OAKLEY VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JANUARY 31, 2021 AND 2020

UNAUDITED – PREPARED BY MANAGEMENT

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the 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 independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

OAKLEY VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
Unaudited – Prepared by Management
As at

	Note	January 31, 2021	April 30, 2020
ASSETS			
Current			
Cash		$ 173,688	$ 2,762
Receivables		1,548	826
Prepaid		20,684	-
Deferred financing costs		-	10,000
		195,920	13,588
Reclamation deposits	5	2,750	-
Exploration and evaluation assets	5	691,906	123,890
TOTAL ASSETS		$ 890,576	$ 137,478
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Trade payables		$ 171,808	$ 109,727
Due to related party	9	2,347	2,347
Loans payable	7	-	937
		174,155	113,011
Non-current liabilities			
Trade payables	6	-	33,286
Total liabilities		174,155	146,297
Shareholders' equity (deficiency)			
Share capital	8	964,475	273,250
Share subscribed	14	210,000	-
Reserves	8	27,087	-
Deficit		(485,141)	(282,069)
Total shareholders' equity (deficiency)		716,421	(8,819)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		$ 890,576	$ 137,478

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)
Authorized and approved by the Board of Directors on March 29, 2021.

"Glenn Collick"
Director

"James Gheyle"
Director

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

OAKLEY VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
Unaudited – Prepared by Management

	Note	Three months ended January 31, 2021	Three months ended January 31, 2020	Nine months ended January 31, 2021	Nine months ended January 31, 2020
EXPENSES					
Accounting and audit		$ 4,837	$ 10,030	$ 17,885	$ 30,828
Consulting fees		18,000	-	36,000	-
Interest on loan payable	7	-	25	213	25
Legal fees		10,800	-	54,738	-
Management fees	9	-	-	12,500	-
Office and administration		320	358	906	519
Rent		-	-	9,600	-
Shareholder information and promotion		1,050	-	21,645	-
Transfer agent and filing fees		7,557	5,250	49,228	5,250
Travel and accommodation		-	-	-	235
		(42,564)	(15,663)	(202,715)	(36,857)
BC METC refund		-	-	247	-
Foreign exchange gain (loss)		25	-	(604)	-
Net loss and comprehensive loss for the period		$ (42,539)	$ (15,663)	$ (203,072)	$ (36,857)
Loss per common share – basic and diluted		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		19,509,565	13,430,000	16,891,305	13,430,000

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

OAKLEY VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
Unaudited – Prepared by Management

	Nine months ended January 31, 2021	Nine months ended January 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (203,072)	$ (36,857)
Items not involving cash:		
Accrued interest on loan payable	213	25
Changes in non-cash working capital items:		
Receivables	(722)	(1,233)
Prepaid	(20,684)	-
Trade payables	(28,003)	32,059
Due to related party	-	(1,000)
Net cash used in operating activities	(252,268)	(7,006)
CASH FLOWS FROM INVESTING ACTIVITIES		
Reclamation deposits	(2,750)	
Exploration and evaluation assets	(91,218)	(3,000)
Net cash used in investing activities	(93,968)	(3,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares for cash	396,000	-
Shares subscriptions received	210,000	-
Share issue costs	(87,688)	-
Proceeds from loan payable	8,000	8,750
Repayment of loan payable	(9,150)	-
Net cash provided by financing activities	517,162	8,750
Change in cash	170,926	(1,256)
Cash, beginning	2,762	1,366
Cash, end	$ 173,688	$ 110

Supplemental disclosure with respect to cash flows (Note 13).

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

OAKLEY VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)
Unaudited – Prepared by Management

	Number of Shares	Share Capital	Shares Subscribed	Reserves	Deficit	Shareholders' Equity (Deficiency)
Balance, April 30, 2019	**13,430,000**	**$ 273,250**	**$ -**	**$ -**	**$ (192,744)**	**$ 80,506**
Net loss for the period	-	-	-	-	(36,857)	(36,857)
Balance, January 31, 2020	**13,430,000**	**$ 273,250**	**$ -**	**$ -**	**$ (229,601)**	**$ 43,649**
Balance, April 30, 2020	**13,430,000**	**$ 273,250**	**$ -**	**$ -**	**$ (282,069)**	**$ (8,819)**
Shares issued for cash	3,960,000	396,000	-	-	-	396,000
Shares issued for exploration and evaluation assets	3,000,000	420,000	-	-	-	420,000
Shares subscribed	-	-	210,000	-	-	210,000
Share issue costs	-	(124,775)	-	27,087	-	(97,688)
Net loss for the period	-	-	-	-	(203,072)	(203,072)
Balance, January 31, 2021	**20,390,000**	**$ 964,475**	**$ 210,000**	**$ 27,087**	**$ (485,141)**	**$ 716,421**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Oakley Ventures Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 17, 2017. The Company's head office and principal address is located at Suite 306, 1110 Hamilton Street, Vancouver, BC, Canada, V6B 2S2.

The Company is in the business of the exploration and development of natural resource properties in Canada and the USA.

During the period ended January 31, 2021, the Company completed its initial public offering ("IPO") of 3,960,000 common shares at a price of $0.10 per share for gross proceeds of $396,000. The common shares were approved for listing on the Canadian Securities Exchange on July 23, 2020, and began trading on July 24, 2020, under the symbol OAKY.

These condensed consolidated interim 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. As at January 31, 2021, the Company has not generated any revenues from operations, has working capital of $21,765 and a deficit of $485,141.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations. The extent of the impact of this outbreak and related containment measures on the Company's operations cannot be reliably estimated at the date of these condensed consolidated interim financial statements.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board (IASB), and its interpretations. However, these condensed consolidated interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. Accordingly, these interim financial statements should be read in conjunction with annual statements for the year ended April 30, 2020.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements are presented in Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

2. BASIS OF PREPARATION (continued)

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Oakley Ventures USA Corp., which is incorporated in Nevada, USA. All significant intercompany balances and transactions have been eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The subsidiaries of the Company are as follows:

Name of subsidiary	Incorporation	Interest January 31, 2021	Interest April 30, 2020
Oakley Ventures USA Corp.	Nevada, USA	100%	N/A

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

a) Significant judgments

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses.

b) Significant estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b) Significant estimates and assumptions (continued)

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and provisions for restoration and environmental obligations.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended April 30, 2020.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Koster Dam, Canada	Thunderbird, Canada	Quet & Fire, Canada	ESN, USA	Deer Musk East, USA	Total
Acquisition Costs						
Balance – April 30, 2019 and 2020	**$ 2,189**	**$ 846**	**$ 48,000**	**$ -**	**$ -**	**$ 51,035**
Additions	500	-	-	447,048	88,186	535,734
Balance – January 31, 2021	**$ 2,689**	**$ 846**	**$ 48,000**	**$ 447,048**	**$ 88,186**	**$ 586,769**
Exploration & Evaluation Expenditures						
Balance – April 30, 2019	**$ 67,257**	**$ 6,302**	**$ -**	**$ -**	**$ -**	**$ 73,559**
Assays	399	-	-	-	-	399
Consulting & professional	9,495	-	-	-	-	9,495
Field work	375	-	-	-	-	375
Travel and accommodation	286	-	-	-	-	286
Cost Recoveries	(9,686)	(1,573)	-	-	-	(11,259)
Balance – April 30, 2020	**68,126**	**4,729**	**-**	**-**	**-**	**72,855**
Consulting & professional	4,425	-	-	3,464	6,189	14,078
Field work	11,733	-	-	-	-	11,733
Geological & Geophysical	15,550	-	-	-	-	15,550
Travel and accommodation	938	-	-	-	-	938
Cost Recoveries	(9,770)	(247)	-	-	-	(10,017)
Balance – January 31, 2021	**$ 91,002**	**$ 4,482**	**$ -**	**$ 3,464**	**$ 6,189**	**$ 105,137**
Exploration & Evaluation Assets						
Balance – April 30, 2020	**$ 70,315**	**$ 5,575**	**$ 48,000**	**$ -**	**$ -**	**$ 123,890**
Balance – January 31, 2021	**$ 93,691**	**$ 5,328**	**$ 48,000**	**$ 450,512**	**$ 94,375**	**$ 691,906**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mining properties. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in Canada and the USA.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Koster Dam Property, Canada

On June 30, 2017, the Company entered into an option and joint venture agreement (the "Agreement") with a third party whereby the Company was granted the option to acquire up to a 100% interest in six (6) mineral claims located in the Clinton Mining Division of British Columbia (the "Property"). Pursuant to the Agreement, the Company was granted the sole and exclusive right and option (the "Initial Option") to acquire a 50% right, title and interest in the Property by incurring a total of $110,495 of expenditures on the Property within 12 months (extended to 15 months on April 18, 2018). Upon completing the Initial Option, the Company has the sole and exclusive irrevocable right and option (the "Call Option") to acquire the remaining 50% right, title and interest in the Property by paying $400,000 in cash. Concurrently with the Call Option, the third party has the option (the "Put Option") to dispose of the remaining 50% interest in the Property to the Company. The Company has the right to terminate the Agreement at any time up to the date of exercise of the Initial Option. In the event the Initial Option is completed but neither of the Call Option nor the Put Option are exercised, a joint venture will be formed in accordance with the terms and conditions of the Agreement.

On October 26, 2018, the Agreement was amended and replaced by an amended and restated option and joint venture agreement (the "Amended Agreement") whereby the Company was granted the option to acquire up to a 50% interest in 10 mineral claims. Pursuant to the Amended Agreement, the Company was granted the sole and exclusive right and option (the "Initial Option") to acquire a 45% right, title and interest in the Property by incurring a total of $110,495 of expenditures on the Property within 24 months from June 30, 2017 and the sole and exclusive right and option (the "Second Option") to acquire an additional 5% right, title and interest in the Property by paying $50,000 in cash within 30 days of exercising the Initial Option. At any time after June 30, 2018, the Company has the right to exclude any portion of the Property from the Amended Agreement. The Company has the right to terminate the Amended Agreement at any time up to the date of exercise of the Initial Option. In the event that the Initial Option is exercised, and regardless of whether or not the Second Option is exercised, a joint venture will be formed in accordance with the terms and conditions of the Amended Agreement.

On June 29, 2020, an amendment to the Amended Agreement was entered into whereby the due date for completion of the Initial Option was extended to October 1, 2020.

If, during the term of the Amended Agreement and so long as the joint venture agreement is still in force, either party or any of its affiliates stakes any interest in mineral claims or any other form of mineral tenure (the "AOI Tenure") within two kilometers around the perimeter boundaries of the Property or any part thereof (the Area of Interest or "AOI") located wholly or partly within the AOI, the acquiring party must give notice to the other party of such staking. If staking occurs prior to the formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property. If a non-acquiring party so elects and if the AOI Tenure was staked by the Company or any of its affiliates, the staking or acquisition costs shall constitute expenditures. If a non-acquiring party so elects and if the AOI Tenure was staked by the third party or any of its affiliates, the Company shall reimburse the third party for the staking or acquisition costs and these costs will also constitute expenditures. If such staking occurs after formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property provided that it then holds a participating interest, excluding any interest in any royalty, in the Property. If the AOI Tenure becomes part of the Property, the acquiring party shall be reimbursed its staking costs in proportion to its participating interest and such reimbursement shall be deemed a cost of the joint venture.

On March 18, 2020, the Chief Gold Commission of the Province of British Columbia extended the Company's time limit for doing exploration and development and registering a statement of the exploration and development, making payment instead of exploration and development and registering a revised expiry date on the Company's Koster Dam mineral claims from September 27, 2019 to October 1, 2020.

On September 30, 2020, the Company notified the third party that the Company had completed the minimum expenditure required to exercise the Initial Option and thereby acquired a 45% interest in the Koster Dam property.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Thunderbird Property, Canada

On May 31, 2017, the Company acquired an interest in one (1) mineral claim known as the Thunderbird Property.

Quet & Fire Property, Canada

On May 19, 2017, the Company entered into an agreement with an officer and director of the Company whereby the Company purchased the right, title, estate and interest in six (6) claims known as the Quet & Fire Property for a total consideration of $48,000, consisting of $41,750 in cash payments and the issuance of 1,250,000 common shares (issued at a fair value of $6,250).

ESN Property, USA

During the period ended January 31, 2021, the Company acquired the sole and exclusive option to purchase a 100% undivided interest in and to certain mineral claims known as the ESN project, pursuant to an assignment and novation agreement with Emigrant Springs Gold Corp. ("ESGC"), a Nevada corporation, and Trend Resources LLC ("Trend"), a Nevada limited liability company. The property consists of 17 unpatented mining claims and 16 additional unperfected claims located in White Pine county in Nevada, all of which are owned by Trend. Trend previously granted ESGC the option to acquire the property pursuant to a mining lease and option to purchase agreement.

The aggregate purchase price for the ESN Property is US$125,000 (US$15,000 of which has already been paid by ESGC), payable by the Company in tranches over a period of five years (USD$20,575 paid during the period ended January 31, 2021).

In addition, the Company is required to incur an aggregate of US$300,000 in qualifying exploration expenditures on the ESN Property over a period of two years in order the exercise the Option.

During the period ended January 31, 2021, the Company issued 3,000,000 common shares to the shareholders of ESGC as an assignment fee at fair value of $420,000.

Deer Musk East, USA

During the period ended January 31, 2021, the Company acquired a lithium property located in Nevada's Clayton Valley, known as the Deer Musk East. The property consists of 275 claims.

Reclamation Bonds

During the period ended January 31, 2021, the Company paid half of the $5,500 deposited to the Ministry of Energy and Mines for the reclamation permit of Koster Dam property.

6. TRADE PAYABLES

A third-party vendor has agreed to postpone the payment due date of $33,286 until August 24, 2021. This amount has been classified as non-current liability on the statement of financial position as at April 30, 2020, and paid in full on August 5, 2020.

(Expressed in Canadian Dollars)

7. LOANS PAYABLE

During the period ended January 31, 2021, the Company received a loan in the amount $8,000 from a shareholder of the Company. This loan bore interest at 10% per annum, and was repaid on August 6, 2020.

During the year ended April 30, 2020, the Company received a loan in the amount of $8,750 from a shareholder of the Company and repaid $8,000. This loan bore interest at 10% per annum, and the remainder of this loan was repaid on September 18, 2020.

As of January 31, 2021, the Company recorded interest expense of $213 related to the loans (2020 - $25).

8. SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value, and an unlimited number of preferred shares without par value. At January 31, 2021 and 2020, only common shares were issued and outstanding.

During the period ended January 31, 2021, the Company:

a) Completed its initial public offering (“IPO”) of 3,960,000 common shares at a price of $0.10 per share for gross proceeds of $396,000. Pursuant to an agency agreement dated May 6, 2020, Mackie Research Capital Corporation acted as agent for the IPO. The agent received a cash commission equal to 10% of the gross proceeds of the IPO, or $39,600, and a corporate finance fee of $20,000 plus GST, in addition to reimbursement of reasonable expenses. Additionally, the Company granted agent’s warrants at a fair value of $27,087 to purchase an aggregate of 396,000 common shares at a price of $0.10 per share, exercisable on or before July 23, 2022.

b) Issued 3,000,000 common shares with a fair value of $420,000 relating to an exploration and evaluation asset (Note 5).

Pursuant to an escrow agreement dated December 11, 2019, 2,690,000 common shares of the Company were deposited into escrow. 269,000 of these common shares were released from escrow on the Company’s listing on the Canadian Securities Exchange. The remaining common shares will be released in equal instalments 6, 12, 18, 24, 30 and 36 months after the listing date.

There were no share issuance during the year ended April 30, 2020.

Stock options

No options were outstanding as at January 31, 2021 and 2020.

Subsequent to the period ended January 31, 2021, the Company granted 500,000 stock options at an exercise price of $0.40 expiring on February 8, 2026.

Warrants

	Number of Warrants	Weighted Average Exercise Price ($)
Outstanding, April 30, 2019 and 2020	-	-
Granted	396,000	0.10
Outstanding, January 31, 2021	**396,000**	**0.10**

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Warrants (continued)

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

Exercise price	Number of warrants	Expiry Date
$ 0.10	396,000	July 23, 2022*
	396,000	

*67,000 exercised subsequent to the period ended January 31, 2021.

During the period ended January 31, 2021, the Company granted 396,000 agent's warrants with a fair market value of $27,087 or $0.07 per warrant which was charged to share issue costs. The following weighted average assumptions were used for the Black-Scholes valuation of the warrants assuming no expected dividends or forfeitures:

	Period ended January 31, 2021	Year ended April 30, 2020
Stock price	**$ 0.10**	-
Risk-free interest rate	**0.27%**	-
Expected life (in years)	**2**	-
Expected volatility	**141.56%**	-

Expected volatility was calculated using historical volatility of comparable companies as an expectation of the Company's future volatility.

Subsequent to the period ended January 31, 2021, the Company issued 6,250,000 warrants in relation to a private placement.

9. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at January 31, 2021, there is $2,347 (April 30, 2020 - $2,347) due to Glenn Collick, an officer and director of the Company. This amount is non-interest bearing with no stated terms of payment.

During the period ended January 31, 2021, the Company paid/accrued $12,500 (2020 - $Nil) to Sam Eskandari, an officer and director of the Company. The amount has been classified into management fees in the condensed consolidated interim statements of comprehensive loss.

10. CAPITAL DISCLOSURE AND MANAGEMENT

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the period.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Trade payables are due within the current operating period, except as disclosed in Note 6.

(c) *Market ri*sk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. A 10% fluctuation in the US$ against the Canadian dollar would not have a significant affect on net comprehensive loss.

(d) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(e) *Commodity Price Risk*

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

12. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and development of exploration and evaluation assets.

The Company operates in Canada. The Company's exploration and evaluation assets are located in Canada and the USA.

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended January 31, 2021 included:

(a) Granted agent's warrants at a fair value of $27,087 to purchase an aggregate of 396,000 common shares at a price of $0.10 per share upon completion of the Company's IPO.

(b) Issued 3,000,000 common shares valued at $420,000 for the acquisition of exploration and evaluation assets.

(c) Included in exploration and evaluation assets is $112,306 which is in trade payables.

Significant non-cash transactions during the period ended January 31, 2020 included:

(a) Included in exploration and evaluation assets is $47,383 which is in trade payables.

14. SUBSEQUENT EVENTS

Subsequent to the period ended January 31, 2021, the Company:

a) Closed a non-brokered private placement at a price of $0.12 per unit for proceeds of $750,000 (of which $210,000 was received during the period ended January 31, 2021). The Company issued an aggregate of 6,250,000 units, with each unit consisting of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.50 per share for a period of 24 months.

b) Announced a non-brokered private placement at a price of $0.50 per unit for proceeds up to $5,000,000. The Company plans to issue up to an aggregate of 10,000,000 units, with each unit consisting of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.75 per share for a period of two years.