GREEN BATTERY MINERALS INC.

(Previously Goldcore Resources Ltd. and Berkwood Resources Ltd.)

(An Exploration Stage Company)

Consolidated Interim Financial Statements

Periods Ended May 31, 2021 and 2020

(Expressed in Canadian dollars)

Index

NOTICE – NO Auditor Review of the Interim Financial Statements

The accompanying unaudited interim consolidated financial statements of Green Battery Minerals Inc., ("the Company"), for the three months ended May 31, 2021, have been prepared by the management and have not been the subject of a review by the Company's external independent auditors.

GREEN BATTERY MINERALS INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at		May 31, 2021		February 28, 2021
ASSETS				
Current				
Cash	**$**	**2,885,660**	$	874,227
Accounts receivable		**19,369**		24,712
Prepaid expenses		**175,552**		165,903
		3,080,581		1,064,842
Furniture and equipment (Note 4)		**14,767**		15,780
Mineral property interests (Note 5)		**1,680,522**		1,669,536
	$	**4,775,870**	$	2,750,158
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	**$**	**138,664**	$	72,386
Due to related parties (Note 6)		**13,125**		40,362
		151,789		112,748
Shareholders' equity				
Share capital (Note 7)		**36,784,865**		34,299,269
Contributed surplus (Note 8)		**4,319,982**		4,064,546
Deficit		**(36,480,766)**		(35,726,405)
		4,624,081		2,637,410
	$	**4,775,870**	$	2,750,158

These consolidated financial statements were approved by the Board of Directors on July 2, 2021.

"Thomas Yingling"
Director – Thomas Yingling

"Binny Jassal"
Director – Binny Jassal

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

GREEN BATTERY MINERALS INC.
Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Periods Ended May 31		2021		2020
Expenses				
Amortization (Note 4)	$	1,013	$	1,386
Consulting fees (Note 6)		240,147		82,275
Exploration and evaluation (Notes 5)		65,592		-
Office and administration		18,562		2,052
Promotional and marketing		9,390		-
Professional fees (Note 6)		40,029		18,050
Shareholder communications		134,820		-
Stock-based compensation (Notes 6 and 7)		217,632		-
Travel		3,503		1,740
Trade shows and events		-		4,788
Transfer agent and filing fees		23,673		1,327
		754,361		116,618
Loss before other items		(754,361)		(116,618)
Other items		-		-
Net loss and comprehensive loss for the period	$	(754,361)	$	(116,618)
Loss per common share – basic and diluted	$	(0.02)	$	(0.01)
Weighted average number of common shares outstanding		45,707,305		17,445,335

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

GREEN BATTERY MINERALS INC.
Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Contributed Surplus		Deficit		Shareholders' Equity
Balance, February 28, 2021	**39,941,340**	**$**	**34,299,269**	**$**	**4,064,546**	**$**	**(35,726,405)**	**$**	**2,637,410**
Private placements – net of share issuance costs	12,777,000		2,453,400		-		-		2,453,400
Shares issued pursuant to exercise of warrants	350,000		70,000		-		-		70,000
Broker's shares	207,760		43,130		-		-		43,130
Fair value of broker's shares granted	-		(43,130)		-		-		(43,130)
Stock-based compensation	-		-		217,632		-		217,632
Fair value of brokers' warrants granted	-		(37,804)		37,804		-		-
Net loss for the period	-		-		-		(754,361)		(754,361)
Balance, May 31, 2021	**53,276,100**	**$**	**36,784,865**	**$**	**4,319,982**	**$**	**(36,480,766)**	**$**	**4,624,081**
Balance, February 29, 2020	17,445,340	$	31,747,878	$	3,512,041	$	(33,370,987)	$	1,888,932
Private placements – net of share issuance costs	15,000,000		1,409,285		-		-		1,409,285
Shares issued pursuant to exercise of stock options	2,947,500		347,150		-		-		347,150
Shares issued pursuant to exercise of warrants	412,500		82,500		-		-		82,500
Shares issued pursuant to property agreements	4,000,000		520,000		-		-		520,000
Broker's shares	136,000		13,600		-		-		13,600
Fair value of broker's shares granted	-		(13,600)		-		-		(13,600)
Stock-based compensation	-		-		744,961		-		744,961
Fair value of brokers' warrants granted	-		(10,222)		10,222		-		-
Fair value of stock options exercised	-		202,678		(202,678)		-		-
Net loss for the year	-		-		-		(2,355,418)		(2,355,418)
Balance, February 28, 2021	**39,941,340**	**$**	**34,299,269**	**$**	**4,064,546**	**$**	**(35,726,405)**	**$**	**2,637,410**

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

GREEN BATTERY MINERALS INC.
Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

Period Ended May 31	**2021**	2020
Cash flows from (used in)		
Operating activities		
Net loss for the period	**$ (754,361)**	$ (116,618)
Items not affecting cash:		
Amortization	**1,013**	1,386
Stock-based compensation	**217,632**	-
	(535,716)	(115,232)
Changes in non-cash working capital items:		
Accounts receivable	**5,343**	5,785
Prepaid expenses	**(9,649)**	18,932
Due to related parties	**66,278**	46,238
Accounts payable and accrued liabilities	**(27,237)**	3,090
	(500,981)	(41,187)
Investing activities		
Mineral property	**(10,986)**	-
	(10,986)	-
Financing activities		
Private placements	**2,666,000**	-
Shares issuance costs	**(212,600)**	-
Warrants exercised	**70,000**	-
	2,523,400	-
Change in cash during the period	**2,011,433**	(41,187)
Cash, beginning of the period	**874,227**	110,896
Cash, end of the period	**$ 2,885,660**	$ 69,709

Supplemental disclosure with respect to cash flows (Note 11)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Green Battery Minerals Inc. (previously Goldcore Resources Ltd. and Berkwood Resources Ltd.) (the "Company" or "Green") was incorporated under the laws of British Columbia on January 15, 1979 and its principal business activities include the exploration and development of natural resource properties. The Company is publicly listed on the TSX Venture Exchange (the "Exchange") under the symbol "GEM". The Company's corporate office and principal place of business is at 1100 – 1111 Melville Street, Vancouver, British Columbia V6E 3V6.

On August 28, 2020, the Company has changed its name from Berkwood Resources Ltd. to Goldcore Resources Ltd. On March 22, 2021, the Company again changed its name to Green Battery Minerals Inc.

On August 28, 2020, the Company consolidated its common shares on the basis of one post-consolidated common share for every four pre-consolidated common shares held. The 69,781,341 pre-consolidated common shares issued and outstanding were adjusted to 17,445,340 post-consolidated common shares. All references to share capital, common shares, warrants, options, and per share amounts in these consolidated financial statements and the accompanying notes for time periods prior to the share consolidation have been restated to reflect the one-for-four share consolidation.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company has incurred ongoing losses since inception and has an accumulated deficit of $36,480,766 as of February 28, 2021 (February 28, 2021 - $35,726,405).

The ability of the Company to continue as a going concern and meet its commitments as they become due, including exploration and development of its mineral property interests, is dependent on the Company's ability to obtain the necessary financing. Management is currently assessing alternatives to raising additional funding, which includes additional equity offerings or alternatively to dispose of its interests in certain mineral properties. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management will be required to curtail the Company's operations.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead, pay its debts and liabilities, and maintain its mineral property interests. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral property interests. The carrying value of the Company's mineral property interests may not reflect current or future values.

The above indicate material uncertainties that raise significant doubt about the Company's ability to be able to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of compliance

These interim consolidated financial statements, as at and for the three months ended May 31, 2021 including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

These consolidated financial statements are presented in Canadian dollars. These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value, and uses the accrual basis of accounting, except for cash flow information.

The accounting policies set out in Note 3 have been applied consistently by the Company and its subsidiaries for all periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

(a) Basis of consolidation

The consolidated financial statements of the Company include its wholly owned subsidiaries, Berkwood Resources PTE. Ltd., incorporated in Singapore, 1084422 B.C. Ltd., incorporated in Canada, 1215616 B.C. Ltd., incorporated in Canada, and Bench Minerals Corp., incorporated in Canada. During the year ended February 28, 2021, the Company acquired 100% of the shares of Bench Minerals Corp. During the year ended February 29, 2020, the Company acquired 100% of the shares of 1215616 B.C. Ltd. A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated upon consolidation.

(b) Mineral property interests

Acquisition costs for mineral property interests, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model.

Exploration and evaluation expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, development expenditures on the property are capitalized.

When there is little prospect of further work on a property being carried out by the Company, when a property is abandoned or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. Acquisition costs are also tested for impairment before the assets are transferred to development properties. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Mineral property interests acquired under an option agreement where payments are made at the sole discretion of the Company are capitalized at the time of payment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Mineral property interests (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized, with any excess cash recognized in profit or loss.

(c) Impairment of non-current assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there are any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets (the CGU), where the recoverable amount of the CGU is the greater of the CGU's fair value less costs to sell and its value in use) to which the assets belong.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss for the period, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expenses.

Where an impairment loss subsequently reverses, the carrying amount of the asset (the CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(d) Mining exploration tax credit

The Company recognizes mining exploration tax recoveries in the period in which the related recoveries are received. The amount recoverable is subject to review and approval by the taxation authorities.

(e) Amortization

Furniture and equipment are reported at cost. Amortization is provided over the assets' estimated useful life using the declining balance method at the following rates per annum.

Field Equipment	30%
Furniture	20%

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) De-recognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on de-recognition are generally recognized in the consolidated statement of comprehensive loss. However, gains and losses on de-recognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) De-recognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

Fair value hierarchy

Financial instruments measured at fair value are classified into one of the 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.

(g) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

At the time of closing a flow-through shares financing, the Company allocates proceeds received first to share capital based on the market close price of the common shares at the time the flow-through shares are priced, and any excess is allocated to flow-through premium liability. At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Share capital – the market close price of the common share;
- Warrant reserve – based on the valuation derived using the Black-Scholes option pricing model; and
- Flow-through premium liability – any excess, recorded as a liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are charged to operations and the flow-through premium, if any, is amortized to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule that remains unspent, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

(h) Non-monetary transactions

Equity instruments issued for consideration other than cash are valued at the fair value of assets received or services rendered or the estimated fair value of the equity instruments at the date of issuance, whichever is determined to be the more reliable measure.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Accounting for equity units

The Company uses the residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The proceeds from the issue of units is allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market close price on the date the units are priced and the balance, if any, is allocated to the attached warrants. Share issue costs are recorded against share proceeds.

(j) Stock-based compensation

Stock-based compensation to employees is measured at the fair value of the equity instruments issued and amortized over the vesting periods. Stock-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus.

The fair value of options is determined using the Black-Scholes option pricing model, which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(k) Provisions

(i) Rehabilitation provision

The Company recognizes statutory, contractual or other legal obligations related to the retirement of mineral properties when such obligations are incurred, if a reliable estimate of the expenditure required to settle the obligation can be made. These obligations are measured initially at the present value of the expenditures required to settle the obligation and the resulting amount is capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The asset retirement cost is accreted to profit or loss.

(ii) Other provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

(l) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income taxes (continued)

includes the enactment date. Deferred tax assets are recognized to the extent it is probable that they will be able to be utilized against future taxable income.

(m) Foreign currency translation

The functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Balances denominated in foreign currencies are translated as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect as at the consolidated statement of financial position date;

(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and

(iii) Expenses (excluding depreciation and amortization, which are translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

(n) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the years presented.

(o) Use of judgments and estimates

Apart from making estimates and assumptions as described below, the Company's management makes critical judgments in the process of applying its accounting policies that have significant effect on the amounts recognized in the Company's consolidated financial statements. The significant judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimation uncertainties, that have the most significant effect include, but are not limited to:

(i) Indicators of impairment of mineral property interests

Assets or CGUs are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral property interests. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Use of judgments and estimates (continued)

(ii) Mining exploration tax credits

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Management's judgment is applied in determining whether the resource expenditures are eligible for claiming such credits.

(iii) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(iv) Assessment of the transactions as an asset acquisition or business combination

Management has had to apply judgment relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of each acquisition in order to reach a conclusion. The companies acquired do not meet the definition of a business and were accounted for as an asset acquisition.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of management estimates include:

(v) Valuation of asset retirement and environmental obligations

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, are measured initially based on the estimated future cash flows discounted at a credit-adjusted risk-free rate to the present value. Management estimates that the amount of asset retirement and environmental obligations are not significant at May 31, 2021 and February 28, 2021.

(vi) Utilization of deferred income tax assets

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Use of judgments and estimates (continued)

(vii) Assumptions in the Black-Scholes option pricing model

The fair values of warrants and options granted are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of future share prices, changes in subjective input assumptions can materially affect the fair value estimate.

(viii) Recoverable value of asset carrying values

At each reporting date, the Company assesses its mineral property interests for possible impairment, to determine if there is any indication that the carrying amounts of the assets may not be recoverable. An assessment is also made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. Determination as to whether and how much an asset is impaired, or no longer impaired, involves management estimates on highly uncertain matters, such as future commodity prices, discount rates, production profiles, operating costs, future capital costs and reserves. A material adjustment to the carrying value of the Company's mineral property interests could arise as a result of changes to these estimates and assumptions.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact financial performance and cash flows.

(p) Future accounting standards

The Company will be required to adopt the following standard and amendments issued by the IASB as described below:

IFRS 17 Insurance Contracts

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, *Insurance Contracts*, and related interpretations.

This standard will be effective for the Company's annual period beginning March 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

(Expressed in Canadian Dollars)

4. FURNITURE AND EQUIPMENT

	Furniture $	Field Equipment $	Total $
Cost			
Balance at February 28, 2020	11,739	30,704	42,443
Addition	-	-	-
Balance at February 29, 2021	11,739	30,704	42,443
Addition	-	-	-
Balance at May 31, 2021	11,739	30,704	42,443
Accumulated amortization			
Balance at February 29, 2020	3,204	17,915	21,119
Addition	1,707	3,837	5,544
Balance at February 28, 2021	4,911	21,752	26,663
Addition	341	672	1,013
Balance at May 31, 2021	5,252	22,424	27,676
Carrying amounts			
At February 28, 2021	6,828	8,952	15,780
At May 31, 2021	**6,487**	**8,280**	**14,767**

5. MINERAL PROPERTY INTERESTS

The Company has capitalized the following acquisition expenditures during the period ended May 31, 2021 and year ended February 28, 2021:

	Berkwood Graphite Project, Quebec $	Stallion Project BC $	Cobalt Fold Quebec $	Total $
Balance, February 29, 2020	1,134,536		735,000	1,869,536
Property acquisition	-	535,000	-	535,000
Impairment	-	-	(735,000)	(735,000)
Balance, February 28, 2021	1,134,536	535,000	-	1,669,536
Property acquisition	10,986	-	-	10,986
Impairment	-	-	-	-
Balance, May 31, 2021	1,145,522	535,000	-	1,680,522

(Expressed in Canadian Dollars)

5. MINERAL PROPERTY INTERESTS (continued)

The Company has expensed the following exploration and evaluation expenditures during the periods ended May 31, 2021 and 2020:

May 31, 2021	Berkwood Graphite Project, Quebec $	Total $
Geological consulting	11,264	11,264
Assays and lab	52,445	52,445
Frieght	1,883	1,883
Total	**65,592**	**65,592**

During the period ended May 31, 2020, the Company did not incurred any exploration expenses.

(a) **Berkwood Graphite Project (previously named Lac Gueret South Property), Quebec**

The Company entered into an option agreement dated July 26, 2014 to acquire 100% interest in the Lac Gueret South Property. The agreement was approved by the Exchange on August 13, 2014.

Under the terms of the option agreement, the Company may acquire a 100% interest in the Lac Gueret South graphite property by making cash payments and issuing the Company's securities as set forth below:

(i) On signing of the option agreement: $15,000 (paid);
(ii) Within seven days of the date of approval of the agreement by the Exchange: $10,000 (paid) and 37,500 units (issued). Each unit comprised one common share and one common share purchase warrant, exercisable for 24 months at $0.40 to acquire an additional common share;
(iii) Within thirty days of the date of approval of the agreement by the Exchange: $10,000 (paid);
(iv) Within six months of the date of approval of the agreement by the Exchange: $25,000 (amended to be due July 29, 2016) (paid); and
(v) Within 12 months of the date of approval of the agreement by the Exchange: $25,000 (amended to be due January 29, 2017) (paid).

A 2% NSR is payable to the optionors on all minerals produced from the property. The Company has the right at any time to buy-back 2% of the NSR from the optionors for $1,000,000. During the year ended February 28, 2018, the Company expanded its Lac Gueret Extensions project (South & East blocks).

The Company acquired more claims adjacent to and on-trend with Mason Graphite. The Company paid $25,000 and issued 62,500 common shares of the Company fair valued at $56,250.

During the year ended February 28, 2018, the Company issued 157,500 common shares by way of a share exchange agreement fair valued at $220,500 and paid $15,000 to an arm's-length party. There are no royalties payable and the Company owns 100% of the Turkey Lake property.

During the year ended February 28, 2019, the Company entered into an agreement with 1137794 B.C. Ltd. to acquire fifty-eight (58) claims located adjacent to Lac Gueret South Property. The Company has issued 700,000 common shares by way of a share exchange agreement fair valued at $392,000 and paid $20,000 to an arm's-length party. There are no royalties payable and the Company increased its landholding at the Company's 100% owned Lac Gueret Project.

5. MINERAL PROPERTY INTERESTS (continued)

(a) **Berkwood Graphite Project (previously named Lac Gueret South Property), Quebec** (continued)

On October 30, 2018, the Company signed an agreement with Progressive Planet Solutions Inc. (PLAN-TSX:V) ("Progressive Planet"). The terms of the agreement allow Progressive Planet to earn a 5% interest to the Lac Gueret South Graphite property in exchange for expenditure of $250,000 on the project by December 31, 2018. During a period of 6 months, either party will have the right to execute a buy-back scenario in which the Company would purchase the 5% back by issuing to Progressive Planet 437,500 units in the Company. Each unit will entitle Progressive Planet to receive one share, and one half warrant of the Company, which at the time of signing this agreement constitutes 5% of the issued and outstanding shares of the Company. This transaction has been approved by the Exchange.

On January 29, 2019, the Company bought back the 5% interest from Progressive Planet by issuing 437,500 common shares of the Company fair valued at $140,000 and 875,000 warrants fair valued at $20,800 using Black Scholes with the following assumptions: risk free interest rate – 1.91, experienced life of warrants - 2, annualized volatility – 91.59%, and dividend rate -.0. Each warrant is exercisable at a price of $0.15 per share for a period of two years from the date of closing.

During the year ended February 28, 2019, the Company signed an agreement with Intact Gold Corp. (ITG-TSX:V) ("Intact"). The terms of the agreement allow Intact to earn a 2.5% interest to the Lac Gueret South Graphite property in exchange for expenditure of $125,000 on the project by December 31, 2018. During a period of 6 months, either party will have the right to execute a buy-back scenario in which Berkwood would purchase the 2.5% back by issuing to Intact 218,750 units in the Company. Each unit will entitle Intact to receive one share, and one half warrant of the Company.

On April 18, 2019, the Company bought back the 2.5% interest from Intact by issuing 218,750 common shares of the Company fair valued at $52,500 and 437,500 warrants fair valued at $5,179 using Black Scholes with the following assumptions: risk free interest rate – 1.75, experienced life of warrants - 2, annualized volatility – 79.55%, and dividend rate -.0. Each warrant is exercisable at a price of $0.60 per share for a period of two years from the date of closing.

On August 7, 2019, the Company entered into an agreement to acquire 1215616 B.C. Ltd. a private British Columbia company, which sole asset is fifty-eight (58) claims located adjacent to Lac Gueret South Property. The Company has issued 487,500 common shares by way of a share exchange agreement fair valued at $68,250 and paid $11,500 to an arm's-length party. The sole asset of 1215616 B.C. Ltd. was the fifty-eight claims located adjacent to the Lac Gueret South Property. For accounting purposes, the acquisition has been recorded as an asset acquisition as 1215616 B.C. Ltd. did not meet the definition of a business, as defined in IFRS 3 *Business Combinations* ("IFRS 3").

(b) **Cobalt Fold Property, Quebec**

On June 5, 2017, the Company entered into an agreement to acquire 1084422 B.C. Ltd., a private British Columbia company, which sole asset is the Cobalt Ford Property. For accounting purposes, the acquisition has been recorded as an asset acquisition as 1084422 B.C. Ltd. did not meet the definition of a business, as defined in IFRS 3. The Cobalt Fold Property is located in the Côte-Nord area of Quebec.

The acquisition is an arm's-length transaction in which the Company has issued 600,000 common shares by way of a share exchange agreement fair valued at $720,000 and $15,000. There are no royalties payable and the Company owns 100 % of the property.

During the year ended February 28, 2021, management decided not to pursue this project. Indicators of impairment existed leading to test of recoverable amount, which resulted in the recognition of an impairment loss of $735,000 in accordance with Level 3 of the fair value hierarchy. A value in use

5. MINERAL PROPERTY INTERESTS (continued)

(b) **Cobalt Fold Property, Quebec (continued)**

calculation is not applicable as the Company does not have any expected cash flows from using the property at this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil.

(c) **Stallion Gold Project, British Columbia**

On October 27, 2020, the Company entered into a definitive agreement to acquire mineral claims in British Columbia's Golden Horseshoe region.

During the year ended February 28, 2021, the Company acquired all of the issued and outstanding shares of Bench Minerals Corp. ("Bench") by the issuance of 4,000,000 common shares (issued) of the Company with a fair value of $520,000 and $15,000 cash (paid) in consideration for the acquisition. The sole asset of Bench was the Stallion Gold Project claim. For accounting purposes, the acquisition has been recorded as an asset acquisition as Bench did not meet the definition of a business, as defined in IFRS 3.

(d) **Realization**

The Company's investment in and expenditures on mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interest is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production or proceeds from the disposition thereof.

a. Title

Although the Company has taken steps to ensure the title to the mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

b. Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interest, the potential for production on the property may be diminished or negated.

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS

(a) During the period ended May 31, 2021, the Company incurred consulting fees of $52,500 (May 31, 2020 - $45,000) with directors and companies controlled by the directors.

As at May 31, 2021, $13,125 (February 28, 2021 - $40,362) was owed to directors and companies controlled by the directors.

(b) During the period ended May 31, 2021, the Company incurred professional fees for financial services of $30,000 (May 31, 2020 - $15,000) with an officer and director of the Company.

The transactions above are in the normal course of operations.

Key Management Compensation

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 Board of Director members. Compensation paid to key management included the amounts above as follows:

	2021 $	2020 $
Consulting fees	52,500	45,000
Professional fees	30,000	15,000
Stock-based compensation	43,331	-

7. SHARE CAPITAL

(a) **Authorized**

Unlimited common shares without par value. All shares issued are fully paid.

(b) **Issued**

During the period ended May 31, 2021:

On April 14, 2021, the Company completed a private placement of 10,565,000 units at a price of $0.20 per unit for gross proceeds of $2,113,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.50 per share for a period of two years from the date of closing. The Company has paid cash commissions of $127,760, issued 50,000 compensation shares, paid legal fees of $36,650 and issued 588,800 finder warrants. The finder fee warrants have the same terms as the common share purchase warrants.

On May 25, 2021, the Company closed a second private placement of 2,212,000 flow-through units at a price of $0.25 per flow-through unit for gross proceeds of $553,000. Each flow-through unit is comprised of one common share and one-half common share purchase warrant. Each whole warrant is exercisable at a price of $0.50 per share for a period of two years from the date of closing. The Company has paid cash commissions of $39,400, issued 157,760 compensation shares and paid legal fees of $8,750.

During the period, the Company raised $70,000 pursuant to exercise of 350,000 warrants.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

During the year ended February 28, 2021:

On December 15, 2020, the Company completed a private placement of 11,083,000 units at a price of $0.10 per unit for gross proceeds of $1,108,300. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.20 per share for a period of two years from the date of closing. The Company has also issued 136,000 broker shares with a fair value of $13,600 and 116,000 broker's warrants fair valued at $3,350. The broker's warrants are exercisable for two years at $0.20 per share. The Company also paid cash finder's fees of $47,089 and legal fees of $29,850.

On December 18, 2020, the Company issued 4,000,000 shares pursuant to a property agreement for fair value of $520,000 (Note 5 (e)).

On January 13, 2021, the Company completed a private placement of 3,917,000 units at a price of $0.10 per unit for gross proceeds of $391,700. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.20 per share for a period of two years from the date of closing. The Company has also issued 137,760 broker's warrants fair valued at $6,872. The broker's warrants are exercisable for two years at $0.20 per share. The Company also paid cash finder's fees of $13,776.

During the year ended February 28, 2021, the Company issued 412,500 shares pursuant to exercise of warrants for gross proceed of $82,500.

During the year ended February 28, 2021, the Company issued 2,947,500 shares pursuant to exercise of stock options for gross proceed of $347,150.

(c) **Share purchase warrants**

A summary of the Company's issued and outstanding share purchase warrants as at May 31, 2021 and February 28, 2021 and changes during those years are presented below:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, February 28, 2020	8,481,616	$1.12
Granted	15,253,760	$0.20
Exercised	(412,500)	$0.20
Expired	(3,452,685)	$0.58
Balance, February 28, 2021	17,496,135	$0.21
Granted	12,061,800	$0.50
Exercised	(350,000)	$0.20
Expired	(109,375)	$0.60
Balance, May 31, 2021	**29,098,560**	**$0.33**

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(c) **Share purchase warrants** (continued)

At May 31, 2021, the following warrants were outstanding and exercisable:

Number of shares	Exercise Price $	Expiry Date	Weighted Average Remaining Contractual Life
962,500	$0.40	July 3, 2021	0.08 years
250,000	$0.20	December 30, 2021	0.58 years
920,500	$0.20	January 10, 2022	0.67 years
10,849,000	$0.20	December 15, 2022	1.50 years
4,054,760	$0.20	January 13, 2023	1.58 years
10,955,800	$0.50	April 14, 2023	1.92 years
1,106,000	$0.50	May 27,2023	2.00 years
29,098,560			1.17 years

At February 28, 2021, the following warrants were outstanding and exercisable:

Number of shares	Exercise Price $	Expiry Date	Weighted Average Remaining Contractual Life
109,375	$0.60	April 18, 2021	0.17 years
962,500	$0.40	July 3, 2021	0.33 years
250,000	$0.20	December 30, 2021	0.83 years
920,500	$0.20	January 10, 2022	0.92 years
11,199,000	$0.20	December 15, 2022	1.75 years
4,054,760	$0.20	January 13, 2023	1.83 years
17,496,135			1.15 years

The fair values of broker's warrants were determined using the Black-Scholes option pricing model with the following weighted average assumptions.

	May 31, 2021	May 31, 2020
Risk-free interest rate	0.24%	-
Expected life of warrants	2	-
Annualized volatility	103%	-
Dividend rate	-	-

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(d) **Stock options**

A summary of the status of the Company's stock options as at February 28, 2021 and February 29, 2020 and changes during those years is presented below:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Balance, February 29 2020	1,213,500	$0.84	2.83
Granted	5,974,000	$0.17	
Exercised	(2,947,500)	$0.12	
Expired	(112,500)	$0.30	
Cancelled	(383,500)	$1.30	
Balance February 28, 2021	3,744,000	$0.32	3.44
Granted	1,137,000	$0.21	
Exercised	-	-	
Expired	-	-	
Cancelled	-	-	
Balance May 31, 2021	**4,881,000**	**$0.29**	**3.49**

As at May 31, 2021, the following stock options were outstanding and exercisable:

Number of Shares	**Exercise Price**	**Expiry Date**
10,000	$1.40	April 12, 2022
10,000	$1.36	June 1, 2022
50,000	$1.36	July 7, 2022
50,000	$1.64	August 2, 2022
38,750	$1.68	August 28, 2022
55,000	$1.04	October 4, 2022
50,000	$1.08	November 14, 2022
208,750	$0.40	August 10, 2023
232,500	$0.20	September 4, 2024
1,275,000	$0.11	December 29, 2025
200,000	$0.12	January 19, 2023
275,000	$0.135	February 2, 2023
774,000	$0.37	February 8, 2023
515,000	$0.415	February 16,2026
3,744,000		

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(d) **Stock options** (continued)

As at February 28, 2021, the following stock options were outstanding and exercisable:

Number of Shares	Exercise Price	Expiry Date
10,000	$1.40	April 12, 2022
10,000	$1.36	June 1, 2022
50,000	$1.36	July 7, 2022
50,000	$1.64	August 2, 2022
38,750	$1.68	August 28, 2022
55,000	$1.04	October 4, 2022
50,000	$1.08	November 14, 2022
208,750	$0.40	August 10, 2023
232,500	$0.20	September 4, 2024
1,275,000	$0.11	December 29, 2025
200,000	$0.12	January 19, 2023
275,000	$0.135	February 2, 2023
774,000	$0.37	February 8, 2023
515,000	$0.415	February 16,2026
3,744,000		

8. CONTRIBUTED SURPLUS

The Company has adopted an incentive stock option plan. The maximum number of shares issuable under the plan shall not exceed 10% of the Company's issued and outstanding shares on each date where options are granted. Options that have been cancelled or expired continue to be issuable under the plan. Options granted may have a maximum term of five years and must have an exercise price greater than or equal to the closing price of the Company's shares on the day preceding the grant date.

When the Company issues stock options, it records a stock-based payment compensation expense in the year or period in which the options are granted and/or vested. Stock-based compensation expense is estimated using the following assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common stock. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying consolidated statements of loss and comprehensive loss.

During the period ended May 31, 2021, the Company has recognized $217,632 (May 31, 2020 - $nil) in compensation upon grant of 1,137,000 (May 31, 2020 – nil) stock options. These options vested 100% on the grant date. The fair values of these options were determined on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

(Expressed in Canadian Dollars)

8. CONTRIBUTED SURPLUS (continued)

	May 31, 2021	May 31, 2020
Risk-free interest rate	0.76% - 0.94%	-
Expected life of options	3.49 years	-
Annualized volatility	101% - 200%	-
Dividend rate	-	-

9. CAPITAL MANAGEMENT

The Company's objective in managing its capital is to maintain the ability to continue as a going concern and to continue to explore on mineral property interests for the benefits of its stakeholders.

The Company considers its capital to be the components of shareholders' equity. Capital requirements are driven by the Company's exploration activities on its mineral property interests. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals.

The Company monitors actual expenses to budget on all exploration projects and overheads to manage costs, commitments and exploration activities.

As the Company is in the exploration stage, its operations have been and will likely continue to be funded by the sale of equity to investors. Although the Company has been successful in raising funds in the past through issuing common shares, it is uncertain whether it will be able to continue to raise financing due to difficult conditions.

The Company is not subject to any externally imposed capital requirements and did not change its approach to capital management during the period ended May 31, 2021.

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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 investment policies, 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) **Fair value of financial instruments**

As at May 31, 2021, the Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties.

IFRS requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. IFRS establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS prioritizes the inputs into three levels that may be used to measure fair value.

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As May 31, 2021, the Company believes that the carrying values of accounts payable and accrued liabilities and due to related parties approximate the fair values because of their nature and relatively short maturity dates or durations.

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(b) **Credit risk**

Credit risk is the risk of a financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations.

The Company's primary exposure to credit risk is on its cash held in financial institutions. The majority of cash is deposited in bank accounts held with major financial institutions in Canada. Credit risk is managed by using major banks that are high credit quality financial institutions as determined by ratings agencies.

The maximum exposure to credit risk for cash is $2,885,660 (February 28, 2021 – $874,227).

(c) **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

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

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate, as they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.

(d) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company endeavours to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's main source of funding has been from the issuance of equity securities for cash, primarily through private placements.

At May 31, 2021, the Company had accounts payable and accrued liabilities $138,664 (February 28, 2021– $72,386) and amounts due to related parties $13,125 (February 28, 2021 – $40,362). The Company's accounts payable and accrued liabilities and amounts due to related parties have contractual maturities of less than 30 days and are subject to normal trade terms.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing activities for the period ended May 31, 2021 were as follows:

(a) Issued 207,760 common shares with a value of $43,130 as broker compensation (Note 7(b))

(c) Issued 588,800 broker's warrants with a fair value of $37,804. (Note 7(b))

Non-cash investing and financing activities for the year ended February 28, 2021 were as follows:

(a) Issued 4,000,000 common shares with a value of $520,000 pursuant to the acquisition of Bench Minerals Corp. related to mineral property agreements (Note 5(e)).

(b) Issued 136,000 common shares with a value of $13,600 as broker compensation (Note 7(b))

(c) Issued 253,760 broker's warrants with a fair value of $10,222. (Note 7(b))

12. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral property interests. All assets and operations of the Company are located in Canada.

13. COMMITMENTS

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined under Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that are allotted for such expenditure, but have not yet been spent.

In connection with the flow-through shares issued during the year ended February 29, 2020, the Company has an obligation to incur qualified expenditures of $6,536 by December 31, 2021.

14. COVID-19

Since February 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

15. SUBSEQUENT EVENTS

Subsequent to May 31, 2021:

(a) 100,000 options were exercised for gross proceeds of $20,000.