MENĒ INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MENĒ INC.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Menē Inc. ("the Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Menē Inc.
Condensed Consolidated Interim Statement of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	Note	June 30, 2021	December 31, 2020
Assets			
Cash and cash equivalents		$ 3,263,595	$ 9,144,563
Trade and other receivables	5	178,550	100,390
Inventory	6	17,373,070	17,001,537
Short-term investments	7	5,156,405	5,160,029
Other financial assets		233,394	124,510
Prepaid and other assets		197,353	231,214
Total current assets		26,402,367	31,762,243
Property and equipment		541,461	621,677
Intangible assets		957,801	562,142
Total assets		**$ 27,901,629**	**$ 32,946,062**
Equity and Liabilities			
Liabilities			
Accounts payable and accrued liabilities		$ 744,727	$ 856,389
Deferred revenue		385,596	364,553
Borrowings and payables to related parties	8	9,669,639	10,297,099
Note payable	9	-	9,924,979
Total current liabilities		10,799,962	21,443,020
Total liabilities		10,799,962	21,443,020
Shareholders' Equity			
Share capital	10	$ 31,138,441	$ 25,635,092
Contributed surplus	11	5,372,068	5,365,195
Accumulated other comprehensive loss		(1,445,775)	(1,050,260)
Deficit		(17,963,067)	(18,446,985)
Total shareholders' equity		17,101,667	11,503,042
Total shareholders' equity and liabilities		**$ 27,901,629**	**$ 32,946,062**

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

Approved on behalf of the Board:

"Roy Sebag", Director

"Joshua Crumb", Director

Menē Inc.
Condensed Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)
Unaudited

	Note	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2021	For the six months ended June 30, 2020
Revenue		$ 5,754,156	$ 3,439,038	$ 12,957,648	$ 8,596,032
Cost of sales		(4,224,466)	$ (2,521,317)	(9,690,270)	$ (6,665,388)
Gross profit		1,529,690	917,721	3,267,378	1,930,644
Operating expenses					
Advertising and promotion		$ 132,771	$ 124,364	$ 282,817	$ 348,873
Personnel related expenses		372,391	357,369	738,468	689,692
Professional fees		176,966	230,272	348,245	745,899
Distribution centre and processing		473,595	318,095	1,006,626	730,670
Stock-based compensation		3,103	7,773	6,873	10,078
General and administrative		96,304	98,463	214,164	247,827
Foreign exchange loss (gain)		5,982	48,379	14,155	(72,952)
Technology and development costs		127,686	55,699	265,965	219,223
Depreciation and amortization		41,571	44,741	83,823	87,580
Total operating expenses		1,430,369	1,285,155	2,961,136	3,006,890
Operating income (loss) for the period		**$ 99,321**	**$ (367,434)**	**$ 306,242**	**$ (1,076,246)**
Interest income		6,880	60,255	19,176	179,265
Interest and accretion expense		(74,075)	(263,827)	(225,520)	(562,160)
Deferred income tax (expense) recovery		(100,431)	-	67,378	-
(Loss) gain on revaluation of precious metal note payable to related party	8	(126,289)	(462,590)	825,825	(1,641,475)
Gain on debt modification	9	-	-	-	216,135
Loss on debt retirement	9,10	-	-	(498,016)	-
Gain (loss) on financial assets		6,239	4,296	(11,167)	(122)
Net (loss) income for the period		**$ (188,355)**	**$ (1,029,300)**	**$ 483,918**	**$ (2,884,603)**
Other comprehensive (loss) income					
Items that will be reclassified subsequently to income					
Unrealized (loss) gain on foreign currency translation		(316,847)	(419,576)	(573,099)	637,626
Items that will not be reclassified subsequently to income					
(Loss) gain on revaluation of digital assets		(264,773)	482	177,584	(9,510)
Other comprehensive (loss) income for the period		$ (581,620)	$ (419,094)	$ (395,515)	$ 628,116
Net (loss) income and comprehensive (loss) income for the period		**$ (769,975)**	**$ (1,448,394)**	**$ 88,403**	**$ (2,256,487)**
Net income (loss) attributable to equity holders:		**$ (188,355)**	**$ (1,029,300)**	**$ 483,918**	**$ (2,884,603)**
Basic and diluted earnings per share	12				
Basic		$ (0.00)	$ (0.00)	$ 0.00	$ (0.01)
Diluted		$ (0.00)	$ (0.00)	$ 0.00	$ (0.01)
Weighted average number of common shares	12				
Basic		254,534,598	243,997,856	247,130,955	243,997,856
Diluted		254,534,598	243,997,856	254,070,953	243,997,856

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

Menē Inc.
Condensed Consolidated Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	For the three months ended		For the six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Cash provided by (used in):				
Operating Activities				
Net (loss) income for the period	$ (188,355)	$ (1,029,300)	$ 483,918	$ (2,884,603)
Items not involving cash:				
Depreciation and amortization	41,571	44,741	83,823	87,580
Deferred income tax expense (recovery)	100,431	-	(67,378)	
Gain on debt modification	-	-	-	(216,135)
Loss on debt retirement	-	-	498,016	-
(Gain) loss on financial assets	(6,239)	(4,296)	11,167	122
Loss (gain) on revaluation of precious metal note payable to related party	126,289	462,590	(825,825)	1,641,475
Stock-based compensation	3,103	7,773	6,873	10,078
Unrealised foreign exchange	2,061	861	3,623	(100,720)
Interest expense	74,075	263,827	225,520	562,160
Changes in operating assets and liabilities:				
Inventory	219,845	(1,160,862)	(850,227)	2,773,061
Trade and other receivables	148,491	19,786	(84,742)	(66,467)
Prepaid and other assets	35,512	(70,118)	30,270	875
Digital assets	(71,783)	(26,786)	(183,501)	(19,855)
Other financial assets	(31,163)	(26,618)	(124,066)	(44,779)
Accounts payable and accrued liabilities	(100,879)	(71,788)	(140,259)	107,953
Deferred revenue	(106,816)	(128,416)	43,786	(87,930)
Net cash provided by (used in) operating activities	246,143	(1,718,606)	(889,002)	1,762,815
Investing Activities				
Sale of short-term investments	-	35,802,860	-	49,934,777
Purchase of short-term investments	-	(38,387,369)	-	(51,215,456)
Purchase of property and equipment	(16,355)	(1,699)	(16,355)	(24,139)
Net cash used in investing activities	(16,355)	(2,586,208)	(16,355)	(1,304,818)
Financing Activities				
Interest paid	(3,333)	(150,000)	(75,000)	(150,000)
Proceeds from warrant exercise	47,000	-	47,000	-
Repayment of note payable	-	-	(5,000,000)	(9,300,000)
Received from related parties	54,967	61,783	125,367	86,726
Net cash provided by (used in) financing activities	98,634	(88,217)	(4,902,633)	(9,363,274)
Increase (decrease) in cash and cash equivalents	328,422	(4,393,031)	(5,807,990)	(8,905,277)
Change in cash and cash equivalents related to foreign exchange	(32,519)	(15,941)	(72,978)	180,221
Cash and cash equivalents, beginning of period	4,253,827	8,662,799	9,144,563	12,978,883
Cash and cash equivalents, end of period	$ 3,263,595	$ 4,253,827	$ 3,263,595	$ 4,253,827

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

Menē Inc.
Condensed Consolidated Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)
Unaudited

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings (deficit)	Shareholders' equity
Balance, December 31, 2020	244,608,854	$ 25,635,092	$ 5,365,195	$ (1,050,260)	$ (18,446,985)	$ 11,503,042
Stock-based compensation	-	-	6,873	-	-	6,873
Shares issued - debt retirement	9,920,635	5,456,349	-	-	-	5,456,349
Exercise of warrants	235,002	47,000	-	-	-	47,000
Other comprehensive loss for the period	-	-	-	(395,515)	-	(395,515)
Net income for the period	-	-	-	-	483,918	483,918
Balance, June 30, 2021	254,764,491	$ 31,138,441	$ 5,372,068	$ (1,445,775)	$ (17,963,067)	$ 17,101,667
Balance, December 31, 2019	243,997,856	$ 25,573,992	$ 5,348,388	$ (693,011)	$ (15,102,053)	$ 15,127,316
Stock-based compensation	-	-	10,078	-	-	10,078
Other comprehensive income for the period	-	-	-	628,116	-	628,116
Net loss for the period	-	-	-	-	(2,884,603)	(2,884,603)
Balance, June 30, 2020	243,997,856	$ 25,573,992	$ 5,358,466	$ (64,895)	$ (17,986,656)	$ 12,880,907

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

1. Nature of operations

Menē Inc. ("Menē" or the "Company") designs, manufactures, and markets 24 karat gold and platinum jewelry under the brand name Menē. The Company retails its jewelry by gram weight direct-to-consumer through an online shopping experience.

Menē was incorporated on July 11, 2017, under the laws of the Province of Ontario, Canada. Menē, Inc., ("Menē Delaware") was incorporated on November 10, 2016, in the State of Delaware, United States of America. On July 11, 2017, the Company entered into a share exchange agreement with Menē Delaware pursuant to which the Company acquired all the issued and outstanding shares of Menē Delaware in exchange for Class A and Class B common shares in the capital of the Company (the "Acquisition"). Menē Delaware had minimal business activities prior to July 11, 2017.

On October 30, 2018, the Company completed a legal separation from Goldmoney Inc. in a spin-off transaction whereby a reverse take-over transaction with Amador Gold Corp. ("Amador") and its subordinate voting shares took place and subsequently listed on the TSX Venture Exchange under the symbol "MENE".

The principal office of the Company is located at 334 Adelaide Street West, Suite 307, Toronto, Ontario M5V 1R4.

2.0 Significant accounting policies

2.1 Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accounting policies are consistently applied to all periods presented, except if mentioned otherwise.

These unaudited condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34) and do not include all of the information required for full annual financial statements. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2020.

These unaudited condensed consolidated financial statements were approved for issuance by the Board of Directors on August 27, 2021.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the audited consolidated financial statements for the year ended December 31, 2020, except mentioned otherwise.

2.2 Basis of measurement

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for digital assets (a portion of intangible assets) and borrowings and payables to related parties, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, the unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

2.3 Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed or has rights to variable returns from an investee and has the ability to affect those returns through its control over the investee. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of operations and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial records of the subsidiary to bring their accounting policies in line with those used by the Company. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes a non-controlling interest.
These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary Mene Delaware.

2.4 Functional and foreign currency translation

The presentation currency of these unaudited condensed consolidated interim financial statements is Canadian dollars. For each entity within the unaudited condensed consolidated interim financial statements, the functional currency is determined based on the currency of the primary economic environment in which the entity operates. Primary and secondary indicators are used to determine the functional currency (primary indicators have priority over secondary indicators). The functional currency for the Company is the Canadian dollar. The functional currency of the Company's foreign subsidiary, Mene Delaware, is the United States dollar.

For the subsidiary, whose functional currency is other than the Canadian dollar, assets and liabilities are translated into the presentation currency at the exchange rate in effect at the reporting date. Revenues and expenses are translated at the rates in effect on the transaction dates. Exchange gains or losses on translation are included in other comprehensive income ("OCI"). The cumulative amount of the exchange differences is presented as a separate component of equity until disposal of the foreign subsidiary.

Transactions denominated in foreign currencies are translated into each of the entities' functional currency as follows:

- Monetary assets and liabilities are translated at the exchange rate in effect at the reporting date;

- Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date;
- Deferred tax assets and liabilities are translated at the exchange rate in effect at the reporting date with translation gains and losses recorded in income tax expense; and
- Revenues and expenses are translated at the average exchange rates throughout the reporting period, except depreciation, which is translated at the rates of exchange applicable to the related assets.

Exchange gains or losses on translation of transactions are included in the consolidated statements of operations. When a gain or loss on certain non-monetary items, such as financial assets at fair value through other comprehensive income, is recognized in OCI, the translation differences are also recognized in OCI.

2.5 Critical accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes could differ from these estimates. Revisions to accounting estimates are recognized prospectively. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.7 Accounting standards issued but not yet effective

The following standards and interpretations have been issued but are not yet effective. The Company intends to adopt these standards on the required effective date. They are not expected to have a significant impact on the consolidated financial statements:

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) was amended in February 2021 to introduce the definition of an accounting estimate and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier adoption is permitted.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

3. Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The Company sells 24 karat gold and platinum jewelry. These segments are aggregated into one operating segment because they have similar economic characteristics (gross profit margins and trends in sales growth) and are similar in each of the following respects:

a) the nature of products;
b) the nature of the production process;
c) the type or class of customers for products; and
d) the methods used to distribute the product.

The Company has a single reportable segment and all its assets are in North America. There have been no changes in the reportable segments in the three months ended June 30, 2021.

4. Capital risk management

The Company manages its capital with the following objectives:

(i) to ensure sufficient financial flexibility to achieve the ongoing business objectives, including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) to maximize shareholder return through enhancing the share value.

(Expressed in Canadian Dollars)

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general.

The Company may manage its capital structure by issuing new shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be share capital, contributed surplus and deficit, which at June 30, 2021 totaled $18,547,442 ($12,553,302 as at December 31, 2020).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on actual activities and selected financial information is provided to the Board of Directors of the Company.

There were no changes in the Company's approach to capital management during the three months ended June 30, 2021.

5. Trade and other receivables

Trade and other receivables consist of accounts receivable, HST sales tax receivable, and interest income receivable on short-term investments.

	June 30, 2021	December 31, 2020
Trade receivable	$134,863	$83,984
HST receivable	20,974	2,576
Interest income receivable	22,713	13,830
Trade and other receivables	$178,550	$100,390

6. Inventory

Inventory includes raw materials (metals), work in progress (metals in production), finished goods (jewelry), supplies (packaging bags), which includes an allocation of labour costs and overhead.

	June 30, 2021		December 31, 2020	
	Quantity (grams)	Amount	Quantity (grams)	Amount
Raw materials	13,752	$839,498	16,579	$1,063,603
Work in progress	45,129	3,146,259	37,217	2,697,104
Finished goods	196,308	13,099,399	186,129	12,806,771
Supplies		287,914		434,058
Inventory	255,189	$17,373,070	239,925	$17,001,537

As at June 30, 2021 and December 31, 2020, no inventory is carried at fair value less cost to sell.

7. Short-term investments

Short-term investments consist of guaranteed investment certificates ("GIC") that the Company holds in the bank. GICs denominated in Canadian dollar currency and US dollar currency earn interest income ranging from 0.02% to 2.00% per annum, maturing in less than 12 months.

	June 30, 2021	**December 31, 2020**
Canadian dollar GIC	$5,020,000	$5,020,000
US dollar GIC	136,405	140,029
Short-term investments	$5,156,405	$5,160,029

8. Borrowings and payables to related parties

	Metal amount (ounces)	**Metal price per ounce**	**June 30, 2021 Amount**
Gold	4,195	$2,196	$9,212,417
Platinum	343	1,333	457,222
Total	4,538		$9,669,639

	Metal amount (ounces)	**Metal price per ounce**	**December 31, 2020 Amount**
Gold	4,079	$2,411	$9,835,457
Platinum	338	1,366	461,642
Total	4,413		$10,297,099

The balance consists of precious metals extended to the Company and various operating expenses paid by Goldmoney Inc. ("Goldmoney") on behalf of the Company. Refer to Note 13 for a description of the Company's related party relationship with Goldmoney.

On March 19, 2019, the Company and Goldmoney agreed to terms on a line of credit promissory note. The line of credit established that the loan principal is a maximum of 5,000 troy ounces in any weight combination of gold and platinum, to be valued per the spot prices on March 19, 2019. The line of credit promissory note is unsecured, bears 3% interest per annum, and matures at the earlier of March 19, 2021, or on demand by Goldmoney.

As the line of credit is indexed to commodity prices, it is accounted for as a derivative financial instrument at FVTPL. A revaluation of the loan is completed at each period end based on the spot prices of metals, multiplied by the gold and platinum ounces respectively. The difference arising from the revaluation is recognized in profit and loss, which resulted in a $126,289 loss during the three months ended June 30, 2021.

On March 19, 2021, Goldmoney agreed to extend the maturity of the line of credit promissory note originally issued to the Company on March 19, 2019. The note will bear interest at the rate of 3% per annum and is payable on March 19, 2022, or on demand by Goldmoney.

9. Note payable

On March 8, 2019, the Company completed a $20,000,000 debt financing deal with an investor. The note payable consisted of $20,000,000 in principal loan issued to Menē, in exchange for repayment of principal upon maturity, 3% interest payable semi-annually, and 15,000,000 Menē Class B warrants, each warrant exercisable at $1 per unit for 1 Menē Class B share, expiring on November 29, 2020. The note payable was secured by $20,000,000 of cash and finished precious metals jewelry inventory and had a maturity date of March 8, 2021.

On March 19, 2020, the Company made a prepayment on the $20,000,000 note payable issued by the Company on March 8, 2019. The Company and the lender agreed to a prepayment of $10,000,000 of the principal amount of the note payable in consideration for a cash payment of $9,300,000. The note payable continued in good standing in accordance with its terms.

The prepayment was effective from January 1, 2020 and the principal amount outstanding at December 31, 2020 was $10,000,000. The Company realised a gain of $216,135 as a result of this non-substantial debt modification during the year ended December 31, 2020.

On March 8, 2021, the Company entered into a debt retirement agreement for the note payable issued by the Company on March 8, 2019. Pursuant to the debt retirement agreement the Company issued an aggregate of 9,920,635 common shares in settlement of $5,000,000 ($0.504 per common share), and made a cash payment of $5,119,167 (including all accrued interest to the date of completion of the Debt Retirement), in consideration for the retirement of a total of $10,119,167 in principal and accrued interest owing to the Lender. The company realised a loss of $498,016 on debt retirement during the three months ended March 31, 2021.

(Expressed in Canadian Dollars)

Note payable – principal	$20,000,000
Discount on note	(1,577,275)
Accretion	616,858
Balance, December 31, 2019	$19,039,583
Cash repayment	(9,300,000)
Gain on debt modification	(216,135)
Accretion	401,531
Balance, December 31, 2020	$9,924,979
Accretion	75,021
Cash repayment	(5,000,000)
Shares Issued	(5,000,000)
Balance, March 31, 2021	-

10. Share capital

The authorized share capital of the Company consisted of an unlimited number of shares.

- Class A shares without par value, 20 votes per share.
- Class B shares without par value, 1 vote per share.

	Number of shares	Amount
Balance, December 31, 2019	243,997,856	$25,573,992
Exercise of warrants – Class A shares (i)	610,998	61,100
Balance, December 31, 2020	244,608,854	$25,635,092
Issuance of Class B Shares (ii)	9,920,635	5,456,349
Exercise of warrants – Class A shares (iii)	235,002	47,000
Balance, June 30, 2021	254,764,491	$31,138,441

107,098,101 Class A shares and 147,666,390 Class B shares were outstanding at June 30, 2021.

(i) On July 10, 2020, 610,998 Class A share warrants were exercised by a director of the Company, for proceeds of $61,100. 167,500 Class A common shares were converted to Class B common shares during the year ended December 31, 2020.

(ii) On March 30, 2021, the Company issued 9,920,635 Class B shares in settlement of $5,000,000 in principal balance of the note payable, pursuant to the debt retirement agreement the Company entered into on March 8, 2021 (See Note 9). The share price on the date of issuance was $0.55.

(Expressed in Canadian Dollars)

(iii) On June 29, 2021, 235,002 Class A share warrants were exercised by a director of the Company, for proceeds of $47,000.

11 Contributed surplus

11.1 Stock options

On October 24, 2018, the Company adopted a new Stock Option Plan. The aggregate maximum number of shares available for issuance from treasury under this plan and all the Company's other security-based compensation arrangements at any given time is 20% of the Company's issued and outstanding shares as at the date of grant of an option under the Plan, subject to certain stated adjustments. Under the plan, options granted can be exercisable for a maximum of 10 years from the date of grant or a lesser period as determined by the Board at the time of such grant. In the event of a change in control in the Company, all options outstanding shall be immediately exercisable. The vesting schedule of the options is at the discretion of the board; some options disclosed below vest immediately, while others vest over a three-year period.

The table below summarizes the granted, exercised, and forfeited options as at June 30, 2021 and December 31, 2020.

	June 30, 2021		December 31, 2020	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
Beginning balance	$0.61	2,261,838	$0.61	2,482,890
Granted	-	-	$0.51	50,000
Exercised	-	-	-	-
Forfeited	$0.61	(271,052)	$0.62	(271,052)
Ending balance	$0.61	1,990,786	$0.61	2,261,838

i) Fair value of options granted

All outstanding share options expected to vest were measured in accordance with IFRS 2, "Share-based Payment" at their market-based measure at the acquisition date. Options were priced using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility.
The fair value of options outstanding was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions at the measurement date:

(Expressed in Canadian Dollars)

	June 30, 2021	December 31, 2020
Share price	-	$0.36 to $0.66
Exercise price	-	$0.36 to $0.66
Risk-free interest rate	-	0.29% to 0.32%
Expected life	-	5 years
Estimated volatility in the market price of the common shares	-	92% to 95%
Expected dividend yield	Nil	Nil

11.2 Warrants

The table below summarizes the granted, exercised, and cancelled warrants during the six months ended June 30, 2021 and the year ended December 31, 2020.

	June 30, 2021		December 31, 2020	
	Average exercise price per warrant	Number of warrants	Average exercise price per warrant	Number of warrants
Beginning balance	$0.22	5,950,000	$0.82	28,703,998
Granted	-	-	-	-
Exercised	$0.20	(235,002)	$0.10	(610,998)
Expired	-	-	$1.00	(22,143,000)
Ending balance	$0.22	5,714,998	$0.22	5,950,000

For warrants exercised during the six months ended June 30, 2021, the weighted average share price at the date of exercise was $0.68.

For warrants exercised during the year ended December 31, 2020, the weighted average share price at the date of exercise was $0.35.

Warrants outstanding at the end of the period have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price	Warrants June 30, 2021
September 2017	July 2021	$0.20	4,714,998
November 2018	August 2022	$0.30	1,000,000
Total			5,714,998
Weighted average remaining contractual life of warrants outstanding at end of the period			0.22 years

(Expressed in Canadian Dollars)

12. Earnings per share

	For the three months ended June 30, 2021	June 30, 2020
Basic and diluted loss per common share		
Net loss attributable to common shareholders	$ (188,355)	$ (1,029,300)
Weighted average number of common shares outstanding	254,534,598	243,997,856
Basic and diluted loss per common share	$ (0.00)	$ (0.00)

	For the six months ended June 30, 2021	June 30, 2020
Basic earnings (loss) per common share		
Net income (loss) attributable to common shareholders	$ 483,918	$ (2,884,603)
Weighted average number of common shares outstanding	247,130,955	243,997,856
Basic earnings (loss) per common share	$ 0.00	$ (0.01)
Diluted earnings (loss) per common share		
Net loss attributable to common shareholders	$ 483,918	$ (2,884,603)
Weighted average number of common shares outstanding	247,130,955	243,997,856
Adjustments to average shares due to share-based options and others	6,939,998	-
Weighted average number of diluted common shares outstanding	254,070,953	243,997,856
Diluted earnings (loss) per common share	$ 0.00	$ (0.01)

13. Related party transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled or managed by these individuals, as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value. Key management is defined as those with authority and responsibility for planning, directing and controlling activities of the Company, including directors and the executive team.

During the three months ended June 30, 2021, the Company paid a total compensation of $136,420 to key management personnel, including consulting fees and salary, stock-based compensation for the amortization of options and warrants.

Related party transactions with Goldmoney

Menē has a related party relationship with Goldmoney, which holds 34.45% ownership in Menē as at June 30, 2021 (and shares the same Chief Executive Officer ("CEO") who influences key business decisions.

Menē has a supply agreement with Goldmoney dated August 20, 2017. The supply agreement states that Goldmoney is the exclusive supplier of gold and platinum to Menē, and Menē agrees to purchase the metals at a price of 0.5% over the spot price, subject to the terms of the supply agreement.

On March 19, 2021, Goldmoney agreed to extend the maturity of the line of credit promissory note originally issued to the company on March 19, 2019 (see Note 8). The note will bear interest at the rate of 3% per annum and is payable of March 19, 2022, or on demand by Goldmoney.

14. COVID-19

There was a global outbreak of COVID-19 during fiscal year 2020. On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. Governments around the world have mandated, and continue to introduce, orders to slow the transmission of the virus, including but not limited to quarantines, significant restrictions on travel, as well as work restrictions that prohibit many employees from going to work. Uncertainty with respect to the economic effects of the pandemic has introduced significant volatility in financial markets.

At this time, it is unknown the extent of the continuing impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and additional quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries to fight the virus.

The potential effects of COVID-19 could impact the Company in a number of other ways including, but not limited to, reductions to our profitability, laws and regulations affecting our business, fluctuations in foreign currency markets, the availability of future borrowings, the cost of borrowings, credit risks of our counterparties and the potential impairment of the carrying value of indefinite-lived intangible assets.

While the Company believes that precious metals are generally well suited to withstand the COVID-19 pandemic, the Company continues to monitor its investments and assess the impact that COVID-19 will have on its business activities. The continuing extent of the effect of the COVID-19 pandemic on the Company is uncertain.