financing activities of continuing operations		**1,322,452**		**-**
Net cash used in operating activities of discontinued operation		-		(4,888)
Net cash provided by investing activities of discontinued operations		-		10,000
Net change in cash, discontinued operation		**-**		**5,112**
Net change in cash, continuing operations		(1,059,931)		(66,162)
Net change in cash, discontinued operation		-		5,112
Net change in cash		(1,059,931)		(61,050)
Effect of foreign exchange rate change on cash		16,803		-
Cash, beginning of the period		2,423,095		228,980
Cash, end of the period	**$**	**1,379,967**	**$**	**167,930**

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

1. NATURE OF OPERATIONS

BioVaxys Technology Corp. (formerly Lions Bay Mining Corp.) (the “Company”) was incorporated on April 25, 2018 pursuant to the provisions of the *Business Corporations Act* of British Columbia and was a wholly owned subsidiary of Bearing Lithium Corp. (“Bearing”). The registered and records office is located at Suite 503, 905 West Pender Street, Vancouver, British Columbia, V6C 1L6.

The Company develops antiviral and anticancer vaccine platforms to treat SARS-CoV-2 and other viral infections, as well as ovarian cancer and other solid tumor types. Prior to the share exchange agreement described below, the Company was a mineral exploration company (note 10). The Company’s shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “BIOV” and on the OTCQB under the symbol "BVAXF”.

Share Exchange

On June 2, 2020, the Company and BioVaxys Inc. (“BioVaxys”) entered into a share exchange agreement (“Share Exchange Agreement”) (note 4). Pursuant to the Share Exchange Agreement, the Company acquired all the issued and outstanding shares of BioVaxys by way of a share exchange with BioVaxys’ shareholders (“Transaction”). Upon completion of the Transaction on September 30, 2020, BioVaxys became a wholly owned subsidiary of the Company, and the Company changed its name to BioVaxys Technology Corp.

COVID-19 Impact

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downturn.

The Company has initiated the study and development of BVX-0320, its proprietary vaccine candidate for COVID-19. The extent to which the coronavirus may further impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in the United States, Canada and other countries to contain and treat the disease. These events remain highly uncertain and, as such, the Company cannot determine their financial impact at this time.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous financial year. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the years ended October 31, 2020 and 2019, which have been prepared in accordance with IFRS as issued by IASB.

These condensed consolidated interim financial statements were approved and authorized by the Board of Directors on June 29, 2021.

2. BASIS OF PREPARATION (continued)

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal years ended October 31, 2020 and 2019.

(c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary. The financial statements of the subsidiary are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

The legal subsidiary of the Company as of April 30, 2021 is as follows:

Name of Subsidiary	Place of Incorporation	Ownership Interest	Functional Currency
BioVaxys Inc.	USA	100%	US Dollar

(d) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The functional currency of the Company's subsidiary is noted above and the financial statement balances and transactions of the subsidiary are measured using that functional currency.

(e) Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity and debt financing, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION (continued)

(f) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim 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 condensed consolidated interim financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim 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 Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

(i) Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

(ii) The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

(iii) The determination of whether a set of assets acquired and liabilities assumed in an acquisition constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of BioVaxys was determined to constitute an asset acquisition.

(iv) Impairment of intangible assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. 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 intangible assets.

Estimation Uncertainty

The following are 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 amounts of assets and liabilities within the current and next fiscal financial years:

(i) Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the condensed consolidated interim statement of financial position could be impacted.

(Expressed in Canadian dollars, unless otherwise noted)

2. BASIS OF PREPARATION (continued)

(f) Significant accounting estimates and judgments (continued)

Estimation Uncertainty (continued)

(ii) The measurement of identifiable assets acquired pursuant to the Transaction, assumed at fair value on the date of acquisition and the allocation of the purchase consideration over the fair value of the assets acquired, is subject to management estimation and judgment.

3. RECENT ADOPTED ACCOUNTING STANDARDS

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

4. ACQUISITION

On April 17, 2020, the Company entered a non-binding letter of intent ("LOI") to acquire BioVaxys, a private Delaware corporation. On June 2, 2020, the Company and BioVaxys entered into a Share Exchange Agreement (note 1).

Pursuant to the Share Exchange Agreement, the Company acquired all of the issued and outstanding shares of BioVaxys by way of a share exchange with the shareholders of BioVaxys on September 30, 2020 (the Transaction), specifically, each shareholder of BioVaxys transferred their shares of BioVaxys to the Company in exchange for fully paid and non-assessable common shares of the Company. As a result, the Company issued 31,100,000 common shares at an agreed price of $0.28 per share in exchange for all of the issued and outstanding securities of BioVaxys, which included 6,788,800 common shares issued to certain advisors and 1,160,000 common shares issued to Thomas Jefferson University ("TJU") (note 5).

Upon execution of the LOI, the Company agreed to provide BioVaxys with a secured bridge loan facility of up to US$200,000 bearing interest at a rate of 9% per annum. At the date of the Transaction, $160,068 (US$120,000) had been advanced to BioVaxys, which was eliminated on consolidation upon the completion of the Transaction as an intercompany balance.

The Company determined that BioVaxys did not meet the criteria for a business primarily due to lack of process and operations and accordingly the transaction was recorded as an asset acquisition under IFRS 2 *Share-based Payments* at the following fair values:

Purchase price:		
Consideration paid in shares with fair value of $0.22 per share	$	6,842,000
Legal fees incurred		68,613
Elimination of intercompany balance		160,068
	$	7,070,681
Assets less liabilities acquired:		
Cash	$	41,364
Prepaid expenses		23,697
Accounts payable and accrued liabilities		(336,015)
Due to related parties		(55,186)
Value allocated to intangible assets (note 5)		7,396,821
	$	7,070,681

(Expressed in Canadian dollars, unless otherwise noted)

5. INTANGIBLE ASSETS

The intangible assets comprise several patents, licensed patents, patent applications, and the related in-process research and development work (collectively, "IPR&D") incurred up to the date of the Transaction (note 4). The Company has continued to carry on these in-process research and development projects. Therefore, these patents are classified as indefinite-lived intangible assets and are not amortized until they are available for use.

Balance as at October 31, 2019	$	-
Additions from BioVaxys acquisition (note 4)		7,396,821
Balance as at October 31, 2020 and April 30, 2021	$	7,396,821

The IPR&D intangible assets include the following:

Thomas Jefferson University License

BioVaxys entered into an exclusive license agreement dated April 25, 2018 with TJU for four US patents ("TJU License") related to a haptenized cancer vaccine using a single hapten vaccine technology ("Licensed Technology"). Pursuant to the agreement, BioVaxys was granted the exclusive right to use the TJU License to develop, make and sell products worldwide for the term from the agreement date to five years after the expiry of the patent. As a partial royalty for the license granted by TJU, BioVaxys issued to TJU a warrant at an exercise price of $10, which was automatically exercised and exchanged for the Company's shares on the date of the Transaction (note 4).

Under the agreement, BioVaxys is also required to pay to TJU the following payments when achieving the corresponding milestones ("Milestone Payment"):

- US$25,000 following enrollment of the first patient in a phase 3 clinical trial (or foreign equivalent if outside US) for a product utilizing the Licensed Technology;
- US$25,000 following US Food and Drug Administration allowance for a product utilizing the Licensed Technology; and
- US$100,000 once BioVaxys reaches US$5,000,000 in net sales of a product utilizing the Licensed Technology.

In addition, BioVaxys is required to pay to TJU a running royalty ("Royalty Payment") based on 2% of net sales of products under the TJU License, and 0.25% of net sales of such products during the period after the expiry of the patent.

As at April 30, 2021, BioVaxys has not made any payments towards either Milestone Payment or Royalty Payment. Among the four patents under the TJU License, two have expired and the other two expire in 2023 and 2026, respectively.

Bihaptenized Cancer Vaccines Patent

On September 24, 2018, Dr. David Berd, Chief Medical Officer of the Company, filed a patent application for bihaptenized autologous vaccines and the use thereof. The application, together with another application amended from it on October 16, 2018, form the technology platform for "bihaptenized cancer vaccines". On October 4, 2019, Dr. Berd assigned these patent applications to BioVaxys for $nil consideration, which form part of the intangible assets acquired in the Transaction (note 4).

(Expressed in Canadian dollars, unless otherwise noted)

5. INTANGIBLE ASSETS (continued)

Diagnostic Patent Application

In August 2020, BioVaxys began preparing a provisional patent application with the United States Patent and Trademark Office (USPTO) for a novel diagnostic platform invented by BioVaxys ("Diagnostic Platform"). The Diagnostic Platform is designed to screen for an immune system T-cell response in patients who may have been exposed to SARS-CoV-2, and a T-cell response in those patients who have received a vaccine for SARS-CoV-2 (not limited to the SARS-CoV-2 Vaccine Candidate), to evaluate, amongst others, viral infection status and vaccine efficacy. BioVaxys filed the US provisional patent application on October 28, 2020.

Haptenized Viral Protein Vaccine Patent Application

On March 3, 2020, BioVaxys filed another US provisional patent application, which is the basis of BXV-0320, BioVaxys' SARS-CoV-2 vaccine candidate.

6. RELATED PARTY TRANSACTIONS

Key management compensation

Key management consists of the officers and directors who are responsible for planning, directing and controlling the activities of the Company. The following expenses were incurred by the Company's key management:

For the six months ended		April 30, 2021		April 30, 2020
Management and consulting fees	$	344,567	$	27,000
Professional fees		10,275		-
General and administrative expenses		6,944		-
Rent		9,000		-
Share-based payments		218,300		-
	$	589,086	$	27,000

As at April 30, 2021, the Company was indebted to the related parties for a total of $107,978 (October 31, 2020 - $95,780) for management fees and reimbursable expenses. The amount is non-interest bearing and has no terms of repayment.

As at April 30, 2021, accounts payable included $9,826 (October 31, 2020 - $8,262) due to related parties relating to professional fees and reimbursable expenses.

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value authorized for issue.

(b) Stock split

Effective April 29, 2020, the Company completed a forward split of its issued and outstanding common shares on the basis of a two-for-one stock split of the Company's common shares. Shareholders received two new common shares for every one common share held. All references to share and per share amounts in these condensed consolidated interim financial statements have been retroactively restated to reflect the effect from the stock split.

7. SHARE CAPITAL (continued)

(c) Issued

Share capital activities for the six months ended April 30, 2021:

(i) The Company issued 144,527 common shares pursuant to a consulting agreement with a director of the Company. The shares were issued in exchange for $48,572 of consulting fees.

(ii) The Company issued 2,860,816 common shares pursuant to the exercise of warrants for proceeds of $254,702. Upon exercise, the fair value of warrants at $2,228 was reclassified from reserves to share capital.

(iii) The Company issued 100,000 common shares pursuant to the exercise of stock options for proceeds of $1,250. Upon exercise, the fair value of stock options at $1,145 was reclassified from reserves to share capital.

(iv) On February 5, 2021, the Company issued 4,417,647 units at a price of $0.255 per unit for total proceeds of $1,126,500. Each unit consists of one common share and one whole common share purchase warrant. Each warrant is exercisable to acquire one common share at an exercise price of $0.50 for a period of two years. In connection with the private placement, the Company paid a cash finder's fee equal to $60,000. The Company has applied residual method in valuing the shares and the share purchase warrants included in the units, therefore, these warrants have been recorded at $nil value.

Share capital activities for the year ended October 31, 2020:

(i) On August 26, 2020 and September 3, 2020, the Company issued 13,738,235 units for gross proceeds of $3,022,412, net of share issuance costs of $71,282. Each unit is comprised of one common share and one-half of one full warrant. Each warrant entitles the holder to acquire one common share at a price of $0.50 for two years. The Company paid cash commissions of $37,379 and issued 233,874 brokers' warrants with a fair value of $21,902.

(ii) On September 30, 2020, the Company issued 31,100,000 common shares pursuant to the Transaction (notes 1 and 4)

(iii) The Company issued 7,581,520 common shares pursuant to the exercise of warrants for proceeds of $379,076. Upon exercise, the fair value of warrants at $3,342 was reclassified from reserves to share capital.

(iv) The Company issued 200,000 common shares pursuant to the exercise of stock options for proceeds of $2,500. Upon exercise, the fair value of stock options at $2,290 was reclassified from reserves to share capital.

(Expressed in Canadian dollars, unless otherwise noted)

7. SHARE CAPITAL (continued)

(d) Stock options

The Company has a stock option plan (the "Plan") that permits the grant of share purchase options of up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms and pricing of options are determined at the date of grant in accordance with the Plan. Stock option transactions and the number of stock options outstanding are summarized below:

	Number	Weighted Average Exercise Price ($)
Balance, October 31, 2019	716,996	0.0182
Granted	3,600,000	0.4200
Forfeited	(240,280)	0.0282
Exercised	(200,000)	0.0125
Balance, October 31, 2020	3,876,716	0.3927
Granted	1,100,000	0.5366
Exercised	(100,000)	0.0125
Balance, April 30, 2021	4,876,716	0.4329

Share-based payment expense is determined using the Black-Scholes option pricing model. During the six months ended April 30, 2021, the Company recognized share-based payments of $677,581 (Six months ended April 30, 2020 - $nil) in equity reserves, which pertains to options granted to directors, officers and advisors of the Company. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	April 30, 2021	**April 30, 2020**
Risk-free interest rate	0.39%	0.36%
Dividend yield	0%	0%
Expected volatility	94.05%	92.99%
Expected life (years)	5	5
Forfeiture rate	0%	0%

The expected volatility used for the stock options granted during the six months ended April 30, 2021 is based on the historical share prices of comparable companies.

Additional information regarding stock options outstanding as at April 30, 2021 is as follows:

Expiry Date	Exercise Price ($)	Number of Options Issued	Number of Options Exercisable
October 6, 2021	N/A (1)	86,860	86,860
October 24, 2021	N/A (1)	4,992	4,992
December 2, 2021	N/A (1)	12,480	12,480
January 4, 2022	N/A (1)	12,480	12,480
January 5, 2022	N/A (1)	12,480	12,480
May 4, 2022	N/A (1)	32,448	32,448
May 25, 2022	N/A (1)	14,976	14,976
September 3, 2025	0.280	600,000	600,000
October 20, 2025	0.450	3,000,000	1,000,000
February 12, 2026	0.465	350,000	175,000
February 12, 2026	0.570	750,000	750,000
		4,876,716	2,701,716

(1) As part of the Arrangement with Bearing (note 10), Bearing options were issued to Bearing stock option holders, which are exercised concurrently when the related Bearing stock options are exercised. The related Bearing stock options have exercise prices ranging from $0.26 to $0.83 per share.

As at April 30, 2021, the weighted average remaining life for outstanding stock options was 4.39 (October 31, 2020 - 4.71) years.

(Expressed in Canadian dollars, unless otherwise noted)

7. SHARE CAPITAL (continued)

(e) Share purchase warrants

Share purchase warrants transactions and the number of share purchase warrants outstanding are summarized below:

	Number of Warrants Issued	Weighted Average Exercise Price ($)
Balance, October 31, 2019	9,950,000	0.05
Exercised	(7,435,000)	0.05
Granted	6,869,116	0.50
Balance, October 31, 2020	9,384,116	0.38
Granted	4,417,647	0.50
Exercised	(2,763,136)	0.09
Balance, April 30, 2021	11,038,627	0.50

Additional information regarding share purchase warrants outstanding as at April 30, 2021 is as follows:

Expiry Date	Exercise Price ($)	Number of Warrants Issued and Exercisable
August 26, 2022	0.50	5,143,689
September 3, 2022	0.50	1,477,291
February 5, 2023	0.50	4,417,647
		11,038,627

(f) Brokers' warrants

Brokers' warrants transactions and the number of brokers' warrants outstanding are summarized below:

	Number of Brokers' Warrants	Weighted Average Exercise Price ($)
Balance, October 31, 2019	244,200	0.05
Granted	233,874	0.50
Exercised	(146,520)	(0.05)
Balance, October 31, 2020	331,554	0.37
Exercised	(97,680)	(0.05)
Balance, April 30, 2021	233,874	0.50

Additional information regarding broker's warrants outstanding as at April 30, 2021, is as follows:

Expiry Date	Exercise Price ($)	Number of Warrants Issued and Exercisable
August 26, 2022	0.50	233,874
		233,874

(Expressed in Canadian dollars, unless otherwise noted)

7. SHARE CAPITAL (continued)

(f) Brokers' warrants

The brokers' warrants granted during the period ended April 30, 2020 were valued using the following Black-Scholes option pricing model assumptions:

	April 30, 2020
Risk-free interest rate	0.29%
Dividend yield	0%
Expected volatility	91.82%
Expected life (years)	2
Forfeiture rate	0%

(g) Escrow shares

As at April 30, 2021, 17,616,263 shares (October 31, 2020 - 23,483,503) were subject to escrow conditions and 3,522,525 shares will be released from escrow every six months until September 30, 2023.

(h) Reserves

The reserve records items recognized as share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

8. FINANCIAL INSTRUMENTS

Fair Value

As at April 30, 2021, the Company's financial instruments consist of cash, accounts payable and due to related parties. The fair values of these financial instruments approximate their carrying values due to their current nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

The Company is exposed to currency fluctuations. From time to time, the Company has US dollar balances in cash and accounts payable, and is therefore exposed to gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's profit or loss, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations at January 31, 2021.

8. FINANCIAL INSTRUMENTS (continued)

As at April 30, 2021, the Company, through its wholly owned subsidiary, had a foreign currency cash balance of US$3,956 and accounts payable of US$50,431. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately $5,800, based on the Company's current net exposure. In practice, the actual results may differ from this sensitivity analysis, and the difference may be material. Management considers foreign exchange to be a moderate risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing this instrument with institutions of high credit worthiness. The Company does not have significant exposure to credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at April 30, 2021, the Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date.

As of April 30, 2021, the Company had cash of $1,379,967 (October 31, 2020 - $2,423,095), accounts payable of $213,050 (October 31, 2020 - $753,798), accrued liabilities of $34,526 (October 31, 2020 - $50,513) and due to related parties of $107,978 (October 31, 2020 - $95,780). The Company's accounts payable and accrued liabilities are due within 90 days. Amounts due to related parties are due on demand. The Company addresses its liquidity through debt and equity financing obtained through the sale of common shares and the exercise of warrants and options. There is no assurance that it will be able to do so in the future. Liquidity risk is assessed as high.

9. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. As at April 30, 2021, the Company does not have any externally imposed capital requirements. The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through share issuances, option grants, warrant issuances and obtaining loans. The Company manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or obtain new loans.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. The Company will need to raise additional funds since its current cash position is not sufficient to cover its anticipated operating budget for the next twelve months. Given these factors, there exists a material uncertainty as to the Company's ability to raise additional funds on favorable terms in order to continue as a going concern.

(Expressed in Canadian dollars, unless otherwise noted)

10. DISCONTINUED OPERATION

On September 27, 2017, Bearing entered into an option agreement with FenixOro Gold Corp. ("Fenix"), formerly American Battery Metals Corp., whereby Fenix has the option to acquire a 50% interest in the Fish Lake Valley Project located in central-western Nevada (the "Option Agreement"). Bearing transferred its interest in the Fish Lake Valley Project and the Option Agreement to the Company under the Asset Purchase Agreement dated July 19, 2018.

During the year ended October 31, 2020, the Company initiated a plan to dispose of its interest in the Fish Lake Valley Project mineral properties. Accordingly, the Company's interest in the Fish Lake Valley Project is classified as asset held for sale, and the related operating result related to the project is presented as a discontinued operation.

During the year ended October 31, 2020, the Company terminated the Option Agreement with Fenix and impaired the mineral property by $55,000, as the recoverable amount was determined to be less than the carrying value. The Company then sold the interest in the Fish Lake Valley Project for $10,000 to Bearing.

The results of the discontinued operation are as follows:

For the six months ended		April 30, 2021		April 30, 2020
Operating expenses:				
Management and consulting fees	$	-	$	3,600
Professional fees		-		250
Travel and accommodation		-		1,038
Net loss from discontinued operation	$	-	$	4,888

11. SUBSEQUENT EVENTS

a) Subsequent to April 30, 2021, the Company issued 70,261 common shares pursuant to a consulting agreement with a director of the Company.

b) On June 28, 2021, the Company announced a non-brokered private placement consisting of up to 9,090,909 units ("Units") at a price of $0.22 per Unit for total gross proceeds of up to approximately $2,000,000. Each Unit consists of one common share and one whole common share purchase warrant. Each warrant is exercisable for one additional common share at an exercise price of $0.50 for a period of 30 months. All securities issued are subject to statutory hold period. Closing of the private placement is subject customary conditions of closing, including the approval of the CSE. The Company has received $22,000 in subscriptions for 100,000 Units related to the private placement subsequent to April 30, 2021.