

GMV MINERALS INC.
Condensed Consolidated Interim Financial Statements
For the Six Months Ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

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MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The condensed consolidated interim financial statements for the six months ended December 31, 2020 and 2019 are unaudited and prepared by Management.

The Company’s independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

“Ian Klassen” (signed)
.....

Ian Klassen
President, CEO and Director

Vancouver, British Columbia
March 1, 2021

“Michele Pillon” (signed)
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Michele Pillon
Chief Financial Officer

GMV MINERALS INC.
Condensed Consolidated Interim Statements of Financial Position
As at December 31, 2020 and June 30, 2020
(Expressed in Canadian Dollars)

	December 31, 2020	June 30, 2020
	\$	\$
Assets		
Current		
Cash and cash equivalents	236,763	388,171
Amounts receivable	67,436	57,195
Prepaid expenses (Note 6)	130,129	170,216
	434,328	615,582
Reclamation Deposits (Note 3)	54,045	54,045
Resource Property Interests (Note 4)	4,888,650	4,854,610
	5,377,023	5,524,237
Liabilities		
Current		
Accounts payable and accrued liabilities	48,373	162,148
Equity		
Capital Stock (Note 5)	24,900,746	24,216,746
Contributed Surplus	4,889,648	4,570,948
Accumulated Other Comprehensive Income foreign currency translation adjustment	21,307	350,691
Deficit	(24,483,051)	(23,776,296)
	5,328,650	5,367,089
	5,377,023	5,524,237

Nature of Operations and Going Concern (Note 1)

Commitments (Note 7)

Subsequent event (Note 11)

Approved by the Board:

"Ian Klassen" Director
Ian Klassen

"Alistair MacLennan" Director
Alistair MacLennan

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

GMV MINERALS INC.
Condensed Consolidated Interim Statements of Comprehensive Loss
For the Six Months Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Three Months ended December 31,		Six Months Ended December 31,	
	2020	2019	2020	2019
Administrative expenses				
Share-based compensation	\$ 318,700	-	\$ 318,700	-
Management	79,875	67,500	147,375	155,000
Legal and accounting	33,858	43,000	58,404	75,249
Office and miscellaneous	4,837	4,929	8,994	9,250
Regulatory and transfer agent fees	6,168	2,510	16,643	3,665
Rent	4,500	4,500	9,000	9,000
Shareholder & investor relations	104,267	3,529	145,852	28,253
Travel and entertainment	318	18,671	764	28,235
Consulting	-	2,637	-	2,637
Loss before Other Items	(552,523)	(147,276)	(705,732)	(311,290)
Other Income (Expenses)				
Foreign exchange gain (loss)	(826)	(334)	(1,204)	(132)
Interest and other	20	350	181	1,291
	(806)	16	(1,023)	1,159
Comprehensive Loss for the Period	\$ (553,329)	(147,260)	\$ (706,755)	(310,131)
Loss per share, basic and diluted	\$ (0.01)	(0.00)	\$ (0.01)	(0.00)
Weighted average number of common shares outstanding	56,799,277	42,726,206	55,240,771	42,726,206

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

GMV MINERALS INC.
Condensed Consolidated Interim Statements of Changes in Equity
For the Six Months Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Issued Capital Shares	Capital Amount	Contributed Surplus	Deficit	Foreign Currency Translation Adjustment	Equity
		\$	\$	\$	\$	\$
Balance, July 1, 2019	42,726,206	23,274,332	4,426,532	(22,991,325)	180,469	4,890,008
Net loss	-	-	-	(310,131)	-	(310,131)
Balance, December 31, 2019	42,726,206	23,274,332	4,426,532	(23,301,456)	180,469	4,579,877
Balance, July 1, 2020	54,579,956	24,216,746	4,570,948	(23,776,296)	350,691	5,362,089
Shares issued for private placement	600,000	126,000	-	-	-	126,000
Shares issued for warrant exercises	3,281,250	524,000	-	-	-	524,000
Shares issued for option exercises	340,000	34,000	-	-	-	34,000
Share-based payments	-	-	318,700	-	-	318,700
Net loss	-	-	-	(706,755)	-	(706,755)
Other comprehensive income	-	-	-	-	(329,384)	(329,384)
Balance, December 31, 2020	58,801,206	24,900,746	4,889,648	(24,483,051)	21,307	5,328,650

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

GMV MINERALS INC.
Condensed Consolidated Interim Statements of Cash Flows
For the Six Months Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

Cash provided by (used for)	For the Three Months ended December 31,		For the Six Months Ended December 31,	
	2020	2019	2020	2019
Operating activities				
Loss for the period	\$ (553,329)	(147,260)	\$ (706,755)	(310,131)
Items not affecting cash:				
Share-based payments	318,700		318,700	
	(234,629)	(147,260)	(388,055)	(310,131)
Net change in non-cash working capital:				
Accounts receivable	(19,166)	(6,187)	(10,241)	(9,630)
Prepaid expenses	(24,391)	(15,089)	40,087	(7,498)
Due from related party	-	-	-	20,000
Accounts payable and accrued liabilities	(178,307)	13,945	(113,775)	(150,715)
	(456,493)	(154,591)	(471,984)	(457,974)
Investing activities				
Exploration and evaluation asset costs	(76,747)	(34,900)	(363,424)	(294,277)
Financing activities				
Shares issued for private placement, net	126,000	-	126,000	-
Proceeds from exercise of warrants	507,000	-	524,000	-
Proceeds from exercise of options	34,000	-	34,000	-
	667,000	-	684,000	-
Change in cash during the period	133,760	(189,491)	(151,408)	(752,251)
Cash and cash equivalents, beginning of period	103,003	288,508	388,171	851,268
Cash and cash equivalents, end of period	\$ 236,763	99,017	\$ 236,763	99,017

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

GMV MINERALS INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

GMV Minerals Inc. (the “Company”) was incorporated on May 18, 2006 under the Business Corporations Act of British Columbia. The Company’s shares are listed for trading on the TSX Venture Exchange under the symbol GMV.

The address of the Company’s corporate office and principal place of business is #280 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

The Company is in the process of exploring its principal mineral properties in SE Arizona and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a net loss of \$706,755 (2019: \$310,131) for the six months ended December 31, 2020 and has an accumulated deficit of \$24,483,051 (June 30, 2020 - \$23,776,296) which has been funded primarily by the issuance of equity. The Company’s ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholders and creditors. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favourable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected. 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.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. In assessing the appropriateness of the going concern assumption management is required to consider all available information about the future, which is at least, but not limited to, 12 months from the consolidated statement of financial position date. Management has carried out an assessment of the going concern assumption and has concluded that it is appropriate that the consolidated financial statements are prepared on a going concern basis. Accordingly, these consolidated financial statements do not reflect any adjustments to the carrying value of assets and liabilities, or the impact on the consolidated statement of comprehensive loss and consolidated statement of financial position classifications that would be necessary were the going concern assumption not appropriate.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company’s operations have not been drastically impacted by the pandemic. Management of the Company continues to monitor the situation and is following the protocols and rules set in place by the provincial and federal governments.

GMV MINERALS INC.
Notes to the Condensed Consolidated Interim Financial Statements
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2. BASIS OF PREPARATION

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As a result, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated annual financial statements for the year ended June 30, 2020. In preparation of these condensed consolidated interim financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 2 to the audited consolidated annual financial statements for the year ended June 30, 2020.

These consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, GMV Guyana Resources Inc. (“GMV Guyana”) and GMV Minerals (Nevada) LLC (“GMV Nevada”). GMV Nevada was incorporated on May 30, 2014 under the laws of the State of Nevada. All material inter-company balances and transactions have been eliminated upon consolidation. During the six months ended December 31, 2020 and 2019, GMV Guyana was inactive.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on March 1, 2021.

3. RECLAMATION DEPOSITS

As at December 31, 2020, the Company had \$20,442 (US\$15,000) (2019 - \$19,630 (US\$15,000)) in trust as a reclamation security deposit with the Arizona State Land Department and \$33,603 (US\$24,657) (2019 - \$28,302 (US\$21,626)) with the Bureau of Land Management Arizona for its exploration and evaluation assets on the Mexican Hat property in Arizona, US.

GMV MINERALS INC.
Notes to the Condensed Consolidated Interim Financial Statements
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4. RESOURCE PROPERTY INTERESTS

	June 30, 2020	Additions	December 31, 2020
Mexican Hat Property	\$	\$	\$
Acquisition cost additions:			
Cash	206,197	13,783	219,980
Warrants issued	16,797	-	16,797
	222,994	13,783	236,777
Exploration costs incurred:			
Assaying	512,078	149	512,227
Claim maintenance fees	146,122	-	146,122
Consulting	501,824	299,538	801,362
Drilling	1,868,520	-	1,868,520
Field expenses	116,625	10,114	126,739
Food and lodging	82,764	6,391	89,155
Freight	32,099	-	32,099
Geological consulting	512,480	8,013	520,493
Legal fees	344,357	25,436	369,793
Mapping	7,428	-	7,428
Share-based payments	135,890	-	135,890
Site personnel	109,598	-	109,598
Travel	75,130	-	75,130
Trenching & Surveying	4,711	-	4,711
Vehicle rental	13,750	-	13,750
Effect of movements in exchange rates	168,240	(329,384)	(161,144)
	4,631,616	20,257	4,651,873
Total	4,854,610	34,040	4,888,650

Mexican Hat Property

On May 14, 2014, the Company entered into a binding agreement with Norman A. Pearson to secure a 100% interest in a mining lease originally dated December 14, 2002. The Company has the exclusive right and privilege to explore and mine for certain material and the right to use the surface of the property as may be required for all purposes related to the prospecting, exploration, development and production of minerals from the property. The property consists of 40 unpatented lode mining claims situated in Cochise County, Arizona, USA. The lease remains in effect for the period that the claims are maintained in good standing.

The Company made the following payment to acquire the 100% interest in the mining lease:

- (a) Cash payment of \$40,000 (paid).
- (b) 50,000 common share purchase warrants at an exercise price of \$0.50 for a period of 24 months from the date of the agreement (issued).
- (c) 50,000 common share purchase warrants at an exercise price of \$1.00 for a period of 24 months from the date of the agreement (issued).

On April 27, 2015, the Company acquired 2 claims adjacent to the existing Mexican Hat Property. The mining property lease agreement was fully assigned to the Company. On November 13, 2015, the Company acquired an additional 2 claims adjacent to the existing Mexican Hat Property. In March 2017, the Company acquired a 100% interest in six new exploration permits at the Arizona State Land Department (ASLD). These permits further extend the north and northwest boundaries of its Mexican Hat gold exploration project located in S.E. Arizona. The Company's land position is approximately 2,693 acres.

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5. SHARE CAPITAL

- (a) **Authorized** - Unlimited common shares, without par value
- (b) **Issued and Outstanding** – **58,801,206** See Consolidated Statements of Changes in Equity

On November 26, 2020, the Company closed a non-brokered private placement with the issuance of 600,000 Units at a price of \$0.21 for gross proceeds of \$126,000. Each Unit consisted of one common share and one half of a share purchase warrant. Each whole warrant entitles the Unit holder to purchase one additional common share at a price of \$0.30 per share at any time within 18 months of the closing. No finder's fees were paid on this financing.

During the current period, the Company issued 3,281,250 shares for warrants exercised at \$0.15 and \$0.16, and 340,000 shares for options exercised at \$0.10 for gross proceeds of \$558,000.

On April 21, 2020, the Company completed a non-brokered private placement with the issuance of 11,853,750 Units at a price \$0.08 per Unit. Each Unit consisted of one common share and one half of a share purchase warrant exercisable at a price of \$0.16 for a period of eighteen (18) months. The Company raised gross proceeds of \$948,300 and paid \$3,500 in cash and issued 43,750 finders' warrants in share issuance costs related to this offering.

On May 28, 2019, the Company completed a non-brokered private placement with the issuance of 7,965,000 Units at a price \$0.11 per Unit. Each Unit consisted of one common share and one share purchase warrant exercisable at a price of \$0.15 for a period of two years. The Company raised gross proceeds of \$876,150 and paid \$1,540 in cash and issued 14,000 finders' warrants in connection with this offering.

(c) **Warrants**

The following table summarizes the continuity of the Company's warrants.

	Number of warrants	Weighted-Average Exercise Price
Balance, December 31, 2019	7,979,000	0.15
Granted	5,970,625	0.16
Balance, June 30, 2020	13,949,625	\$0.15
Exercised	(100,000)	0.15
Exercised	(3,181,250)	0.16
Balance, December 31, 2020	10,668,375	\$0.15

Additional information regarding warrants outstanding as at December 31, 2020 is as follows:

Exercise Price	Number of Warrants	Expiry Date
\$0.15	7,879,000	May 31, 2021
\$0.16	2,789,375	October 21, 2021

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5. SHARE CAPITAL (continued)

(d) **Stock Options**

The Company has adopted an incentive stock option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the issued outstanding common shares of the Company. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. Options granted may not exceed a term of five years. All options vest upon grant unless otherwise specified by the Board of Directors.

The following table summarizes the continuity of the Company's stock options. All of these options vested upon grant.

	Number of Options	Weighted-Average Exercise Price
Balance, June 30, 2019	3,465,000	\$0.33
Forfeited	(445,000)	0.10
Balance, December 31, 2019	3,020,000	0.22
Expired	(420,000)	0.13
Cancelled	(580,000)	0.60
Exercised	(340,000)	0.10
Granted	1,850,000	0.15
Granted	1,475,000	0.30
Granted	300,000	0.30
Balance, December 31, 2020	5,305,000	\$0.33

As at December 31, 2020, the weighted average remaining contractual life of the options was 2.70 years (2019 – 1.44 years). Additional information regarding options outstanding and exercisable as at December 31, 2020 is as follows:

Exercise Price \$	Number of Shares	Expiry Date
0.30	375,000	July 7, 2021
0.60	250,000	August 15, 2021
0.60	555,000	December 13, 2021
0.15	500,000	June 3, 2024
0.15	1,850,000	April 21, 2025
0.30	1,475,000	November 9, 2025
0.30	300,000	November 23, 2021
	5,305,000	

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6. RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended December 31, 2020 and 2019, the Company had the following related party transactions and balances:

- (a) Prepaid expenses include \$Nil (2019 - \$22,388) in amounts paid to companies controlled by directors and officers of the Company. These amounts are unsecured, non-interest bearing and due on demand.
- (b) The Company incurred \$111,375 (2019 - \$119,000) in management fees to a company controlled by an officer of the Company.
- (c) The Company incurred \$36,000 (2019 - \$36,000) to a company controlled by a director of the Company in management fees.
- (d) The Company paid \$42,000 (2019 - \$42,000) to company controlled by an officer of the Company for accounting fees.
- (e) The Company paid \$9,000 (2019 - \$9,000) to a company controlled by an officer of the Company for rent.

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-terms benefits and termination benefits were made during the six months ended December 31, 2020 and 2019. Short-term key management compensation consists of the following for the six months ended December 31, 2020 and 2019:

	2020	2019
Management fees	\$ 147,375	\$ 135,000
Accounting fees	42,000	42,000
Share-based payments	158,268	-
Write off of Related Party prior year advances	-	20,000
	\$ 347,643	\$ 197,000

7. COMMITMENTS

The Company has agreements with certain members of senior management. In the event that there is a change of control as defined by the agreements, the Corporation is committed to pay severance payments of salary which amounts to \$354,000 (2019 - \$324,000).

8. MANAGEMENT OF CAPITAL

The Company defines capital as all components of Equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements.

The exploration and evaluation assets in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

9. RISK AND FINANCIAL INSTRUMENTS

The Company's consolidated financial instruments consist of cash and cash equivalents, amount due from related party, and accounts payable. As at December 31, 2020, the Company classifies its cash and term deposit as fair value through profit and loss, amount due from related party as amortized cost, and its accounts payable as amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

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 volume to provide pricing information on an ongoing basis. Cash and cash equivalents are classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2020 relating to cash and cash equivalents of \$236,763. The cash and cash equivalents are held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

(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 December 31, 2020, the Company has cash and cash equivalents balance of \$236,763 to settle its short-term liabilities of \$48,373 and will therefore need to raise additional capital during the next quarter in order to meet its obligations.

(c) Interest Rate Risk

The Company has cash balances and term deposits with interest based on the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

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9. RISK AND FINANCIAL INSTRUMENTS (continued)

(d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable, and commitments that are denominated in a foreign currency. As at December 31, 2020, a 10% fluctuation in the foreign exchange rate of the United States dollar against the Canadian dollar would affect the Company's cash, account payable, and commitments by approximately \$5,000.

(e) Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken. During the six-month period ended December 31, 2020, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

(f) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. In management's opinion, the Company is not exposed to significant market risk.

10. SEGMENTED DISCLOSURE

The Company has one operating segment: mineral exploration. The Company operates in one geographical segment, the United States of America. Corporate administrative activities are conducted in Canada. All non-current assets of the Company are located in the US, as disclosed in Notes 3 and 4.

11. SUBSEQUENT EVENT

Subsequent to the period end, the Company received gross proceeds of \$36,000 for the exercise 240,000 warrants.

On February 8, 2021, the Company announced that it has retained Maryland-based Chesapeake Group Inc to create and execute a new pro-active investor relations program for current and potential investors. Chesapeake will oversee all aspects of investor outreach with an emphasis on investor education and corporate transparency.

Subject to TSX Venture Exchange approval, the initial term of the agreement is for a four-month period, which can be renewed or terminated with 30 days written notice. Compensation consists of the payment of US\$10,000 per month and the issuance of incentive stock options to purchase up to 300,000 common shares exercisable at \$0.25 per share for a period of 13 months, with 25% vesting every three months after the date of the grant.

In addition to the above-noted options, and also subject to regulatory approval, the Company issued a further 300,000 incentive stock options to various directors and officers exercisable at a price of \$0.25 for a period of five years.

The Company also announced the closing of a non-brokered private placement with the issuance of 1,458,334 units at a price of \$0.24 per unit for gross proceeds of \$350,000 with all securities issued having a four-month hold period. Each unit in this offering consists of one common share and one-half of a share purchase warrant. Each whole warrant entitles the unitholder to purchase one additional common share at a price of \$0.35 per share at any time within 24 months of the closing. There were no finder's fees paid in conjunction with this non-brokered placement.

Related parties to the company subscribed for 219,167 common shares for proceeds to the company of \$52,600 and representing approximately 15 per cent of the funds raised.