HAWKMOON RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE 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 three months ended June 30, 2021 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

HAWKMOON RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at June 30, 2021 and March 31, 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		June 30, 2021		March 31, 2021
ASSETS				
Current				
Cash and cash equivalents	$	574,137	$	764,429
Amounts receivable		55,446		28,518
Prepaid expenses and deposits (Note 8)		269,376		64,765
Marketable securities (Note 6)		18,500		29,500
		917,459		887,212
Exploration and evaluation assets (Note 5)		407,000		16,000
	$	1,324,459	$	903,212
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 8)	$	115,711	$	38,692
SHAREHOLDERS' EQUITY				
Share capital (Note 7)		2,534,917		1,676,330
Share subscriptions received		18,610		19,210
Contributed surplus		238,463		3,080
Deficit		(1,583,242)		(834,100)
		1,208,748		864,520
	$	1,324,459	$	903,212

Going concern (Note 2)
Commitments (Notes 5 and 7)
Subsequent events (Notes 7 and 11)

APPROVED ON BEHALF OF THE BOARD:

"Branden Haynes" Director
Branden Haynes

"Geoff Balderson" Director
Geoff Balderson

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

HAWKMOON RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended June 30, 2021	2020
Administrative expenses		
Consulting fees (Note 8)	$ 309,694	$ 55,185
Filing fees	2,085	-
General exploration costs (Note 8)	59,821	2,584
Marketing	81,152	-
Office and general	10,410	619
Rent (Note 8)	4,400	2,500
Share-based payment (Notes 7 and 8)	217,783	-
Professional fees	41,054	8,496
Regulatory and transfer agent fee	11,743	-
Travel and conferences	-	410
	738,142	69,794
Loss before other income	(738,142)	(69,794)
Other income		
Unrealized loss on marketable securities	(11,000)	-
Net loss and comprehensive loss for the period	$ (749,142)	$ (69,794)
Basic and diluted loss per share	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding	37,016,843	6,800,001

HAWKMOON RESOURCES CORP.
CONDENSED INTEIRM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For three months ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Shares	Capital Stock	Share subscriptions Received	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, March 31, 2020	6,800,001	$ 136,000	$ 438,300	$ -	$ (382,371)	$ 191,929
Share subscriptions received	-	-	198,374	-	-	198,374
Net loss for the period	-	-	-	-	(69,794)	(69,794)
Balance, June 30, 2020	6,800,001	$ 136,000	$ 636,674	$ -	$ (452,165)	$ 320,509
Balance, March 31, 2021	29,218,601	$ 1,676,330	$ 19,210	$ 3,080	$ (834,100)	$ 864,520
Initial public offering	7,500,000	750,000	-	-	-	750,000
Share issue cost - cash	-	(115,213)	-	-	-	(115,213)
Agent's warrants issued	-	(48,000)	-	48,000	-	-
Shares issued for cash	650,000	37,500	(18,600)	-	-	18,900
Exercise of stock options	380,000	79,800	-	(30,400)	-	49,400
Shares issued for mineral properties	1,330,000	154,500	-	-	-	154,500
Stock based payments	-	-	-	167,200	-	167,200
Stock based payments on RSU granted	-	-	-	50,583	-	50,583
Share subscriptions received	-	-	18,000	-	-	18,000
Net loss for the period	-	-	-	-	(749,142)	(749,142)
Balance, June 30, 2021	39,078,601	$ 2,534,917	$ 18,610	$ 238,463	$ (1,583,242)	$ 1,208,748

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

HAWKMOON RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the three months ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended June 30,			
		2021		**2020**
Operating Activities				
Net loss for the period	$	(749,142)	$	(69,794)
Items not affecting cash:				
Share-based payments		217,783		-
Unrealized gain/loss on marketable securities		11,000		-
Changes in non-cash working capital items related to operations:				
Amounts receivable		(26,928)		(2,892)
Prepaid expenses and deposits		(204,611)		1,521
Accounts payable and accrued liabilities		77,019		11,910
Cash used in operating activities		(674,879)		(59,255)
Investing Activity				
Mineral property acquisition		(236,500)		-
Cash used in investing activity		(236,500)		-
Financing Activities				
Shares issued for cash		818,300		-
Share issue cost		(115,213)		-
Share subscriptions received		18,000		198,374
Cash provided by financing activities		721,087		198,374
Changes in cash during the period		(190,292)		139,119
Cash, beginning of period		764,429		140,455
Cash and cash equivalents, end of the period	$	574,137	$	279,574
Cash and cash equivalents consist of:				
Cash	$	574,137	$	278,389
Cash held in trust		-		1,185
	$	574,137	$	279,574
Supplemental Disclosure of Cash Flow Information:				
Cash paid during the period:				
Interest	$	-	$	-
Income taxes	$	-	$	-
Non-cash Transactions				
Shares issued for exploration and evaluation assets	$	154,500	$	-
Fair value transferred on exercise of stock options	$	30,400	$	-
Fair value of agent's warrants	$	48,000	$	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange ("CSE"). On April 15, 2021, the Company was listed and commenced trading on the CSE on April 19, 2021 under the trading symbol "HM". On May 11, 2021, the Company also listed and commenced trading on the Börse Frankfurt in Germany under the symbol "966".

The Company was incorporated on April 26, 2019 in British Columbia. The head office and registered and records office of the Company is located at 409 Granville Street, Suite 1000, Vancouver, British Columbia, Canada, V6C 1T2.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on August 30, 2021.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim financial statements are presented in Canadian dollars, unless otherwise noted.

(c) Going Concern

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At June 30, 2021, the Company has not achieved profitable operations, has accumulated losses of $1,583,242 (March 31, 2021 - $834,100) since inception and expects to incur further losses in the development of its business.

There was a global pandemic outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

2. BASIS OF PREPARATION – (cont'd)

(c) Going Concern – (cont'd)

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at December 31, 2020.

Accounting standards and amendments

The following new standards and amendments are not yet effective and have not been applied in preparing these financial statements. The Company does not expect the adoption of this standard to have a significant impact on the condensed interim financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS – (cont'd)

Exploration and Evaluation Asset and Impairment

The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Going Concern

The assessment of the Company's ability to continue as a going concern requires significant judgement. See Note 2(c).

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

5. EXPLORATION AND EVALUATION ASSETS

The following tables summarize the Company's exploration and evaluation assets as at June 30, 2021 and March 31, 2021.

As at June 30, 2021 and March 31, 2021	Romeo Property	Wilson Property	Lava Property	Total
Balance, March 31, 2020 and 2021	$ 16,000	$ -	$ -	$ 16,000
Cash – payment	20,000	200,000	16,500	236,500
Shares issued	37,500	84,000	33,000	154,500
Balance, June 30, 2021	$ 73,500	$ 284,000	$ 49,500	$ 407,000

The following tables summarize the Company's exploration expenditures for the period ended June 30, 2021 and the year ended March 31, 2021.

For the three months ended June 30, 2021	Wilson Property	Lava Property	Romeo Property	Total
Exploration expenditures				
Geological	$ 24,667	$ 2,825	$ 16,850	$ 44,342
Survey		15,479	-	15,479
	$ 24,667	$ 18,304	$ 16,850	$ 59,821

5. EXPLORATION AND EVALUATION ASSETS – (cont'd)

Romeo Property

By a mineral property option agreement dated May 17, 2019, the Company may acquire up to a 100% interest in the Romeo Property. This property consists of 53 mineral claims located in Quebec, Canada. As consideration, the Company will pay cash of $150,000, issue 1,500,000 common shares of the Company and incur $1,000,000 in exploration expenditures as follows:

a) Cash payment of $10,000 and issuance of 300,000 common shares within 60 days of acceptance of the Agreement (paid and issued);
b) Incur a minimum of $60,000 in exploration expenditures within the six months from the agreement date (incurred);
c) Cash payment of $20,000 and issuance of 300,000 common shares of the Company within 30 days on the listing of the Company on the CSE;
d) Cash payment of $30,000 and issuance of 300,000 common shares of the Company and incur $200,000 in exploration expenditures within one year after listing on the CSE;
e) Cash payment of $40,000 and issuance of 300,000 common shares of the Company and incur $340,000 in exploration expenditures within two years after listing on the CSE; and
f) Cash payment of $50,000, issuance of 300,000 common shares of the Company and incur $400,000 exploration expenditures within three years after listing on the CSE.

Should the Company acquire 100% of the property, the optionor will retain a 2% net smelter returns royalty, 1% of which may be purchased by the Company for $1,000,000.

Wilson Gold Property

On April 22, 2021, the Company entered into an option agreement with Cartier Resources Inc. to acquire 100% interest in the Wilson gold property located in Verneuil township east of the town of Lebel-sur-Quevillon Quebec. The property comprises of 42 mineral claims totalling approximately 1,660 hectares. As consideration, the Company is required to pay cash of $1,000,000, issue an aggregate of 5,000,000 common shares, incur not less than $6,000,000 in exploration expenditures and drill a minimum of 24,000 metres over a period of five years as follows:

a) Cash payment of $200,000 and issuance of 700,000 common shares upon execution of the agreement (paid and shares issued);
b) Cash payment of $150,000, issuance of 700,000 common shares, minimum exploration expenditures of $750,000 and drilling of 3,000 m within the first anniversary date;
c) Cash payment of $150,000, issuance of 800,000 common shares, minimum exploration expenditures of $750,000 and drilling of 3,000 m within the second anniversary date;
d) Cash payment of $250,000, issuance of 800,000 common shares, minimum exploration expenditures of $1,000,000 and drilling of 4,000 m within the third anniversary date;
e) Cash payment of $25,000, issuance of 1,000,000 common shares, minimum exploration expenditures of $1,500,000 and drilling of 6,000 m within the fourth anniversary date;
f) Issuance of 1,000,000 common shares, minimum exploration expenditures of $2,000,000 and drilling of 8,000 m within the fifth anniversary date.

Upon exercise of the option, the Cartier Resources Inc. will retain a 2% net smelter return royalty ("NSR") of which 1% NSR may be purchased by the Company for $4,000,000.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – (cont'd)

Lava Gold Property

On May 18, 2021, the Company entered into an option agreement with two arms length individuals (the "Vendors") to acquire 100% interest in the Lava gold property located in Latulipe-et-Gaboury township of western Quebec. The property comprises of 42 mineral claims totalling approximately 2,115 hectares. As consideration, the Company will pay cash of $115,500, issue 1,320,000 common shares and complete $500,000 of work expenditures over three a year period as follows:

a) Cash payment of $16,500, issuance of 330,000 common shares within five business days of exchange acceptance (paid and shares issued);
b) Cash payment of $33,000, issuance of 330,000 common shares and incur $100,000 in exploration expenditures on or before the first anniversary date;
c) Cash payment of $33,000, issuance of 330,000 common shares and incur an additional $200,000 in exploration expenditures on or before the second anniversary date;
d) Cash payment of $33,000, issuance of 330,000 common shares and incur an additional $200,000 in exploration expenditures on or before the third anniversary date;

Upon exercise of the option, the Vendors will retain a 3% net smelter return royalty ("NSR") of which 1% NSR may be purchased by the Company for $1,000,000. In accordance with the agreement, the Company has issued 330,000 shares subsequent to the year end.

6. MARKETABLE SECURITIES

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. A continuity of the Company's marketable securities is as follows:

Investment in marketable securities	Number of shares/Units Held	Investment Cost	Fair Value at June 30, 2021	Fair Value at March 31, 2021
	#	$	$	$
Public Company				
Klondike Silver Corp.	200,000	10,000	12,000	20,000
Private Companies				
Mayne Minerals Inc.	25,000	2,500	2,500	2,500
Investment in warrants	100,000	-	4,000	7,000
Total		12,500	18,500	29,500

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued

During the three months ended June 30, 2021.

On April 16, 2021, the Company completed its offering and issued 7,500,000 units for gross proceeds of $750,000. Each Unit is comprised of one common share and one Share purchase warrant (a "Warrant") entitling the holder to acquire one Common Share at a price of $0.15 per share expiring on April 16, 2023 subject to the option of the Company to accelerate the expiry date of the Warrants if the weighted average trading price of the Common Shares during the 10 consecutive trading days immediately prior to the date on which such calculation is made is equal to or greater than $0.25. In connection with the offering, the Company paid a cash finder's fee totaling $115,213 consisting of a commission of $60,000, corporate finance fee of $25,000 plus GST and other costs totaling $30,213. The Company also issued 600,000 agent's warrants exercisable at $0.15 per share expiring on April 16, 2023. These finders' warrants were fair valued at $48,000 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.31%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.15. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable startup companies.

On April 16, 2021, the Company issued 650,000 common shares for total proceeds of $37,500 and 100,000 share purchase warrants exercisable at $0.15 for a period of two years from the date of issuance.

On April 22, 2021, pursuant to the terms of an option agreement the Company issued 700,000 common shares fair valued at $84,000.

On May 3, 2021, the Company issued 380,000 common shares pursuant to the exercise of stock options for total proceeds of $49,400. The Company transferred $30,400 from contributed surplus to share capital.

On May 6, 2021, pursuant to the terms of an option agreement the Company issued 300,000 common shares fair valued at $37,500

On May 26, 2021, pursuant to the terms of an option agreement the Company issued 330,000 common shares fair valued at $33,000

7. SHARE CAPITAL – (cont'd)

(b) Issued – (cont'd)

During the period ended March 31, 2021:

On September 11, 2020, the Company completed a non-brokered private placement of 1,787,600 units at $0.10 for total proceeds of $178,760. Each unit consists of one common share and one share purchase warrant, entitling the holder the right to purchase one common share at a price of $0.15 per share expiring two years from the date of listing on the CSE. In connection with the private placement, the Company paid a cash finder's fee of $700 and issued 7,000 finders' warrants exercisable at $0.15 for a period of two years from the date of issuance. These finder's warrants were fair valued at $280 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.25%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.10.

On September 2, 2020, the Company completed a non-brokered private placement of 1,100,000 units at $0.10 for total proceeds of $110,000. Each unit consists of one common share and one share purchase warrant, entitling the holder the right to purchase one common share at a price of $0.15 per share expiring three years from the date of listing on the CSE.

On July 31, 2020, the Company completed a non-brokered private placement of 4,950,000 units at $0.10 for total proceeds of $495,000. Each unit consists of one common share and one share purchase warrant, entitling the holder the right to purchase one common share at a price of $0.15 per share expiring three years from the date of listing on the CSE. In connection with the private placement, the Company paid a cash finder's fee of $3,850 and issued 38,500 finders' warrants exercisable at $0.15 for a period of two years from the date of issuance. These finder's warrants were fair valued at $1,540 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.26%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.10.

On July 30, 2020, the Company completed a non-brokered private placement of 1,545,000 units at $0.10 for total proceeds of $154,500. Each unit consists of one common share and one share purchase warrant, entitling the holder the right to purchase one common share at a price $0.15 per share expiring two years from the date of listing on the CSE.

On July 29, 2020, the Company completed a non-brokered private placement of 13,036,000 shares at $0.05 for total proceeds of $651,800. In connection with the private placement, the Company paid a cash finder's fee of $42,100 and issued 42,000 finders' warrants exercisable at $0.05 for a period of two years from the date of issuance. These finders' warrants were fair valued at $1,260 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.26%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of $0.05.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL – (cont'd)

(c) Share Purchase Warrants

The changes in share purchase warrants were as follows:

	June 30, 2021	Weighted Average Exercise Price	March 31, 2021	Weighted Average Exercise Price
Balance, beginning of period	9,482,600	$0.15	-	$ -
Issued	7,500,000	0.15	9,482,600	0.15
Balance, end of period	16,982,600	$0.15	9,482,600	$0.15

As at June 30, 2021, the Company had 16,982,600 share purchase warrants outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life
7,500,000	$0.15	April 16, 2023	1.79 yrs
3,432,600	$0.15	April 19, 2023	1.80 yrs.
6,050,000	$0.15	April 19, 2024	2.80 yrs.
16,982,600			

(d) Finders' Warrants

The changes in finders' warrants were as follows:

	June 30, 2021	Weighted Average Exercise Price	March 31, 2021	Weighted Average Exercise Price
Balance, beginning of period	87,500	$0.10	-	$ -
Issued	600,000	0.15	87,500	0.10
Balance, end of period	687,500	$ 0.14	87,500	$ 0.10

As at June 30, 2021, the Company had 687,500 finders' warrants outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life
600,000	$0.15	April 16, 2023	1.79 yrs
42,000	$0.05	April 19, 2023	1.80 yrs.
45,500	$0.15	April 19, 2023	1.80 yrs.
687,500	$0.10		1.80 yrs.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL – (cont'd)

(e) Escrow Shares

Pursuant to an escrow agreement dated March 5, 2021, an aggregate of 6,000,000 common shares will be placed into escrow to be released as to 10% upon receipt of notice from the CSE confirming the listing of the Company's common shares on the CSE with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following receipt of such notice. On April 15, 2021, 600,000 common shares were released from escrow.

(f) Stock Options

The Company adopted a stock option plan whereby the Board of Directors may, from time to time, grant incentive stock options to directors, officers, employees and consultants. Under the plan, stock options issued may not exceed 10% of the issued common shares of the Company. The term of the options shall be ten years from the grant date unless otherwise determined by the Board. The exercise price shall be determined by the Board but shall not be less than the fair market value of the common shares on the grant date. There were no stock options granted during the year ended March 31, 2021.

On May 3, 2021, the Company granted 2,090,000 stock options to directors, officers and consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.13 per share expiring on May 3, 2025. These stock options vested at the date of grant with a fair value of $167,200 which was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.125; Risk-free interest rate of 0.49%; Dividend yield of 0%; Expected life of 4 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies.

The changes in stock options were as follows:

	June 30, 2021	Weighted Average Exercise Price	March 31, 2021	Weighted Average Exercise Price
Balance, beginning of period	-	$ -	-	$ -
Granted	2,090,000	0.13	-	-
Exercised	(380,000)	0.13	-	-
Balance, end of period	1,710,000	$0.13	-	-

Restricted Share Unit Plan

On May 3, 2021, the Company agreed to grant 1,710,000 Restricted Stock Unit ("RSU") to directors, officers and consultants of the Company that vest at 25% every three months with the first vesting on August 3, 2021. During the three months ended June 30, 2021, the Company recognized $50,583 (June 30, 2020 - $Nil) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. Subsequent to June 30, 2021, 427,500 common shares were issued.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	For the three months ended June 30, 2021	2020
Consulting fees		
Branden Haynes, Director and CEO	$ 30,000	$ 15,000
Thomas Clarke, Director, VP explorations		-
Company controlled by Director and CFO	9,000	-
	39,000	15,000
General exploration		
Company controlled by Director and VP explorations	39,560	-
Rent		
Company controlled by Director and VP explorations	1,000	-
Company controlled by Director and CFO	2,400	-
	3,400	-
Share-based payment		
Branden Haynes, Director and CEO	49,311	-
Geoff Balderson, Director and CFO	49,311	-
Hugh Oswald, Director	27,395	-
Thomas Clarke, Director and VP explorations	49,311	-
	175,328	-
	$ 257,288	$ 15,000

Included in prepaid expenses at June 30, 2021 is $78,479 (March 31, 2021 - $4,179) in advances on expenses to the CEO and a company controlled by the VP of explorations.

Included in accounts payable and accrued liabilities at June 30, 2021 is $9,198 (March 31, 2021 - $7,445) in unpaid consulting fees and other balances owing to directors and officers of the Company. These amounts owing are unsecured, due on demand, and non-interest bearing.

On May 3, 2021, the Company agreed to grant 1,710,000 Restricted Stock Unit ("RSU") consisting of 1,600,000 RSU to directors, officers and 110,000 RSU to consultants of the Company that vest at 25% every three months with the first vesting on August 3, 2021. During the three months ended June 30, 2021, the Company recognized $50,583 (June 30, 2020 - $Nil) as share-based payment consisting of $47,328 to directors and officers of the Company which is included in the above noted table.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject to. Capital of the Company comprises of cash and cash equivalents and shareholders' equity.

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.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the period.

10. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at June 30, 2021, the Company had a working capital of $801,748 (March 31, 2021 - $848,520).

10. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest rate risk

The Company is not exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Financial instruments that potentially expose the Company to credit risk is cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash and cash equivalents and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals. The fair value of these financial instruments approximates their carrying value under the effective interest method.

10. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

11. SUBSEQUENT EVENTS

Subsequent to June 30, 2021

The Company completed a private placement of 3,215,000 flow-through units ("FT unit") at a price of $0.10 per FT unit and 6,789,571 non-flow-through units ("NFT unit") at a price of $0.07 per NFT unit for total gross proceeds of $796,770. Each NFT unit consist of one common share and one share purchase warrant entitling the holder to purchase one common share at a price of $0.17 per share for period of 24 months from date of issuance. Each FT unit consist of one flow-through common share and one share purchase warrant with similar terms as noted above. In connection with the private placement, the Company paid cash finders fees of $33,270 and issued 454,580 finders' warrants exercisable at $0.17 per share for a period of 24 months from the date of issuance.