

FORTY PILLARS MINING CORP.

Condensed Interim Financial Statements

For the Three Months Ended May 31, 2022 and 2021

(Unaudited - expressed in Canadian Dollars)

FORTY PILLARS MINING CORP.**Condensed Interim Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)**

	Note	May 31, 2022	February 28, 2022
		\$	\$
ASSETS			
Current assets			
Cash		22,669	144,418
Amounts receivable		36,973	34,064
Investments	5	181,543	402,210
Prepays		13,250	27,500
		254,435	608,192
Exploration and evaluation assets	3,4	3,745,790	3,680,790
		4,000,225	4,288,982
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	144,848	148,243
		144,848	148,243
Promissory note	4,6	1,808,622	1,758,841
		1,953,470	1,907,084
SHAREHOLDERS' EQUITY			
Share capital	7	2,625,039	2,610,039
Reserves		340,308	340,308
Deficit		(918,592)	(568,449)
		2,046,755	2,381,898
		4,000,225	4,288,982
Nature and continuance of operations (Note 1)			
Subsequent event (Note 12)			

Approved on behalf of the Board of Directors on July 26, 2022

/s/ Nader Vatanchi
Nader Vatanchi
Director

/s/ Emma Fairhurst
Emma Fairhurst
Director

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

FORTY PILLARS MINING CORP.**Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)**

			Three months ended
	Note	2022	May 31,
		\$	2021
			\$
Expenses			
Advertising and promotion		22,975	-
Consulting fees	8	15,000	-
Filing and listing fees		4,103	234,433
Interest expense	6	49,856	433
Management and director fees	8	22,500	-
Office and general		2,690	6,727
Professional fees	8	12,352	4,048
Share-based compensation	7,8	-	131,570
Operating expenses		(129,476)	(377,211)
Unrealized loss on fair value of investments	5	(220,667)	-
Loss and comprehensive loss for the period		(350,143)	(377,211)
Basic and diluted loss per common share		(0.02)	(0.41)
Weighted average number of common shares outstanding		14,499,111	912,077

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

FORTY PILLARS MINING CORP.**Condensed Interim Statements of Cash Flows**
(Unaudited - expressed in Canadian Dollars)

		Three months ended May 31, 2021
	2022	2021
	\$	\$
Cash flows used in operating activities		
Loss for the period	(350,143)	(377,211)
Items not affecting cash:		
Accrued interest expense	49,781	-
Share-based compensation	-	131,570
Unrealized loss on fair value of investments	220,667	-
Changes in non-cash working capital:		
Amounts receivable	(2,909)	(9,890)
Prepays	14,250	-
Accounts payable and accrued liabilities	(3,395)	185,759
	(71,749)	(69,772)
Cash flows (used in) provided by investing activities		
Exploration and evaluation assets	(50,000)	(11,680)
Cash acquired on plan of arrangement	-	66,894
	(50,000)	55,214
Cash flows provided by financing activities		
Shares issued for cash	-	238,000
	-	238,000
Change in cash during the period	(121,749)	233,442
Cash, beginning of period	144,418	1
Cash, end of period	22,669	223,443
Supplemental cash flow information (Note 9)		

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

FORTY PILLARS MINING CORP.**Condensed Interim Statements of Changes in Shareholders' Equity**
(Unaudited - expressed in Canadian Dollars)

	Number of common shares	Share Capital	Subscription receivable	Reserves – Share-based payments	Reserves – Capital Contribution	Total Reserves	Deficit	Total
		\$	\$	\$	\$	\$	\$	\$
Balance, February 28, 2021	1	1	-	-	-	-	-	1
Cancellation of incorporation share	(1)	(1)	-	-	-	-	-	(1)
Shares issued per plan of arrangement	3,242,589	518,814	-	-	-	-	-	518,814
Shares issued for cash	3,750,000	600,000	(362,000)	-	-	-	-	238,000
Share-based compensation	-	-	-	131,570	-	131,570	-	131,570
Loss for the period	-	-	-	-	-	-	(377,211)	(377,211)
Balance, May 31, 2021	6,992,589	1,118,814	(362,000)	131,570	-	131,570	(377,211)	511,173
Shares issued for cash	7,500,000	1,500,000	362,000	-	-	-	-	1,862,000
Share issuance costs	-	(8,775)	-	-	-	-	-	(8,775)
Share-based compensation	-	-	-	(25,417)	-	(25,417)	-	(25,417)
Capital contribution	-	-	-	-	234,155	234,155	-	234,155
Loss for the period	-	-	-	-	-	-	(191,238)	(191,238)
Balance, February 28, 2022	14,492,589	2,610,039	-	106,153	234,155	340,308	(568,449)	2,381,898
Shares issued for exploration and evaluation assets	200,000	15,000	-	-	-	-	-	15,000
Loss for the period	-	-	-	-	-	-	(350,143)	(350,143)
Balance, May 31, 2022	14,692,589	2,625,039	-	106,153	234,155	340,308	(918,592)	2,046,755

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

FORTY PILLARS MINING CORP.

Notes to the Condensed Interim Financial Statements
For the three months ended May 31, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Forty Pillars Mining Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on February 4, 2021. The address of its head office is located at Suite 488-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6. The Company’s registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5.

The Company was created to facilitate an Arrangement Agreement dated April 1, 2021 (“Arrangement Agreement”) with Origen Resources Inc. (“Origen”). In accordance with the Arrangement Agreement, the Company was incorporated as a wholly-owned subsidiary of Origen. Origen transferred its mineral exploration business and other assets to the Company in exchange for 3,242,589 common shares. The common shares were then distributed to Origen and the shareholders of Origen. The exchange in shares for the exploration business and other assets has been recorded as a capital transaction at the fair value of the net assets received. See Note 3.

On May 31, 2021, the Company was listed on the Canadian Securities Exchange (“CSE”) under the symbol PLLR.

On February 22, 2022, the Company completed a share consolidation on a 2 for 1 basis. All references to share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect the 2 for 1 exchange ratio.

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

These condensed interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at May 31, 2022, the Company had working capital of \$109,587, had not yet achieved profitable operations and has an accumulated deficit of \$918,592 since its inception. The Company expects to incur further losses in the development of its business. All of these circumstances comprise a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption were not appropriate for these condensed interim financial statements, it could be necessary to restate the Company’s assets and liabilities on a liquidation basis.

In March 2020, the World Health Organization (“WHO”) declared coronavirus COVID-19 a global pandemic. In order to combat the spread of COVID-19 governments worldwide, including Canada, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures will have a significant, negative effect on the economy of all nations for an undeterminable period of time, the extent of which is also uncertain. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. If for any reason the Company is

FORTY PILLARS MINING CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended May 31, 2022 and 2021****(Unaudited - expressed in Canadian Dollars)**

unable to continue as a going concern, it could impact the Company's ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business at the amounts stated in these condensed interim financial statements.

These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance to IAS 34 Interim Financial Reporting using accounting policies consistent with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended February 28, 2022.

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended February 28, 2022.

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition, the condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

FORTY Pillars Mining Corp.**Notes to the Condensed Interim Financial Statements****For the three months ended May 31, 2022 and 2021****(Unaudited - expressed in Canadian Dollars)****3. PLAN OF ARRANGEMENT**

The Company entered into an Arrangement Agreement dated April 1, 2021, under the BCBCA with its former parent company, Origen. The Arrangement Agreement was completed on May 21, 2021. Pursuant to the Arrangement Agreement, Origen completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash in exchange for 3,242,589 common shares of the Company. The Company recognized net assets received at fair value which was based on the concurrent private placement share price.

	\$
Consideration:	
3,242,589 common shares of the Company at \$0.16 per share	518,814
Fair value of consideration paid	518,814
Allocated to fair value of net assets as follows:	
Cash	66,894
Exploration and evaluation assets (Note 4)	451,920
Total net assets acquired	518,814

4. EXPLORATION AND EVALUATION ASSETS

As at May 31, 2022, the Company has capitalized the following acquisition, exploration and evaluation costs on its mineral properties:

	Silver Dollar \$	Beatrice \$	Wishbone \$	Total \$
Acquisition Costs				
Opening, February 28, 2021	-	-	-	-
Arrangement Agreement	434,040	17,880	-	451,920
Additions	-	-	3,140,089	3,140,089
Balance, February 28, 2022	434,040	17,880	3,140,089	3,592,009
Additions:				
Cash acquisition costs	-	-	50,000	50,000
Share acquisition costs	-	-	15,000	15,000
Balance, May 31, 2022	434,040	17,880	3,205,089	3,657,009
Exploration and Evaluation Costs				
Opening, February 28, 2021	-	-	-	-
Field work	30,092	-	-	30,092
Geological	37,790	-	3,875	41,665
Reporting and other	17,024	-	-	17,024
Balance, February 28, 2022, and May 31, 2022	84,906	-	3,875	88,781
Balance, February 28, 2022	518,946	17,880	3,143,964	3,680,790
Balance, May 31, 2022	518,946	17,880	3,208,964	3,745,790

FORTY PILLARS MINING CORP.

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Silver Dollar Property, British Columbia

On May 21, 2021, the Company acquired the Silver Dollar Property as part of the Arrangement Agreement (Note 3).

The Company owns a 100% interest in the Silver Dollar Property, located in the Revelstoke Mining District of British Columbia, subject to an existing 1.0% net smelter return ("NSR") royalty held by Happy Creek Minerals Ltd., beginning upon commencement of commercial production on the property.

As part of the Arrangement Agreement, the Company received \$66,894 to be applied to the required assessment requirements to keep the property in good standing. As at May 31, 2022, the Company had incurred the necessary exploration expenditures.

Beatrice Mineral Property, British Columbia

The Company acquired 100% of the Beatrice Mineral Property as part of the Arrangement Agreement (Note 3). The Beatrice Property is located to the south of the Silver Dollar Property.

Wishbone Property

On October 4, 2021, the Company entered into a Sale and Assignment Agreement (the "Agreement") with Origen to acquire an option to acquire 100% interest to 10 mineral claims located in the Liard Mining Division in British Columbia (the "Wishbone Property"). The Company will also grant a 1% NSR to Origen. Half of the NSR (0.5%) can be purchased prior to commercial production for \$1,000,000. The Company can acquire the property by:

- Paying total cash consideration of \$3,000,000, of which \$1,000,000 was paid during the period and \$2,000,000 was paid in the form of a promissory note with a 3-year term, bearing interest at 5% per annum, with interest payable monthly (Note 6).
- Reimbursing Origen \$140,089 for airborne survey costs incurred (paid); and
- Making the remaining share issuances and cash payments under the original property agreement, being:
 - 200,000 common shares (issued and valued at \$15,000) and \$50,000 cash (paid) by May 29, 2022; and
 - 200,000 common shares and \$50,000 cash by May 29, 2023.

FORTY PILLARS MINING CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended May 31, 2022 and 2021****(Unaudited - expressed in Canadian Dollars)****5. INVESTMENTS**

The movements in investments during the three months ended May 31, 2022 are summarized as follows:

	Common Shares \$	Share Purchase Warrants \$	Total Investments \$
Balance, February 28, 2021	-	-	-
Additions, cost	200,000	-	200,000
Revaluation gain	70,000	132,210	202,210
Balance, February 28, 2022	270,000	132,210	402,210
Revaluation loss	(130,000)	(90,667)	(220,667)
Balance, May 31, 2022	140,000	41,543	181,543

CAVU Mining Corp.

During the year ended February 28, 2022, the Company acquired 500,000 units of CAVU Mining Corp. ("CAVU") at a price of \$0.40 per unit totaling \$200,000. Each unit is comprised of one common share and one common share purchase warrant. Each whole warrant is exercisable into a common share at an exercise price of \$0.60 until January 21, 2024. On initial recognition, no value was attributed to the share purchase warrants. As at May 31, 2022, the warrants were valued using the Black-Scholes option pricing model with the following inputs: expected life – 1.64 years; risk-free rate of 2.67%, stock price of \$0.28; exercise price of \$0.60; and volatility of 100%.

During the three months ended May 31, 2022, the Company recorded an unrealized loss on fair value of investments of \$220,667 (2021 - \$nil) due to mark-to-market valuation.

6. PROMISSORY NOTE

	\$
Balance, February 28, 2021	-
Additions	1,679,240
Interest	79,601
Balance, February 28, 2022	1,758,841
Interest	49,781
Balance, May 31, 2022	1,808,622

On October 4, 2021, as part of the Agreement with Origen to acquire the Wishbone Property the Company issued a promissory note for \$2,000,000, bearing interest at 5% per annum and maturing on October 4, 2024. As Origen is a significant shareholder of the Company, the Company has determined that a below-market interest rate was provided. The Company fair valued the loan at \$1,679,240 using a 6% discount rate, which represents the difference between the market interest rate of 11% and the

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promissory note interest rate of 5%. The difference between the initial fair value and the face value of the promissory note of \$320,760 (\$234,155 net of tax effect) has been treated as a capital contribution to the Company from Origen, since Origen is a significant shareholder of the Company. The promissory note will be accreted to its face value over the term of the note at an effective interest rate of 5.70%.

During the three months ended May 31, 2022, accretion expense of \$24,781 (2021 - \$nil) has been included in interest expense on the statements of loss and comprehensive loss.

7. SHARE CAPITAL**Authorized**

Unlimited number of common shares without par value

Share consolidation

On February 22, 2022, the Company completed a share consolidation on a 2 for 1 basis. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the 2 for 1 exchange ratio.

Issued and outstanding

During the three months ended May 31, 2022, the Company had the following share issuances:

- On May 29, 2022, 200,000 common shares were issued pursuant to the Wishbone Property Agreement (Note 4). The shares were fair valued at \$15,000.

During the year ended February 28, 2022, the Company had the following share issuances:

- On May 21, 2021, 3,242,589 common shares were issued pursuant to the Arrangement Agreement (Note 3).
- On May 25, 2021, the Company closed a private placement for gross proceeds of \$600,000 through the sale of 3,750,000 shares at a price of \$0.16 per share.
- On October 28, 2021, the Company closed a private placement for gross proceeds of \$1,500,000 through the sale of 7,500,000 units at a price of \$0.20 per unit. Each unit comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one additional common share at a price of \$0.24 for a 36-month period. The warrants were fair valued at \$nil using the residual value method.

Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each

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option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

Share option transactions are summarized as follows:

	Stock Options #	Weighted Average Exercise Price \$
Balance, February 28, 2021	-	-
Granted	650,000	0.22
Balance, February 28, 2022	650,000	0.22
Forfeited	(75,000)	0.22
Balance, May 31, 2022	575,000	0.22

During the three months ended May 31, 2022, the Company did not issue any stock options.

During the year ended February 28, 2022, the Company granted 650,000 stock options. The stock options vest immediately, have an exercise price of \$0.22 per share and expire on May 31, 2026. The stock options were fair valued at \$106,153 using the Black-Scholes option pricing model with the following assumptions: expected life – 5 years; risk-free rate of 0.90%, a forfeiture rate of nil; and volatility of 100%.

A summary of the share options outstanding and exercisable at May 31, 2022 is as follows:

Number of Options Outstanding and Exercisable	Exercise Price \$	Remaining Life (years)	Expiry Date
575,000	0.22	4.00	May 31, 2026

Share purchase warrants

Warrant transactions are summarized as follows:

	Warrants #	Weighted Average Exercise Price \$
Balance, February 28, 2021	-	-
Issued	7,500,000	0.24
Balance, February 28, 2022 and May 31, 2022	7,500,000	0.24

FORTY PILLARS MINING CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended May 31, 2022 and 2021****(Unaudited - expressed in Canadian Dollars)**

A summary of warrants outstanding at May 31, 2022 is as follows

Number of Warrants	Exercise Price \$	Remaining Life (years)	Expiry Date
7,500,000	0.24	2.41	October 28, 2024

Escrow shares

On May 25, 2021, the Company entered into an escrow agreement with a shareholder of the Company. 263,080 shares were placed into escrow. These escrow shares will be released as follows:

Date	Amount of Escrowed Shares Released
On the date that the Company's common shares were listed on the CSE, May 31, 2021 (released)	1/10 of the escrow shares
On the date 6 months following the listing date (released)	1/6 of the remainder of the escrow shares
On the date 12 months following the listing date (released)	1/5 of the remainder of the escrow shares
On the date 18 months following the listing date	1/4 of the remainder of the escrow shares
On the date 24 months following the listing date	1/3 of the remainder of the escrow shares
On the date 30 months following the listing date	1/2 of the remainder of the escrow shares
On the date 36 months following the listing date	Remainder of the escrow shares

As at May 31, 2022, 157,852 common shares (February 28, 2022 – 197,312) remained in escrow.

8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and certain of the members of the Board of Director. Transactions with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Summary of key management personnel compensation is as follows:

	2022	Three months ended May 31, 2021
	\$	\$
Management and director fees ¹	22,500	-
Professional fees ²	10,009	-
Share-based compensation	-	40,843
Total	32,509	40,843

¹Management fees consist of fees paid or accrued to the CEO

FORTY PILLARS MINING CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended May 31, 2022 and 2021****(Unaudited - expressed in Canadian Dollars)**

²Professional fees include amounts paid or accrued to a company in which the CFO acted as management.

Accounts payable and accrued liabilities at May 31, 2022, includes \$46,532 (February 28, 2022 - \$38,206) owing to directors, officers, or to companies significantly controlled by common directors for unpaid fees and expense reimbursements. All amounts owing are non-interest bearing and incurred in the normal course of business.

During the three months ended May 31, 2022, the Company issued nil stock options (2021 - 200,000) to the officers and directors of the Company. Upon the issuance, \$nil (2021 - \$40,843) in share-based compensation expense was recorded.

9. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended May 31, 2022, the Company entered into the following non-cash transaction:

- The Company issued 200,000 common shares pursuant to the Agreement for the Wishbone Property.

As at May 31, 2022, \$5,956 (February 28, 2022 - \$5,956) of exploration and evaluation asset expenditures were included in accounts payable and accrued liabilities

During the three months ended May 31, 2021, the Company did not enter into any non-cash transactions.

10. CAPITAL MANAGEMENT

The Company does not have any externally imposed regulatory capital requirements for managing capital. The Company has defined its capital as items within shareholders' equity, as determined at each reporting date.

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or engage in debt financing.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects. The Company is not subject to any externally imposed capital requirements.

FORTY PILLARS MINING CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended May 31, 2022 and 2021****(Unaudited - expressed in Canadian Dollars)****11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****Categories of financial assets and financial liabilities**

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

Financial Instrument	Category	May 31, 2022	February 28, 2022
		\$	\$
Cash	Amortized cost	22,669	144,418
Investments	FVTPL	181,543	402,210
Accounts payable and accrued liabilities	Amortized cost	(144,848)	(148,243)
Promissory note	Amortized cost	(1,808,622)	(1,758,841)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market-place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash and accounts payable and accrued liabilities, approximate their fair value due to their short-term nature. The Company's fair value of investments (except for warrants) were based on the quoted market prices of the shares as at May 31, 2022 and was therefore measured using Level 1 inputs. The fair value of the warrants were determined using certain Level 3 inputs, as the Black-Scholes option pricing model incorporates share price volatility. The Company's promissory note is measured as the present value of the discounted future cash flows.

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Risk exposure

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

a) Credit risk

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

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at May 31, 2022, the Company had a cash balance of \$22,669 to settle current liabilities of \$144,848 and is subject to liquidity risk (Note 1).

c) Market risk

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

- Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does not believe it is currently subject to any significant interest rate risk.

- Price risk

The Company is exposed to price risk with respect to commodity prices. 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, and the stock market to determine the appropriate course of action to be taken by the Company.

12. SEGMENTED INFORMATION

As at May 31, 2022, the Company currently operates in one segment, being the acquisition and exploration and evaluation of resource assets located in Canada as described in Note 4.