Gelum Capital Ltd.

Financial Statements

April 30, 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Gelum Capital Ltd.

Opinion

We have audited the accompanying financial statements of Gelum Capital Ltd. (the "Company"), which comprise the statement of financial position as at April 30, 2021 and 2020, and the statements of changes in shareholders' deficit, loss and comprehensive loss, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company's total comprehensive loss was $165,628 for the year ended April 30, 2021. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

August 30, 2021

Gelum Capital Ltd.

Statements of Financial Position

As at April 30, 2021 and April 30, 2020

	Note	**April 30, 2021 $**	April 30, 2020 $
Assets			
Current assets			
Cash		4,799	9,288
Receivables	3	10,463	6,773
		15,262	16,061
Non-current assets			
Prepaid exploration expenditures	4	4,000	-
Exploration and evaluation assets	4	70,000	-
		74,000	-
Total assets		**89,262**	16,061
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable and accrued liabilities		73,839	48,548
Accounts payable to related parties	8	32,738	478,493
Loan payable	10	32,076	-
		138,653	527,041
Non-current liabilities			
Convertible note	5,8	263,651	215,582
Total liabilities		**402,304**	742,623
Shareholders' deficit			
Share capital	6	7,800,194	7,245,232
Shares to be issued	8	34,200	29,200
Reserves	6	5,607,766	5,588,580
Equity portion of convertible note	5	75,459	75,459
Deficit		(13,830,661)	(13,665,033)
Total shareholders' deficit		**(313,042)**	(726,562)
Total liabilities and shareholders' deficit		**89,262**	16,061
Nature of operations and going concern	1		
Events after the reporting period	13		

Approved on behalf of the Board of Directors on August 30, 2021:

"Robert Kopple" **Director** *"Hendrik Van Alphen"* **Director**

Gelum Capital Ltd.

Statements of Changes in Shareholders' Deficit

For the years ended April 30, 2021 and April 30, 2020

	Number of shares #	Share capital $	Shares to be issued $	Reserves $	Equity portion of convertible note $	Deficit $	Total shareholders' deficit $
May 1, 2019	4,727,433	7,245,232	29,200	5,588,580	75,459	(13,506,220)	(567,749)
Loss and comprehensive loss for the year	-	-	-	-	-	(158,813)	(158,813)
April 30, 2020	4,727,433	7,245,232	29,200	5,588,580	75,459	(13,665,033)	(726,562)
May 1, 2020	4,727,433	7,245,232	29,200	5,588,580	75,459	(13,665,033)	(726,562)
Common shares issued - debt settlement	5,349,621	534,962	-	-	-	-	534,962
Common shares issued - exploration and evaluation assets	200,000	20,000	-	-	-	-	20,000
Bonus warrants - loan payable	-	-	-	19,186	-	-	19,186
Subscription received in advance	-	-	5,000	-	-	-	5,000
Loss and comprehensive loss for the year	-	-	-	-	-	(165,628)	(165,628)
April 30, 2021	**10,277,054**	**7,800,194**	**34,200**	**5,607,766**	**75,459**	**(13,830,661)**	**(313,042)**

Gelum Capital Ltd.

Statements of Loss and Comprehensive Loss

For the years ended April 30, 2021 & 2020

	Note	**April 30, 2021 $**	April 30, 2020 $
Expenses			
Accretion expense	5,10	28,339	21,565
Business development		-	1,947
Computer expenses		3,718	-
Consulting expense		15,000	-
Office expenses		7,632	4,217
Property investigation		15,579	-
Professional fees	8	68,416	63,391
Transfer agent and filing fees		8,478	13,786
Loss from operating expenses		**(147,162)**	(104,906)
Loss on foreign exchange		-	(33,852)
Gain on settlement of accounts payable	6	2,526	-
Interest expense	5	(20,992)	(20,055)
Loss and comprehensive loss for the year		**(165,628)**	**(158,813)**
Loss per share			
Weighted average number of common shares outstanding			
- Basic #	7	**4,861,671**	4,727,433
- Diluted #	7	**4,861,671**	4,727,433
Basic loss per share $	7	**(0.03)**	(0.03)
Diluted loss per share $	7	**(0.03)**	(0.03)

Statements of Cash Flows

For the years ended April 30, 2021 and April 30, 2020

	Note	**April 30, 2021 $**	April 30, 2020 $
Operating activities			
Loss and comprehensive loss for the year		(165,628)	(158,813)
Adjustments for:			
Accretion expense		28,339	21,565
Accrued interest on convertible note		20,992	20,055
Unrealized foreign exchange loss		-	32,720
Net change in non-cash working capital items	9	61,124	9,587
		(55,173)	(74,886)
Financing activities			
Loan proceeds		50,000	-
Subscription received in advance		5,000	-
Advances from related parties		49,684	-
		104,684	-
Investing activities			
Exploration and evaluation assets		(50,000)	-
Prepaid exploration expenditures		(4,000)	-
		(54,000)	-
Decrease in cash		**(4,489)**	(74,886)
Cash, beginning of year		**9,288**	84,174
Cash, end of year		**4,799**	9,288

Supplemental cash flow information 9

1. Nature of operations and going concern

Gelum Capital Ltd. (the “Company”) was incorporated under the laws of the province of British Columbia on June 8, 1987. The principal address and registered and records office is located at Suite, 400 – 725 Granville Street, Vancouver, BC, V7Y 1G5. The Company trades under the symbol “JEM” on the Canadian Securities Exchange (“CSE”)

The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company will be exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

The Company’s financial statements for the year ended April 30, 2021 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company has a comprehensive loss of $165,628 for the year ended April 30, 2021 and has a working capital deficiency of $123,391 at April 30, 2021.

The Company had cash of $4,799 as at April 30, 2021. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss (“FVTPL”). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company.

2. **Significant accounting policies** (continued)

(b) Significant accounting policies

1. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Estimates

I. The determination of the fair value of bonus warrants using pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's bonus warrants.
II. The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and apply those findings to the Company's transactions.
III. The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and carrying value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
IV. The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices or most recent financing price.

The Company's critical judgments in applying accounting policies include judgments regarding the going concern of the Company, which have been discussed in Note 1.

2. Foreign currencies

The functional currency of the Company is measured using the currency of the primary economic environment in which that entity operates. The Company determined that its functional currency is the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

2. Significant accounting policies (continued)

3. Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed or capitalized, as appropriate. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

4. Income taxes

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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. Such 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

5. Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss (“FVTPL”). Transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Amortized cost

Financial assets that meet the following conditions are measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments plus the cumulative amortization, using the effective interest method applied to the difference between the initial amount and the maturity amount, adjusted for any allowance due to losses or gains. Interest income is recognized using the effective interest method.

The Company’s financial assets at amortized cost include its cash and receivables.

2. **Significant accounting policies** (continued)

(b) Significant accounting policies (continued)

5. **Financial instruments** (continued)

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI.

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any instruments classified as financial assets at FVTOCI.

FVTPL

All other financial assets are measured at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

The Company does not have any financial assets measured at FVTPL.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized as proceeds received net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized, by the Company, in profit or loss on the purchase, sale, or the cancellation of its own equity instruments.

Non-derivative financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. The Company's accounts payable and accrued liabilities, convertible note, loan payable and due to related parties are classified in this category.

Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement;
- And either (a) the Company has transferred substantially all risks and rewards of the asset, or (b) the Company retains legal title but has contractually or otherwise transferred the associated economic risks and rewards.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2. Significant accounting policies (continued)

(b) Significant accounting policies (continued)

6. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. See Note 8 for further disclosures.

7. Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments by recognizing the dilutive effect on loss per share on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive. Basic loss per share was calculated using the weighted-average number of shares outstanding during the year.

8. Convertible note

The Company classified the convertible note into debt and equity components based on the residual method. The liability component was calculated as the present value of the principal and interest, discounted at a rate approximating the interest rate that was estimated would have been applicable to non-convertible debenture at the time the debenture was issued. This portion of the convertible debenture is accreted over its term to the full face value using the effective interest rate method. The equity element of the convertible debenture comprises the value of the conversion option, being the difference between the face value of the convertible debt and the liability component. Upon maturity, the equity component is reclassified to reserves.

9. Exploration and evaluation assets

The acquisition costs of exploration and evaluation assets and any subsequent exploration and evaluation costs are capitalized until the properties to which they relate are placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Properties that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair market value of any shares issued for exploration and evaluation assets being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of a exploration and evaluation assets are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the period the excess is received. When all the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

Management reviews its exploration and evaluation assets at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results, or likely gains from the disposition or option of the property. If a property is abandoned, or inactive for a prolonged period, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

2. Significant accounting policies (continued)

(b) Significant accounting policies (continued)

9. Exploration and evaluation assets (continued)

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition, exploration and evaluation will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds its estimated net realizable value or value in use, an impairment provision is recorded.

10. Impairment of assets

(i) Financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(ii) Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed in the note above.

11. Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The Company has no material restoration, rehabilitation and environmental provisions for the periods presented.

3. Receivables

Receivable consist of the following:

	April 30, 2021 $	April 30, 2020 $
Sales tax recoverable	10,463	6,773
	10,463	6,773

4. Exploration and evaluation assets

Exploration and evaluation assets consist of the following:

	April 30, 2020 and 2019 $	Acqusition and assessments $	Exploration and evaluation $	April 30, 2021 $
Eldorado	-	70,000	-	70,000
	-	**70,000**	**-**	**70,000**

Eldorado project

The Eldorado Gold Property (the "Property") is located within the Bralorne-Bridge River Gold District in south-central British Columbia. On March 24, 2021 (the "Effective Date") the Company entered into an option agreement to acquire 50% ownership interest in and to the Property and form a joint venture with the optionor in respect of the Property, with the ability of the Company to acquire an additional 30% interest in the Property.

The Company can earn the 50% options by making the following cash payments and share issuances:

a) $50,000 and 200,000 shares within five days of the Effective Date (completed);
b) $50,000 and 200,000 shares within six months of the Effective Date;
c) $75,000 and 400,000 shares on the first anniversary of the Effective Date;
d) $125,000 and 800,000 shares on the second anniversary of the Effective Date; and
e) $300,000 and 1,200,000 shares on the third anniversary of the Effective Date.

The Company is required to perform exploration activities on the Property and shall incur the following minimum qualified expenditures per year:

a) $500,000 minimum qualified expenditures by the first anniversary of the Effective Date;
b) $750,000 minimum qualified expenditures by the second anniversary of the Effective Date; and
c) $1,000,000 minimum qualified expenditures by the third anniversary of the Effective Date.

The option to earn an additional 30% will require the following cash payments, share issuances and minimum qualified expenditures as follows:

a) $400,000 cash payment, 1,400,000 shares and further $1,000,000 in qualified expenditures by the fourth anniversary of the Effective Date; and
b) $400,000 cash payment, 1,000,000 shares and further $1,000,000 in qualified expenditures by the fifth anniversary of the Effective Date.

Upon the optionor reducing its interest in the Property to below 15% , the optionor will be converted to a 4.0% net smelter returns royalty ("NSR"). The Company will retain the right to buy back up to 3.0% NSR by payment of $1,000,000 per each 1.0%.

5. Convertible note

On October 14, 2017, the Company issued a convertible note with a principal face value of $200,000 to two directors of the Company. The convertible note bears interest at the rate of 10% per annum, payable annually and has a maturity date of five years from the date of issuance. When the Company consolidated its share capital on a 20:1 basis effective July 30, 2018 the conversion price of the notes became $1.00 and the exercise price of any warrants issuable on conversion of the notes became $1.20.

On August 31, 2019, the Company amended the terms of the convertible note such that the principal amount of the notes was convertible into units of the Company at $0.05 per unit, with each unit comprised of one common share and one share purchase warrant exercisable into a further share at $0.06 per common share (for one year from the date of issuance of the warrant, subject to the latest exercise date being the maturity date).

The Company´s convertible note is broken down as follows:

	April 30, 2021	April 30, 2020
	$	$
Proceeds received, net of transaction costs	**195,045**	195,045
Allocated to equity portion	**(75,459)**	(75,459)
Allocated to liability portion	**119,586**	119,586
Liability portion, beginning	**215,582**	173,962
Accretion expense for the period/year	**27,077**	21,565
Accrued interest	**20,992**	20,055
Liability portion, ending	**263,651**	215,582

6. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited preferred shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the year ended April 30, 2021:

(a) On March 30, 2021 the Company issued 200,000 common shares with a total fair value of $20,000 ($0.10 per share) in connection with the Eldorado Gold Property option agreement (note 4).

(b) On March 31, 2021, the Company received $5,000 in advance to a subsequent private placement (note 12).

(c) On March 31, 2021, the Company issued 5,349,621 common shares to settle debt totalling $534,962 ($0.10 per share). A $2,526 gain was recognized in connection with the debt settlement.

Transactions for the issue of share capital during the year ended April 30, 2020:

There were no transactions for the issue of share capital during the year ended April 30, 2020.

6. Share capital (continued)

Stock options

On December 19, 2016, the Company adopted a formal Stock Option Plan (the "Option Plan"). Under the Option Plan, the exercise price of each option must not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant and (b) the date of the grant of the stock options. The options can be granted for a maximum term of five years. The maximum number of options that can be issued may not exceed 10% of the issued and outstanding common share capital. The options vest at the discretion of the Board of Directors. The terms of the existing stock options remain in accordance with the stock option plan in place at the time the options were granted.

A summary of the status of the Company's stock options as at April 30, 2021 and April 30, 2020, and changes during the year then ended is as follows:

	Year ended April 30, 2021		Year ended April 30, 2020	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Options outstanding, beginning of period/year	250,000	1.00	250,000	1.00
Options outstanding, end of period/year	**250,000**	**1.00**	250,000	1.00

As at April 30, 2021, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Expiry date
250,000	250,000	1.00	June 9, 2022
250,000	**250,000**		

The following table summarizes information about the stock options outstanding as at April 30, 2021:

Number of Options Outstanding #	Weighted average remaining life (years)	Weighted average exercise price $
250,000	1.11	1.00

No stock options were granted during the year ended April 30, 2021 or April 30, 2020.

7. Loss per share

The calculation of basic and diluted loss per share for the year ended April 30, 2021 was based on the loss attributable to common shareholders of $165,628 (2020 - $158,813) and a weighted average number of common shares outstanding of 4,861,671 (2020 – 4,727,433).

All options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

8. Related party payables and transactions

No stock options were granted to related parties during the year ended April 30, 2021 or April 30, 2020.

The Company transacted with the following related parties:

(a) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA") and Oakside Advisory Ltd. ("Oakside") both firms in which he has significant influence. DBM CPA and Oakside provide the Company with accounting services.

(b) Shares to be issued include incentive bonus payable to compensate the former Chief Executive officer payable in 36,500 common shares at a price of $0.80 per share. Issuance pending since 2016.

(c) On October 14, 2017, convertible notes were issued to two directors, Hendrik Van Alphen and Robert Kopple. (Note 5)

(d) On March 31, 2021, the Company issued 5,119,780 common shares to settle debt totaling $511,978 ($0.10 per share) to Hendrik Van Alphen and Robert Kopple.

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	Transactions Year ended April 30, 2021	Transactions Year ended April 30, 2020	**Balances outstanding April 30, 2021**	Balances outstanding April 30, 2020
	$	$	**$**	$
DBM CPA	10,500	15,000	26,700	16,200
Robert Kopple - advances	24,685	-	-	349,736
Hendrik Van Alphen - advances	25,000	-	6,038	112,557
	60,185	15,000	**32,738**	478,493

All related party balances are unsecured and are due upon demand without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

(a) General and administrative expenses
- Includes the accounting services of Company's CFO, Stephen Brohman, charged to the Company by DBM and Oakside.

9. Supplemental cash flow information

Changes in non-cash operating working capital during the year ended April 30, 2021 and April 30, 2020 were comprised of the following:

	April 30, 2021 $	April 30, 2020 $
Receivable	(3,690)	(3,466)
Accounts payable and accrued liabilities	64,814	3,937
Accounts payable to related parties	-	9,116
Net change	**61,124**	9,587

The Company incurred non-cash financing and investing activities during the years ended April 30, 2021 and April 30, 2020 as follows:

	April 30, 2021 $	April 30, 2020 $
Non-cash financing activities:		
Common shares issued for debt	534,962	-
Reserves on bonus warrants issued	19,186	-
	554,148	-
Non-cash investing activities:		
Common shares issued for acquisition of exploration and evaluation assets	20,000	-
	20,000	-

During the year ended April 30, 2021 and April 30, 2020, no amounts were paid on account of interest or income taxes.

10. Loan Payable

On April 6, 2021 ("Effective Date"), the Company entered into an unsecured Promissory Note (the “Loan”) with an arm’s length party, whereby the Company received an amount of $50,000. The Loan bears interest at 8% annually and is due on April 6, 2022 (the “Maturity Date”). As further consideration for providing the loan, the Company shall issue 500,000 common share purchase warrants (“Bonus Warrants”), issued subsequent to the year ended April 30, 2021. Each Bonus Warrant is exercisable for one common share in the capital of the Company at a price equal to $0.10 per share for a period of 12 months from the Effective Date. The fair value of the Bonus Warrants was determined to be $19,186 using the Black-Scholes option pricing model with the following inputs: i) exercise price: $0.10; ii) share price: $0.10; iii) term: 1 year; iv) volatility: 100%; v) discount rate: 0.26%. The fair value of the Bonus Warrants will be treated as a transaction costs and accreted to the loan over up to the Maturity Date.

As at April 30, 2021, the Company recorded $1,262 accretion expense in connection with the Bonus Warrants transaction costs.

11. Income taxes

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	April 30, 2021 $	April 30, 2020 $
Loss for the year before income taxes	(165,628)	(158,813)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	(45,000)	(43,000)
Change in tax resulting from:		
Unrecognized items for tax purposes	1,000	(475,000)
Other, including the impact of rate changes and adjustments	(1,000)	16,000
Tax benefits unrecognized	45,000	502,000
Income tax (expense) recovery	**-**	-

The significant components of the Company's unrecognized deferred income tax assets are as follows:

	April 30, 2021 $	April 30, 2020 $
Exploration and evaluation assets	4,000	4,000
Non-capital loss carry forwards	585,000	548,000
Other	(2,000)	(10,000)
Tax benefits unrecognized	446,000	446,000
Net unrecognized deferred tax assets	**1,033,000**	988,000

As at April 30, 2021, the Company has unclaimed resource deductions in the amount of approximately $13,000 (April 30, 2020 - $13,000), which may be deductible against future taxable income.

As at April 30, 2021, the Company has unused non-capital losses of approximately $2,200,000 (April 30, 2020 – $2,000,000) with expirations ranging from 2027 to 2041.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

12. Financial risk management

Capital management

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at April 30, 2021 is comprised of shareholders' deficit of $313,042(April 30, 2020 - $726,562).

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to borrow or raise additional financing from equity markets.

Financial instruments - fair value

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, accounts payable to related parties, loan payable and convertible note.

The carrying value of accounts payable and accrued liabilities and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

The loan payable and convertible note are presented on an amortized cost basis and will be accreted to their face value at their effective interest rates, over the term to maturity.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments - risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

a) Credit risk

The Company is exposed to credit risk by holding cash and receivables. This risk is minimized by holding the funds in Canadian banks and credit unions or with Canadian governments. The Company has minimal accounts receivable exposure, and its refundable tax credits are due from the Canadian government.

b) Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity and no penalty cashable feature of its cash. For the year ended April 30, 2021 every 1% fluctuation in interest rates up or down would have an insignificant impact.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

13. Events after the reporting period

a) On July 22, 2021, the Company closed a non-brokered private placement of 8,450,000 units at $0.10 per unit (the "Offering") for gross proceeds of $845,000. Each unit consisted of one common share in the capital of the Company and two separate one-half (1/2) of one common share purchase warrants (a "1/2 Warrant A" and a "1/2 Warrant B") and, respectively, each whole warrant, a "Warrant A" and a "Warrant B", and collectively the "Warrants".

   Each whole Warrant A entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.25 per share for a period of 24 months from issuance and, each whole Warrant B entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.50 per share for a period of 24 months from issuance.

   Further, in the event the closing price of the Company's common shares on the Canadian Securities Exchange (the "CSE") is equal to or greater than $0.25 for the Warrant As and $0.65 for the Warrant Bs, for a minimum of ten consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants.

   The Offering closed in three separate tranches, issuing 3,350,000 units on June 25, 2021, 5,000,000 units on July 6, 2021 and 100,000 units on July 14, 2021. Finder's fees were paid pursuant to the first tranche closing only, 7% cash commission of the gross proceeds and 7% finder's warrants. Each finder's warrant will entitle the holder to purchase one common share at an exercise price of $0.25 for a period of 24 months from the closing of the offering.

b) The Company also completed the conversion of the convertible debenture notes by issuing 5,380,274 common shares at a price of $0.05 and 5,380,274 common share purchase warrants exercisable at $0.06 for one year. All shares issued have a four month hold period expiring on November 14, 2021.

c) The Company entered into an agreement to acquire the Roxey claims. The claims are contiguous to the Eldorado Gold Property within the Bralorne-Bridge River Gold District in south-central British Columbia). In order to acquire a 100% right, title and interest in and to the mineral claims, the Company issued 4,000,000 common shares in the capital stock of the Company.