RICHMOND MINERALS INC.

UNAUDITED CONDENSED INTERIM

FINANCIAL STATEMENTS

PERIODS ENDED AUGUST 31, 2021 AND AUGUST 31, 2020

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of 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 unaudited interim condensed 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.

Management Responsibility

The accompanying unaudited condensed interim financial statements of Richmond Minerals Inc. (the "Company") are the responsibility of the Board of Directors.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the Company's audited financial statements as at May 31, 2021, with any changes described in these unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the Statement of Financial Position date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") appropriate in the circumstances. Management has established processes, which are in place to provide sufficient knowledge to support management representations that it has exercised reasonable diligence that the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Franz Kozich	/s/ Victoria Kuklina
President and CEO	CFO

Toronto, Canada
October 29, 2021

Statements of Financial Position

(In Canadian dollars)

As at:	Note	Aug 31, 2021	May 31, 2021
ASSETS			
Current			
Cash and equivalents		$117,727	$100,947
Marketable securities	6	2.261	2,542
Share subscription receivable		5,000	15,000
Interest and sundry receivables		26,648	105,142
Deposits and prepaid expenses		20,146	8,823
		$171,781	$232,454
Non-current			
Property, plant and equipment	7	$2,502	$2,634
Website development	7	-	-
Mineral Properties	8	2,825,188	2,803,297
		$2,827,691	$2,805,931
		$2,999,472	$3,038,385
LIABILITIES			
Current			
Accounts payable and accrued liabilities	12	$48,815	$53,951
Flow-through share liability		-	-
Provision for indemnification of Flow through share subscribers	14	210,000	210,000
		$258,814	$263,951
SHAREHOLDERS' EQUITY			
Stated capital	9	$19,113,263	$19,366,795
Contributed surplus	9	2,116,137	1,858,104
Deficit		(18,488,742)	(18,450,465)
		$2,740,658	$2,774,434
		$2,999,472	$3,038,385

/s/ Franz Kozich — Director

/s/ Victoria Kuklina — Chief Financial Officer

Accompanying notes form an integral part of these unaudited condensed interim financial statements.

Statements of Comprehensive Loss
(In Canadian dollars)

	Note	One month ended Aug 31, 2021	Aug 31, 2020
Management fees	12	$9,000	$71,000
Professional fees		12,172	20,342
Regulatory fees		4,577	7,001
Administrative and general		12,114	33,078
Interest and Bank charges		-	101
Amortization expense		132	412
Fair Value Adjustment of marketable securities	10	282	(2,317)
		$38,277	$129,617
Net loss before income tax		**$38,277**	**$129,617**
Deferred income tax		-	(848)
Income tax expense		-	-
Net Loss and comprehensive loss		$38,277	$128,768
Basic		($0.000)	($0.001)
Diluted		($0.000)	($0.001)
shares outstanding			
Basic	3	139,395,835	119,812,505
Diluted	3	139,395,835	119,812,505

Accompanying notes form an integral part of these unaudited condensed interim financial statements.

Statements of Cash Flows

(In Canadian dollars)

	For the One Month Ended	
	Aug 31, 2021	**Aug 30, 2020**
Cash provided by (used in):		
Operating activities:		
Loss for the year	($38,277)	($128,768)
Add (deduct): Items not requiring an outlay of cash		
Depreciation	132	412
Adjustment of fair value of marketable securities	282	(2,317)
Flow-through liability	-	(848)
Changes in non - cash operating working capital:		
Deposits and prepaid expenses	(11,323)	(43,154)
Amounts receivable	78,493	(17,283)
Accounts payable	(5,136)	(28,923)
	$24,171	($220,881)
Investing activities:		
Purchase of property, plant and equipment	-	-
Expenditures on mining properties	(17,391)	(46,430)
	($17,391)	($46,430)
Financing activities:		
Cash due on private placement	10,000	-
Cash received in advance on private placement	-	(88,000)
Cash held for future exploration	-	(58,903)
Issuance of capital stock	-	800,000
	$10,000	$653,097
Increase (decrease) in cash and cash equivalents	$16,780	$385,786
Cash and cash equivalents, beginning of year	$100,947	$154,873
Cash and cash equivalents, end of period	$117,727	$540,659

Accompanying notes form an integral part of these unaudited condensed interim financial statements.

Statements of Shareholders' Equity

(In Canadian dollars)

	Number of Common Shares	Capital Stock: Common Shares	Capital Stock: Warrants	Contributed Surplus	Total Capital	Retained Earnings (Deficit)	Total
Balance, May 31, 2020	**119,812,505**	**$18,129,597**	**$319,290**	**$1,721,465**	**$20,170,352**	**($18,076,490)**	**$2,093,862**
Net Income After Tax	-	-	-	-	-	(128,768)	(128,768)
Issuance for cash	16,000,000	800,000	-	-	800,000	-	800,000
Issuance of warrants	-	(616,099)	616,099	-	-	-	-
Balance, Aug 31, 2020	**135,812,505**	**$18,313,497**	**$935,389**	**$1,721,465**	**$20,970,352**	**($18,205,249)**	**$2,765,094**
Balance, May 31, 2021	**139,395,835**	**$18,594,738**	**$772,057**	**$1,858,104**	**$21,224,899**	**($18,450,465)**	**$2,774,434**
Net Income After Tax	-	-	-	-	-	(38,277)	(38,277)
Issuance for mining claims	100,000	4,501	-	-	4,501	-	4,501
Expiration of warrants	-	(258,033)	258,033	-	-	-	-
Balance, Aug 31, 2021	**139,495,835**	**$18,599,239**	**$514,024**	**$2,116,137**	**$21,229,400**	**($18,488,742)**	**$2,740,658**

Accompanying notes form an integral part of these unaudited condensed interim financial statements.

Notes to the Unaudited Condensed Interim Financial Statements

1. Nature of Operations and Going Concern

Richmond Minerals Inc. (the "Company") was incorporated under the laws of the Province of Ontario and is listed on the TSX Venture Exchange under symbol (RMD). The Company's head office and primary place of business is located at 120 Adelaide Street West, Suite 2500, Toronto, ON, CA, M5H 1T1.

These unaudited condensed interim financial statements of the Company were authorized for issue in accordance with a resolution of the directors on October 29th, 2021.

The Company is engaged in base and precious metal mining and related activities, including exploration and development in Northern Ontario and Quebec. The Company, directly and through joint ventures, is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern must be disclosed. As at August 31, 2021, the Company has not achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company's liabilities as they become payable. The Company has a working capital deficit at period end in the amount of $87,033 and has accumulated losses since inception in the amount of $18,488,742. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities is dependent on the discovery of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to fund its operations, and the future production or proceeds from developed properties. These unaudited condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in these unaudited condensed interim financial statements. These adjustments could be material.

2. Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements should be read in conjunction with the Company's most recently issued Annual Report which includes information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented in Note 3 of the financial statements for the year ended May 31, 2021, and have been consistently applied in the preparation of these interim financial statements.

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for certain financial assets which are recorded at fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Significant Accounting Policies

The below-described accounting policies have been applied to all of the periods presented in these financial statements. These policies are the published IFRS accounting policies and the current issued and adopted interpretations applied to fiscal years beginning on or after January 1, 2019.

Note 3 – Significant Accounting Policies Continued

(i) Basis of Preparation
The financial statements are presented in accordance with IAS 1, *Presentation of Financial Statements.*

The Company has elected to present the 'Statement of Comprehensive Loss' as a single financial statement with its Statement of Income, titled 'Statement of Comprehensive Loss'.

(ii) Basis of Consolidation
The consolidated financial statements of the Company include the accounts of its newly incorporated wholly owned subsidiaries 2743718 Ontario Inc., which was incorporated in the current year to hold the Company's Austrian mineral property.

(iii) Foreign Currency
The Company's functional and presentation currency is the Canadian Dollar ("CAD").

Monetary assets and liabilities that are denominated in a currency other than the Company's functional currency are translated using the exchange rate in effect on the reporting date, whereas non-monetary items are translated using historical exchange rates. Expenses, if any, are translated at the exchange rate in effect on the transaction date. Exchange differences, if any, are recognized in profit or loss in the period in which they arise in other gains/losses.

(iv) Cash and Cash Equivalents
The cash and cash equivalents item includes cash on hand and short-term investments, if any, with maturities upon acquisition of generally three months or less or that are redeemable at any time at full value and for which the risk of a change in value is not significant.

(v) Interest Income
Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on the basis of time that has passed, by reference to the principal outstanding and at the effective interest rate applicable.

(vi) Share-based Payments
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payment transactions are set out in Note 9(ii) below.

The fair value determined at the grant date of the equity-settled share-based payments is expensed to the Statement of Comprehensive Loss over the vesting period, if any, which is the period during which the employee becomes unconditionally entitled to equity instruments. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest, if any.

Equity-settled share-based payment transactions with parties other than employees, if any, are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Share-based payments for goods and services are expensed to the Statement of Comprehensive Loss when they occur over the vesting period, if they do not vest immediately.

Notes to the Consolidated Financial Statements

Note 3 – Significant Accounting Policies Continued

(vii) Income Taxes and Deferred Taxes

The income tax expense or benefit for the period consists of two components: current and deferred. Income tax expense or benefit is recognized in the Statement of Comprehensive Loss except to the extent it relates to a business combination or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Taxable profit or loss differs from profit or loss as reported in the Statement of Comprehensive Loss because of items of income or expense that are taxable or deductible in other years, and items that are never taxable or deductible. The Company's liability or recovery for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. To the extent that the Company does not consider it to be probable that taxable profits will be available against which deductible temporary differences can be utilized, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly into equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements

Note 3 – Significant Accounting Policies Continued

(viii) Mineral Properties and Exploration and Evaluation (“E&E”) Costs

Exploration and evaluation (E&E) costs are those costs required to find a mineral property and determine commercial viability. E&E costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves.

Exploration and evaluation costs consist of:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

Project costs in relation to these activities are capitalized as Exploration and Evaluation assets until such time as the Company expects that the decision is made to develop a mine to extract the mineral reserves within a reasonable period. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the income statement. Once the decision to develop the mine is made, and subject to an impairment analysis, capitalized exploration and evaluation costs are transferred to capitalized costs within property, plant and equipment or intangible assets, as appropriate. The decision to develop a mine may be impacted by management’s assessment of legal, environmental, social and governmental factors.

E&E assets are are recorded and measured at initial recognition at cost and are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount of the asset.

(ix) Property and Equipment

Property and equipment are recorded and measured at initial recognition at cost. Amortization is provided on items of property and equipment so as to write off their carrying value over their expected useful economic lives. Amortization is calculated at 20% declining balance.

(x) Impairment of Non-financial Assets Other than Goodwill

The carrying value of the Company’s capitalized E&E assets is assessed for impairment when indicators of such impairment exist. Plant and equipment and intangible assets are assessed for impairment at the end of each reporting period. If any indication of impairment exists, an estimate of the asset’s recoverable amount is calculated to determine the extent of the impairment loss, if any. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset’s value in use. 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 for which the estimates of future cash flows have not been adjusted.

Impairment is determined on an asset by asset basis, whenever possible. If it is not possible to determine impairment on an individual asset basis, then impairment can be considered on the basis of a cash generating unit (“CGU”). CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or Company’s other group of assets. The Company has determined that it operates one CGU.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged immediately to the Statement of Comprehensive Loss so as to reduce the carrying amount to its recoverable amount. Impairment losses related to continuing operations are recognized in the Statement of Comprehensive Loss in those expense categories consistent with the function of the impaired asset.

Notes to the Consolidated Financial Statements

Note 3 (x) – Impairment of Non-financial Assets Other than Goodwill Continued

For assets excluding goodwill and indefinite life intangibles, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement. Impairment losses recognized in relation to goodwill or indefinite life intangibles are not reversed for subsequent increases in its recoverable amount.

(xi) Financial Instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the period during which the change occurs. Realized and unrealized gains or losses from assets held at FVPTL are included in losses in the period in which they arise.

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. The Company's accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include trade and other payables which are classified at amortized cost.

Impairment

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Notes to the Consolidated Financial Statements

Note 3 – Significant Accounting Policies Continued

(xii) Fair Value Hierarchy

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(xiii) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, if it is probable that the Company will be required to settle the obligation, and if a reliable estimate of the obligation amount can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to the obligation. If the effect of the time value of money is material, the provisions are measured at their present value. See Note 15.

(xiv) Loss per share

Basic earnings per share is calculated by dividing earnings attributable to common shares divided by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated using the denominator of the basic calculation described above adjusted to include the potentially dilutive effect of outstanding stock options and warrants. The denominator is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all stock options and warrants with exercise prices below the average market price for the year.

Shares issuable on exercise of stock options and warrants totaling 34,891,665 on May 31, 2021 (13,354,888 on May 31, 2020) was not included in the computation of diluted loss per share because the effect would have been anti-dilutive.

Notes to the Consolidated Financial Statements

Note 3 – Significant Accounting Policies Continued

(xv) Government grants

Government grants related to assets, including investment tax credits, are recognized in the statement of financial position as a deduction from the carrying amount of the related asset. They are then recognized in profit or loss over the useful life of the depreciable asset that the grants were used to acquire, as a deduction from the depreciation expense.

Other government grants are recognized in profit or loss as a deduction from the related expense.

(xvi) Flow-through shares

The Company raises equity through the issuance of flow-through shares. Under this arrangement, shares are issued which transfer the tax deductibility of mineral property exploration expenditures to investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow through premium liability is recognized for the difference. The liability is reversed pro-rata as expenditures are made and are recorded in the statement of loss and comprehensive loss. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a maximum period.

(xvii) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are unlikely possible obligations or assets resulting from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets and contingent liabilities, if any, are disclosed in the notes under the “Commitments and Contingencies” heading.

(xviii) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for, as soon as the obligation to incur such costs arises.

Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit- of-production or the straight-line method as appropriate.

The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at May 31, 2021, and 2020, as the disturbance to date is minimal.

Notes to the Consolidated Financial Statements

Note 3 – Significant Accounting Policies Continued

(xix) Accounting judgments and sources of estimation uncertainty

In preparing financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and relies on assumptions and estimates that affect the amounts of the assets, liabilities and expenses reported in these financial statements and on the contingent liability and contingent asset information provided. The actual results of items subject to assumptions and estimates may differ from these assumptions and estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

a) Fair Value of Financial Instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

b) Share-based payment transactions

The Company measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8(ii).

c) Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

d) Mineral properties

The recoverability of amounts shown for exploration and evaluation assets is dependent on the discovery of economical reserves, the ability of the Company to obtain financing to complete development of the properties and on future production or proceeds of disposition.

The determination of when an exploration asset moves from the exploration stage to the development stage is also subject to management judgment.

e) Restoration rehabilitation and environmental obligations

Management's assumption of no material restoration, rehabilitation and environmental obligations is based on facts and circumstances, which may be open to interpretation that existed during the period.

4. Accounting Pronouncements issued but not yet effective

The Company does not expect any of the newly issued but not yet effective standards as of the date of this report to have a significant impact on the Company.

5. Cash held for future exploration

During the quarter ended August 31, 2021, the Company has completed no flow-through financing (year ended May 31, 2021: $215,000). Of the cash held by the Company at August 31, 2021, there is a balance to be spent on Canadian Exploration Expenditures ("CEE") in the amount of $Nil (year ended May 31, 2021: $Nil).

6. Marketable securities

At August 31, 2021, the Company had an investment in the following public company marketable securities which have been classified as Fair Value through Profit and Loss ("FVTPL").

	# shares	Fair Value
Integra Resources	640	$ 2,260
Bitrush Corp.	580,000	1
		$ 2,261

At May 31, 2021, the Company had an investment in the following public company marketable securities which have been classified as Fair Value through Profit and Loss ("FVTPL").

	# shares	Fair Value
Integra Resources	640	$ 2,541
Bitrush Corp.	580,000	1
		$ 2,542

During the current period, a loss in the amount of $282 was recognized on the adjustment of FVTPL financial instruments to market.

7. Property and equipment and Website development costs

Property and equipment:

Cost	Balance at May 31, 2021	Additions, net	As at August 31, 2021
Furniture and equipment	$ 30,459	$ -	$ 30,459
Accumulated depreciation			
Furniture and equipment	(27,825)	(132)	(27,957)
Net book value	$ 2,634	$ (132)	$ 2,502

Website development:

Cost	Balance at May 31, 2021	Additions, net	As at August 31, 2021
Website development costs	$ 3,000	$ -	$ 3,000
Accumulated depreciation			
Website development costs	(3,000)	-	(3,000)
Net book value	$ -	$ -	$ -

8. Mineral Properties

The following is a summary of the Company's exploration and evaluation properties:

	Aug 31, 2021	**May 31, 2021**
Opening balance	$2,803,297	$2,327,500
Current period deferred expenditures	21,891	475,797
Shares issued for mining claims	-	-
Balance end of period	$2,825,188	$2,803,297

	Aug 31, 2021	**May 31, 2021**
Swayze Area, Porcupine Mining (a)	$1,940,345	$1,918,454
Oberzeiring (b)	884,843	884,843
	$2,825,188	$2,803,297

Notes to the Unaudited Condensed Interim Financial Statements

Note 8(a) – Mineral Properties Continued

(a) The Corporation holds a 100% interest in a group of 192 contiguous unpatented mining claims located in the Swayze Area, Porcupine Mining Division, Ontario.

(b) During the fiscal year ended May 31, 2020, the Company acquired a 100% interest in a group of 99 contiguous mining claims located near the town of Oberzeiring in the province of Styria, Austria. The cost of the acquisition was 40,000,000 shares of the Company issued at a value of $0.02 per share, or $800,000 in total.

9. Shareholders' Equity

(i) Share capital and contributed surplus

	Aug 31, 2021	May 31, 2021
Shares issued and fully paid:		
Beginning of the year	139,395,835	119,812,506
Share issue for mining claims	100,000	-
Share issue for cash	-	19,583,329
Shares issued and fully paid	139,495,835	139,395,835

For each class of share capital:	
The number of shares authorized	Unlimited
The number of shares issued and fully paid	139,495,835
Par value per share, or that the shares have no par value	no par value

Notes to the Unaudited Condensed Interim Financial Statements

Note 9 – Shareholders' Equity Continued

(ii) Stock Options

The Company's Stock Option Plan ("the "Plan") provides for the issuance of a maximum of 10% of the issued and outstanding common shares at an exercise price equal or greater than the market price of the Company's common shares on the date of the grant to directors, officers, employees and consultants to the Company. The option period for options granted under the Plan is for a maximum period of 5 years. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised.

Each stock option is exercisable into one common share of the Company at the price specified in the terms of the option.

The following table summarizes information about the stock options outstanding and exercisable:

	Aug 31, 2021		May 31, 2021	
	Number of units	**Weighted average exercise price**	**Number of units**	**Weighted average exercise price**
Balance at beginning of period	9,100,000	$0.10	10,040,000	$0.10
Granted during the period	-		-	-
Expired during the period	-		(940,000)	0.10
Balance at end of period	**9,100,000**	**$0.10**	**9,100,000**	**$0.10**
Units exercisable at the end of the period	**9,100,000**	**$0.10**	**9,100,000**	**$0.10**

There were no stock options granted as at August 31, 2021 (May 31, 2021: Nil).

The following table summarizes share units outstanding at the end of period:

Exercise Price	**Number of Options**	**Expiry Date**	**Weighted Average Remaining Life**
$0.10	9,100,000	18-May-25	3.72

The Company has not recognized any expense for share based payment in August 31, 2021, Statements of Comprehensive Income (May 31, 2021: $75,381).

Notes to the Unaudited Condensed Interim Financial Statements

Note 9 – Shareholders' Equity Continued

(iii) Warrants

The following table summarizes information about the warrants outstanding and exercisable:

	Aug 31, 2021			May 31, 2021		
	Number of units		**Weighted average exercise price**	**Number of units**		**Weighted average exercise price**
Balance at beginning of period	25,791,665	$	0.10	12,474,066		$0.09
Issued	-		-	17,791,665		0.10
Expired during the period	(8,000,000)		0.08	(4,474,066)		0.08
Balance at end of period	**17,791,665**	**$**	**0.10**	**25,791,665**	**$**	**0.10**

Exercise Price	Number of Warrants	Expiry Date	Weighted Average Remaining Life
$0.10	16,000,000	12-Jan-22	0.62
$0.10	833,333	3-Nov-22	1.43
$0.10	958,333	1-Dec-22	1.50

Notes to the Unaudited Condensed Interim Financial Statements

10. Financial Instruments

Financial Instruments details can be summarized as follows:

	Balance as at Aug 31, 2021	Balance as at May 31, 2021
Financial assets		
Loans and receivables		
Interest and sundry receivables	$26,648	$105,142
	$26,648	$105,142
Fair Value Through Profit or Loss		
Cash and cash equivalents	$117,727	$100,947
Marketable Securities	2,261	2,542
	$119,988	$103,489
Financial liabilities		
Financial liabilities measured at amortized cost		
Accounts payable and accrued liabilities	$48,815	$53,951
	$48,815	$53,951

Cash and cash equivalents are comprised of bank deposits.

The Company's interest income on short-term investment carried at amortized cost is presented on the Statement of Comprehensive Loss in the Interest Income line.

The Company's marketable securities consist of the following financial instruments at August 31, 2021:

	# shares	Fair Value
Integra Resources	640	$ 2,260
Bitrush Corp.	580,000	1
		$ 2,261

Notes to the Unaudited Condensed Interim Financial Statements

11. Financial Instruments Risk Management

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and interest rate risk.

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 obligations. The Company is not exposed to credit risk due to the nature of the collectible accounts.

On August 31, 2021, and May 31, 2021, the Company does not have any allowance for doubtful accounts.

Interest rate sensitivity

Management actively monitors the Company's exposure to credit risk under its financial instruments, including with respect to amounts receivable. The Company considers the risk of loss for its amounts receivable to be remote and significantly mitigated due to the financial strength of the party from whom the receivables are due - the Canadian government for harmonized sales tax ("HST") refunds receivable.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Company's financial obligations associated with financial liabilities. Given the Company's present financial situation liquidity risk at the Company is considered high.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional debt or equity financing. It is anticipated that the Company will continue to rely on debt or equity financing to meet its ongoing working capital requirements.

Market risk

The Company's marketable securities are classified as fair value through profit or loss and are subject to changes in the market prices. They are recorded at fair value in the Company's financial statements, based on the closing market value at the end of the period for each security included. The Company's exposure to market risk is not considered to be material.

The Company has no significant exposure at August 31, 2021, and May 31, 2021, to interest rate risk through its financial instruments as there are no significant balances payable, which accrue interest.

Notes to the Unaudited Condensed Interim Financial Statements

12. Related Party Transactions

The Company's related parties include its subsidiaries, joint venture, key management and their close family members, and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The Company had the following balances with its related parties:

	Aug 31, 2021	May 31, 2021
Transactions		
Management fees	$17,783	$196,313
Professional fees charged to exploration properties	-	21,289
	$17,783	$217,602
Balances		
Payable/ (Prepaid)	$1,440	$6,143
Share subscription receivable	5,000	15,000

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Company and joint ventures. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

The remuneration of directors and other members of key management personnel were as follows:

	Aug 31, 2021	May 31, 2021
Salaries and consulting fees	$17,783	$217,602
Share-based compensation		56,180
	$17,783	**$273,782**

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Notes to the Unaudited Condensed Interim Financial Statements

13. Capital Management

The Company considers its capital structure to consist of share capital, contributed surplus, options and warrants. The Company manages its capital structure and makes adjustments to it, in order to have the funds available 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.

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

There were no changes in the Company's approach to capital management during the quarter ended August 31, 2021. The Company is not subject to externally imposed capital requirements.

The Company's capital for the reporting periods is summarized as follows:

	Aug 31, 2021	May 31, 2021
Cash	$117,727	$100,947
Marketable Securities	2,261	2,542
Common Shares	19,113,263	19,366,795
Contributed surplus	2,116,137	1,858,104
Deficit	(18,488,742)	(18,450,465)
	$2,860,645	**$2,877,923**

14. Provision for indemnification of Flow-through Share subscribers

As at December 31, 2019, the Company was committed to incur $494,600 in qualifying Canadian exploration expenditures prior to December 31, 2019, pursuant to two 2018 private placements for which flow-through share proceeds had been received by the Company and then renounced to Ontario subscribers effective December 31, 2018.

The Company incurred actual qualifying expenditures of $242,059 in 2018 and 2019, leaving a shortfall of $252,541 as at December 31, 2019. Accordingly, effective December 31, 2019, the Company recorded (in other expenses and current liabilities) a $210,000 provision for the estimated cost to indemnify flow-through share subscribers for their expected personal income tax reassessments by Canada Revenue Agency attributable to each subscriber's proportionate share of the shortfall. The indemnifications are provided for in the underlying subscription agreements for the private placements. The governmental audit/reassessment process may be lengthy; therefore, it may be several months or longer before the Company's final liability is exigible.

The Company has made the following assumptions in estimating the subscriber indemnification provision:

- Ontario subscribers have a combined personal income tax rate of 53.53% and are eligible for both the federal 15% and the provincial 5% investment tax credits; and,
- Subscribers will be assessed two year's interest on reassessed amounts.

As at and May 31, 2021, the Company has also accrued in accounts payable and accrued liabilities, the estimated Federal Part XII.6 tax is included in the provision.

As at May 31, 2020, the Company had a $81,667 flow-through share premium liability related to these subscriptions which was transferred to the deferred tax provision effective May 31, 2020, in recognition of the Company's indemnification accrual.

15. Segmented information

The Company is operating in one industry segment, Junior exploration and evaluation, but operates geographically in two countries, Canada and Austria. The breakdown by region is as follows:

As at August 31, 2021:

Country	Cash and cash equivalents	Mineral Properties	Other assets	Payables	Profit (Loss)
Canada	$ 117,727	$ 1,940,345	$ 56,557	$ 258,814	$ (38,277)
Austria	-	884,843	-	-	-
	$ 117,727	$ 2,825,188	$ 56,557	$ 258,814	$ (38,277)

16. Post-reporting Date Events

No post-reporting events took place.