Nickel Rock Resources Inc.

(Formerly Nevada Energy Metals Inc.)

Nickel Rock Resources Inc.

Condensed Consolidated Interim Financial Statements

Quarter 3 – Three and Nine Months Ended 31 March 2021

(Unaudited)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the 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 consolidated 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Nickel Rock Resources Inc. (Formerly Nevada Energy Metals Inc.)
Condensed Consolidated Interim Statements of Financial Position
As at 31 March 2021 and 30 June 2020
(Expressed in Canadian dollars)

As at	Notes	31 March 2021	30 June 2020 (audited)
		$	$
ASSETS			
Current assets			
Cash		**1,702,370**	409,303
Amounts receivable	4	**35,870**	21,428
Prepaid expenses		**72,814**	15,705
		1,811,054	446,436
Exploration and evaluation properties	5	**2,896,756**	17,282
ROU Asset	6	**26,589**	43,304
Total assets		**4,734,399**	507,022
EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade and other payables	7	**15,786**	78,308
Current portion of lease liability	8	**23,419**	22,110
		39,205	100,418
Lease Liability	8	**4,039**	21,786
Total liabilities		**43,244**	122,204
Equity			
Common shares	9	**8,661,574**	3,099,458
Reserves	9	**4,566,122**	4,193,958
Deficit		**(8,536,541)**	(6,908,598)
Total equity		**4,691,155**	384,818
Total equity and liabilities		**4,734,399**	507,022

Nature of operations and going concern (Note 1), **Commitments and Contingencies** (Note 15)

APPROVED BY THE BOARD:

"Robert Setter" *"John Oness"*

Robert Setter John Oness

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

Nickel Rock Resources Inc. (Formerly Nevada Energy Metals Inc.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three and nine months ended 31 March 2021 and 2020
(Expressed in Canadian dollars)

	Notes	**Three months ended 31 March 2021**	Three months ended 31 March 2020	**Nine months ended 31 March 2021**	Nine months ended 31 March 2020
		$		**$**	
Administration expenses					
Bank charges and interest		**815**	257	**1,514**	1,323
Consulting	13	**220,544**	70,726	**467,402**	243,793
Corporate development	13	**4,708**	-	**41,284**	-
Depreciation	6	**5,571**	-	**16,715**	-
Finance charge		**309**	-	**1,119**	-
Marketing and communications		**597,148**	15,016	**743,443**	30,003
Office and miscellaneous		**9,394**	17,601	**25,614**	58,377
Professional fees		**8,933**	21,257	**16,647**	46,336
Rent	6,8	**5,719**	14,931	**24,392**	50,715
Share-based payments	9	**-**	-	**252,080**	-
Transfer agent fees		**54,821**	3,594	**75,822**	10,731
Travel, lodging and food		**-**	12,432	**1,610**	59,417
Loss before other items		**(907,962)**	(155,814)	**(1,667,642)**	(500,695)
Other items					
Interest and other income		**-**	-	**-**	-
Foreign exchange loss		**27,137**	-	**39,699**	(1,172)
Gain on forgiveness of debt	13	**-**	-	**-**	-
Impairment on exploration and evaluation properties	5	**-**	-	**-**	-
Net loss for the period		**(880,825)**	(155,814)	**(1,627,943)**	(501,867)
Comprehensive loss for the period		**(880,825)**	(155,814)	**(1,627,943)**	(501,867)
Loss per share					
Basic and diluted	10	**(0.018)**	(0.015)	**(0.114)**	(0.048)

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

Nickel Rock Resources Inc. (Formerly Nevada Energy Metals Inc.)
Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended 31 March 2021 and 2020
(Expressed in Canadian dollars)

Nine months ended	Notes	31 March 2021	31 March 2020
		$	$
OPERATING ACTIVITIES			
Loss for the period		(1,627,943)	(501,867)
Adjustment for:			
Depreciation		16,715	-
Finance charge		1,119	-
Share-based payments		252,080	-
Impairment on exploration and evaluation properties			-
Gain on forgiveness of debt			-
Changes in operating working capital:			
(Increase) decrease in amounts receivable		(14,442)	869
(Increase) decrease in prepaid expenses		(57,109)	-
(Decrease) increase in trade and other payables		(62,522)	2,806
Cash used in operating activities		(1,492,102)	(498,192)
INVESTING ACTIVITIES			
Exploration and evaluation properties expenditures		(200,849)	(17,845)
Cash used in investing activities		(200,849)	(17,845)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares		1,512,575	-
Exercise of options		130,000	-
Exercise of warrants		1,361,000	-
Lease liability		(17,557)	-
Cash from financing activities		2,986,018	-
Increase (decrease) in cash		1,293,067	(516,037)
Cash, beginning of period		409,303	1,063,313
Cash, end of period		1,702,370	547,276

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

Nickel Rock Resources Inc. (Formerly Nevada Energy Metals Inc.)
Condensed Consolidated Interim Statements of Changes in Equity
For the nine months ended 31 March 2021 and 2020
(Expressed in Canadian dollars)

	Number of common shares	Common shares	Stock option reserve	Warrant reserve	Deficit	Total
		$	$	$	$	$
Balances, 30 June 2019	10,459,153	3,099,458	893,084	3,300,874	(6,149,131)	1,144,285
Net and comprehensive loss for the period	-	-	-	-	(501,867)	(501,867)
Balances, 31 March 2020	10,459,153	3,099,458	893,084	3,300,874	(6,650,998)	642,418

		$	$	$	$	$
Balances, 30 June 2020	10,459,153	3,099,458	893,084	3,300,874	(6,908,598)	384,818
Shares issued for:						
Cash	24,000,000	1,520,000	-	-	-	1,520,000
Finder's fee	1,850,000	(127,509)	-	120,084	-	(7,425)
Mineral property	6,125,000	2,678,625	-	-	-	2,678,625
Exercise of options	2,600,000	130,000				130,000
Exercise of warrants	19,670,000	1,361,000	-	-	-	1,361,000
Share-based payments	-	-	252,080	-	-	252,080
Net and comprehensive loss for the period	-	-	-	-	(1,627,943)	(1,627,943)
Balances, 31 March 2021	**64,704,153**	**8,661,574**	**1,145,164**	**3,420,958**	**(8,536,541)**	**4,691,155**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nickel Rock Resources Inc. (Formerly Nevada Energy Metals Inc.), (the "Company") was incorporated on 2 June 2011 under the laws of the province of British Columbia. The Company is a reporting issuer in British Columbia and Alberta, on the TSX Venture Exchange ("TSXV") under the trading symbol "NICL", co-listed on the OTCQB (United States) under the symbol "NIKLF". The Company is in the process of acquiring, exploring and developing mineral resources located in Nevada. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties, or sell the properties outright. The Company has not yet determined whether these properties contain ore reserves which are economically recoverable and the Company is considered to be in the exploration stage.

On 3 March 2016, the Company incorporated a wholly owned subsidiary in Nevada, US, Nevada Energy Metals, USA Inc. (Note 2.1).

The head office and principal address is located at Suite 1220, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

1.1 Going concern

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 31 March 2021, the Company had cash of $1,702,370 (30 June 2020: $409,303) and working capital of $ 1,771,849 (30 June 2020: $346,018), but management cannot provide assurance that the Company will ultimately achieve profitable operations, or raise additional debt and/or equity capital. As at 31 March 2021, the Company does have sufficient cash reserves to conduct exploration and to continue operations during the current year. However, the Company will require additional funding in the future to be able to advance and retain mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of properties in the future.

1 NATURE OF OPERATIONS AND GOING CONCERN (continued)

1.1 Going concern (continued)

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. This is causing significant financial market and social dislocation. This has also resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results.

2. BASIS OF PREPARATION

2.1 Basis of consolidation

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiary as follows:

Name	Country of Incorporation	% Equity interest at 31 March 2021	30 June 2020
Nevada Energy Metals USA Inc. (Note 1)	USA	100%	100%

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

2.2 Basis of presentation

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 11, and are presented in Canadian dollars except where otherwise indicated.

2.3 Statement of compliance

The consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34, 'Interim Financial Reporting' using accounting policies consistent 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").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed consolidated interim 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 condensed consolidated interim 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.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below:

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining the point at which a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized into development assets. The determination may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of loss and comprehensive loss in the period when new information becomes available.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Significant accounting judgments, estimates and assumptions (continued)

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during subsequent reporting periods.

Decommissioning and restoration costs

Management is not aware of any material restoration, rehabilitation and environmental provisions as at 31 March 2021 and 30 June 2020. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measure at fair value and these estimates are updated annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the exploration and evaluation property. Such estimates are subject to change based on changes in laws, regulations and negotiations with regulatory authorities.

Share based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3.11. The fair value of stock options is measured using the Black-Scholes Option Valuation Model. The fair value of stock options granted using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. Under the residual method, one component is measured first and the residual amount is allocated to the remaining component.

The Company measures the value of the common shares first. The balance, if any, is allocated to the warrants. Any fair value attributed to the warrants is recorded as reserves.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Significant accounting judgments, estimates and assumptions (continued)

Deferred income taxes

Judgement is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the cash flows and taxable income differ significantly from estimates, the ability of the Company to realized the net deferred tax assets recorded at the statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiary operate could limit the ability of the Company to obtain tax deductions in future years.

Going concern

These condensed consolidated interim financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the of the reporting date. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions (Note 1.1).

Determination of Functional Currency

The functional currency of the Company's subsidiary is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgements to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic event.

3.2 Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

3.3 Taxation

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Taxation (continued)

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.

3.4 Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and/or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

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 asset with a corresponding entry to the provision.

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 net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties. A gain or loss may be incurred upon settlement of the decommissioning obligation.

3.6 Financial assets and liabilities

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Financial assets and liabilities (continued)

The following table shows the classification under IFRS 9:

Financial assets/liabilities	IFRS 9 Classification
Cash	FVTPL
Amounts receivable	Amortized cost
Trade payables	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3.8 Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.9 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Impairment of non-financial assets (continued)

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 recoverable amount is estimated. 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. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.10 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.

3.11 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 fair value of the options, as determined using the Black-Scholes Option Valuation Model, which incorporates all market vesting conditions are expensed to profit or loss. The corresponding amount is recorded to the stock options reserve. 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.

3.12 Foreign currency translation

The Company's reporting currency and the functional currency of all of its operations, including that of its subsidiary, is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Foreign currency translation (continued)

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3.13 Earnings (loss) per share

Basic per share amounts are calculated by dividing the earnings or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted per share amounts are determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which consist of share purchase warrants and stock options.

3.14 Change in accounting policy

The IASB issued a new and revised IFRSs, amendments and related IFRIC interpretations which are effective for the Company's financial year beginning on 1 July 2019. For the purpose of preparing and presenting the condensed consolidated interim financial statements, the Company has consistently adopted all these new standards for the year ended 30 June 2020.

IFRS 16 Leases ("IFRS 16")

IFRS 16 has replaced IAS 17 – Leases ("IAS 17") and IFRIC 4 – Determining whether an arrangement contains a lease. The Company adopted IFRS 16 effective 1 July 2019. The standard was applied using the modified retrospective method, which does not require restatement of prior year financial information, as it recognized the cumulative effect, if any, as an adjustment to opening retained earnings and applies the standard prospectively. Accordingly, comparative information in the consolidated financial statements are not restated and continue to be reported under IAS 17.

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Change in accounting policy (continued)

IFRS 16 Leases (continued)

Transition

On adoption of IFRS 16, a right-of-use ("ROU") asset and a corresponding lease liability has been recognized in relation to all lease arrangements, excluding commitments in relation to arrangements not containing leases (such as service agreements) and excluding short-term leases, leases of low-value assets, and variable lease payments. Leases were measured at the present value of the remaining lease payments as at 1 July 2019, using the Company's incremental borrowing rate as of 1 July 2019, which is 4.29% per annum (Notes 6 and 8).

The following table summarizes the impact of adopting IFRS 16 on the consolidated financial statements:

	Balance 30 June 2019	**Adoption of IFRS 16**	**Balance 1 July 2019**
	$	**$**	**$**
Right-of-use asset	-	65,004	65,004
Current portion of lease liability	-	21,110	21,110
Lease liability	-	43,896	43,896

Significant accounting policy

The Company assesses new contracts at inception to determine whether a lease is present. This assessment involves significant judgement about whether an asset is specified for the Company, whether the Company obtains substantially all the economic benefits from use of that asset, and whether the Company has the right to control the use of the asset.

Leases are recognised as ROU assets with a corresponding liability at the date the leased asset becomes available for use by the Company. Each lease payment is allocated between the lease liability and finance expense. The finance expense is charged to the statement of comprehensive loss over the lease term to present a constant yearic rate of interest on the remaining balance of the liability for each reporting period. ROU assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Change in accounting policy (continued)

IFRS 16 Leases (continued)

Significant accounting policy (continued)

Assets and liabilities arising from leases are initially measured at present value. Lease liabilities include the net present value of fixed payments less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, extension, or termination option that is within the control of the Company. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or at the Company's incremental borrowing rate.

ROU assets are measured at cost comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, or any initial direct costs and restoration costs.

Payments associated with short-term leases (term of 12 months or less) of low-value assets are recognised on a straight -line basis as an expense in the statement of comprehensive loss. The Company applies a single discount rate to portfolios of leases with similar characteristics.

Lease modifications will be accounted for as a separate lease, if the modification increases the scope of the lease, and if the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope. For modifications that don't justify a separate lease, or where the increase in consideration is not commensurate, at the effective date of the lease modification, the Company will remeasure the lease liability with a corresponding adjustment to the ROU asset using the rate implicit to the lease, if that rate can be determined, or the Company's incremental borrowing rate. A modification that decreases the scope of the lease will be accounted for by decreasing the carrying amount of the ROU asset, and recognising a gain or loss in the net loss and comprehensive loss that reflects the proportionate decrease in scope.

Finance expense comprises interest expense on the bank indebtedness and interest on the lease liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Change in accounting policy (continued)

IFRS 16 Leases (continued)

Significant accounting judgements, estimates, and assumptions – Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment.

IFRIC 23 Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC 23 Uncertainty over Income Tax Treatments. The interpretation provides guidance on the accounting for current and deferred income tax liabilities and assets when there is uncertainty over income tax treatments. IFRIC 23 was applicable for annual periods beginning on or after January 1, 2019.

IFRIC 23 requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If the treatment is likely to be accepted, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If not, the entity should reflect the effect of uncertainty in determining its accounting tax position. The Interpretation is effective for annual periods beginning on or after January 1, 2019.

The Company adopted IFRIC 23 in its consolidated financial statements for the annual period beginning on 1 July 2019, with no impact on the consolidated financial statements.

3.15 Standards, amendments and interpretations issued but not yet effective

At the date of authorization of these condensed consolidated interim financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been early adopted by the Company.

Information on new standards, amendments and interpretations that are expected to be relevant to the Company’s condensed consolidated interim financial statements is provided below. The Company is evaluating the impact of these standards. Certain other new standards, amendments, and interpretations have been issued but are not expected to have a material impact on the Company’s condensed consolidated interim financial statements.

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Standards, amendments and interpretations issued but not yet effective (continued)

Conceptual Framework and References to the Conceptual Framework in IFRS Standards

On 29 March 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance but does provide additional guidance on topics not previously covered such as presentation and disclosure. The IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards to amend certain IFRS, IAS, IFRIC and SIC. These amendments are effective for annual periods beginning on or after 1 January 2020.

IFRS 3 Business Combinations

As part of the annual improvements 2015-2017 cycle, this is an amendment to clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. A further amendment is made regarding the definition of a business, to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The effective date for the former amendment is for annual periods beginning on or after 1 January 2019. The effective date for the latter amendment is for annual periods beginning on or after 1 January 2020. Earlier application is permitted.

IFRS 10 Consolidated Financial Statements

This is an amendment to sale or contribution of assets between an investor and its associate or joint venture. The effective date for the amendment of IFRS 10 is for annual periods beginning on or after a date to be determined by IASB. Earlier application is permitted.

4. AMOUNTS RECEIVABLE

The Company's amounts receivable are as follows:

	As at 31 March 2021	As at 30 June 2020
	$	$
GST/HST receivable	**22,798**	8,356
Other amounts receivable	**13,072**	13,072
Total amounts receivable	**35,870**	21,428

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION PROPERTIES

For the nine months ended 31 March 2021	Clayton Valley BFF-1	Nickle Mountain	Klone Group	Total
	$	**$**	**$**	**$**
Balance, 30 June 2020	**17,282**	**-**	**-**	**17,282**
Acquisition	-	2,724,500	58,625	**2,783,125**
Claims and fees	53,362	4,122	-	**57,484**
Expenses	1,760	-	-	**1,760**
Geological	11,175	-	-	**11,175**
Consulting	-	23,947	1,983	**25,930**
Net change for the period	66,297	2,752,569	60,608	**2,879,474**
Balance, 31 March 2021	**83,579**	**2,752,569**	**60,608**	**2,896,756**

For the year ended 30 June 2020	Teels Marsh West	Clayton Valley BFF-1	Total
	$	$	$
Balance, 30 June 2019	154,987	16,148	171,135
Claims and fees	-	9,313	9,313
Impairment	(154,987)	(8,179)	(163,166)
Net change for the year	(154,987)	1,134	(153,853)
Balance, 30 June 2020	-	17,282	17,282

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION PROPERTIES (continued)

5.1 Clayton Valley BFF-1

The Company staked claims located in Clayton Valley, Esmeralda County, Nevada (the "Clayton Valley BFF-1 Property"). During the nine months ended 31 March 2021, the Company expanded its claims in Clayton Valley by 41 new Iode claims covering about 847 acres bringing the Clayton Valley land package to 2,300 acres.

On 31 May 2016, the Company entered into an option agreement with 1074654 Nevada Ltd whereby 1074654 Nevada Ltd. has the option to acquire an undivided 70% interest in the Clayton Valley BFF-1 Property.

In order to earn a 70% interest in the Clayton Valley BFF-1 Property, 1074654 Nevada Ltd. is required to issue shares, make payments and incur exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
		USD$		USD$
Payment on or before 2 June 2016	(received)	$10,000	-	-
Payment on or before 30 June 2016	(received)	$15,000	-	-
Payment on 19 July 2016	(received)	$75,000	100,000	-
On or before 19 July 2017		$100,000	100,000	$100,000
On or before 19 July 2018		$100,000	100,000	$300,000
On or before 19 July 2019		-	-	$600,000
		$300,000	300,000	$1,000,000

On 19 July 2017, the option agreement with 1074654 Nevada Ltd. expired without being exercised.

During the year ended 30 June 2020, the Company dropped 39 claims and recorded an impairment of $8,179.

New Mineral Projects Acquired During the Period

On 15 October 2020, the Company entered into an option agreement to earn 100% interest in the Klone Group of mineral claims located in Fort St. James in British Columbia. The Company may exercise the option by making a total of $305,000 cash payments, issuing 550,000 common shares and incurring $1,200,000 in exploration expenditures over 5 years.
In relation to this option agreement, the Company made an initial cash payment of $35,000 and issued 75,000 common shares. Additionally, the Company issued 100,000 finder's shares.

On 23 October 2020, the Company has entered into two purchase and sale agreements with John Malcolm Bell to acquire 100% interest, subject to a 2% net smelter royalty, in each of two nickel exploration projects located in British Columbia, Canada. Pursuant to the terms of the agreement the company paid cash in the amount of $19,500 and issued five million common shares. Additionally, the Company issued 500,000 finder's shares.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION PROPERTIES (continued)

New Mineral Projects Acquired During the Period (continued)

On January 26, 2021, the Company has expanded its Clayton Valley, Esmeralda county, Nevada, lithium property holdings by the staking of additional lithium exploration claims that add to its overall lithium exploration land package which is directly adjoining a western portion of neighbouring lithium producer Albemarle's lithium evaporation ponds. The new ground adjoins the previous property position to the north and west and significantly expands the company's land position in the area. The new claim block consists of 41 lode claims covering about 847 acres (343 hectares) bringing the Clayton Valley land package to 2,300 acres (930 Ha).

On February 02, 2021, the Company has entered into an option agreement with arm's-length vendor 802213 AB Ltd. (Kelly Funk) for the purchase of a 100-per-cent interest, subject to a 2-per-cent net smelter royalty, in six mineral claims located approximately 15 kilometres west of Mt. Sydney Williams near Fort St James, B.C. Additionally, the company located two adjoining claims by title selection. Combined, the acquisition of eight additional claims has increased the company's prospective land position west of the Decar nickel deposit owned by FPX Nickel Corp. from 1,151 to 4,146 hectares. The company will control a 100-per-cent interest in over 13,704 hectares in the district.

On commencement of commercial production, a 2-per-cent net smelter returns royalty will be payable to the optionor. Nickel Rock retains the option to purchase one-half of the NSR (being one-half of the 2 per cent) for the sum of $3-million.

6. RIGHT-OF-USE ASSET

On adoption of IFRS 16, the Company identified its office rental agreement as a lease containing a right-of-use asset (“ROU asset”), and has elected to record the value of the ROU asset based on the corresponding lease liability (Note 8). On transition to IFRS 16, the Company elected to use the current term of the office lease as the lease term. The lease liability was measured at the present value of the estimated remaining lease payments and discounted using the Company’s incremental borrowing rate as of 1 July 2019, which is 4.29%.

The changes in the Company’s ROU asset for the nine months ended 31 March 2021 are as follows:

	31 March 2021
	$
Balance at 1 July 2020	**43,304**
Depreciation for the period	**(16,715)**
Balance at 31 March 2021	**26,589**

The changes in the Company’s ROU asset for the year ended 30 June 2020 were as follows:

	30 June 2020
	$
Recognition of office lease at 1 July 2019	65,004
Depreciation for the year	(21,700)
Balance at 30 June 2020	43,304

(Expressed in Canadian dollars)

7. TRADE AND OTHER PAYABLES

The Company's trade payables and accrued liabilities are principally comprised of amounts for administrative activities. These are broken down as follows:

	31 March 2021	30 June 2020
	$	$
Trade payables	**786**	4,308
Accrued liabilities	**15,000**	74,000
Total trade and other payables	**15,786**	78,308

8. LEASE LIABILITY

On adoption of IFRS 16, the Company identified its office rental agreement as a lease containing a ROU asset (Note 6), and recognized a corresponding lease liability.

The changes in the Company's lease liability for the nine months ended 31 March 2021 are as follows:

	31 March 2021
	$
Balance at 1 July 2020	**43,896**
Lease payments	**(17,557)**
Finance charge	**1,119**
Balance at 31 March 2021	**27,458**
Less: current portion	**(23,419)**
Balance at 31 March 2021	**4,039**

The changes in the Company's lease liability for the year ended 30 June 2020 were as follows:

	30 June 2020
	$
Recognition of office lease at 1 July 2019	65,004
Lease payments	(23,409)
Finance charge	2,301
Balance at 30 June 2020	43,896
Less: current portion	(22,110)
Balance at 30 June 2020	21,786

9. SHARE CAPITAL

9.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

As at 31 March 2021, the Company had 64,704,153 common shares outstanding (30 June 2020: 10,459,153 common shares).

9.2 Common shares issuances

a) Private Placements

On 29 December 2020, the Company issued 4,000,000 flow-through units ("FT Units") at a price of $0.13 per FT Unit for gross proceeds of $520,000. Each FT Unit consists of one flow-through common share and one share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.15 per share for a period of three years. Finders' fees totaling $7,425 in cash and 57,120 finder warrants were paid in connection with the financing. The finders' warrants have the same terms as the private placement warrants. These warrants were calculated to have a fair value of $14,162 using the Black-Scholes option pricing model with the following assumptions:

- Risk-free interest rate 0.25%
- Expected term (in years) 3
- Estimated dividend yield 0%
- Weighted-average estimated volatility 162%

On 29 September 2020, the Company issued 20,000,000 units at a price of $0.05 per unit for gross proceeds of $1,000,000. Each unit consists of one common share and one non-transferrable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of $0.06 per share for five years. Finder's fees in the amount of 1,850,000 common shares and 925,000 share purchase warrants were paid in connection with the private placement. The finders' warrants have the same terms as the private placement warrants. These warrants were calculated to have a fair value of $105,922 using the Black-Scholes option pricing model with the following assumptions:

- Risk-free interest rate 0.35%
- Expected term (in years) 5
- Estimated dividend yield 0%
- Weighted-average estimated volatility 164%

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

9.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the nine months ended 31 March 2021 and the year ended 30 June 2020:

	31 March 2021		30 June 2020	
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
		$		$
Outstanding, beginning of year	**5,545,000**	**0.11**	5,545,000	0.11
Granted	**24,982,120**	**0.07**	-	-
Exercised	**(19,670,000)**	**0.07**	-	-
Expired	**(1,025,000)**	**0.16**	-	-
Outstanding, end of period	**9,832,120**	**0.10**	5,545,000	0.11

9.4 Stock options

Effective 29 September 2016, the Company has adopted a stock option plan whereby it is authorized to grant options to executive officers and directors, employees and/or consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. The aggregate maximum number of common shares issuable under the plan is 12,940,831 common shares. The aggregate number of options granted to one optionee in a 12-month period is limited to 5% of the issued common shares of the Company.

The exercise price of any options granted under the plan will be determined by the Board of Directors, at its sole discretion, but shall not be less than the last closing price of the Company's common shares on the day before the date on which the Directors grant such options.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

9.4 Stock options (continued)

The following is a summary of the changes in the Company's stock option activities for the nine months ended 31 March 2020 and the year ended 30 June 2020:

	31 March 2021		30 June 2020	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
Outstanding, beginning of year	**797,500**	**0.174**	797,500	0.174
Granted	**4,000,000**	**0.050**	-	-
Exercised	**(2,600,000)**	**0.050**	-	-
Expired	**(785,000)**	**0.109**	-	-
Cancelled	**-**	**-**	-	-
Outstanding, end of period	**1,412,500**	**0.071**	797,500	0.174

On September 17, 2020, the Company granted 4,000,000 stock options to consultants, directors and officers of the Company. These stock options have an exercise price of $0.05 per share and expire on September 17, 2025. The fair value of these options was determined as $252,080 using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.36%
Expected term (in years)	5
Estimated dividend yield	0%
Weighted-average estimated volatility	188.49%

The following table summarizes information regarding stock options outstanding and exercisable as at 31 March 2021:

Expiry date	**Number of options outstanding**	**Number of options exercisable**	**Weighted-average remaining contractual life (years)**	**Weighted-average exercise Price**
Options				
11 April 2021	12,500	12,500	0.03	$2.400
17 September 2025	1,400,000	1,400,000	4,47	$0.050
Total	**1,412,500**	**1,412,500**	**4.43**	**$0.071**

(Expressed in Canadian dollars)

10. INCOME (LOSS) PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended 31 March 2021	**Three months ended 31 March 2020**	**Nine months ended 31 March 2021**	**Nine months ended 31 March 2020**
	$	$	**$**	$
Net income (loss) for the quarter	(880,825)	(155,814)	(1,627,943)	(501,867)
Weighted average number of shares – basic and diluted	48,794,931	10,459,153	14,324,199	10,421,570
Income (loss) per share, basic and diluted	(0.018)	(0.015)	(0.114)	(0.048)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants were anti-dilutive for the three and nine months ended 31 March 2021 and 2020.

11. FINANCIAL INSTRUMENTS

11.1 Categories of financial instruments

	31 March 2021	30 June 2020
	$	$
FINANCIAL ASSETS		
FVTPL		
Cash	**1,702,370**	409,303
Other amounts receivable	**13,072**	13,072
Total financial assets	**1,715,442**	422,375
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	**786**	4,308
Total financial liabilities	**786**	4,308

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS (continued)

11.2 Fair value (continued)

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the condensed consolidated interim financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

As at 31 March 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash	**1,702,370**	**-**	**-**	**1,702,370**
Total financial assets at fair value	**1,702,370**	**-**	**-**	**1,702,370**

As at 30 June 2020	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets at fair value				
Cash	409,303	-	-	409,303
Total financial assets at fair value	409,303	-	-	409,303

There were no transfers between Level 1 and 2 and 3 in the three and nine months ended 31 March 2021 and 2020.

11. FINANCIAL INSTRUMENTS (continued)

11.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash. The Company deposits cash with high credit quality financial institutions as determined by rating agencies. As a result, the Company is not subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 March 2021, the Company had a working capital of $1,771,849.00 (30 June 2020: $346,018) (Note 1.1).

Interest rate risk

The Company's interest rate risk is primarily related to the Company's cash and cash equivalents for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash and cash equivalents. However, as these investments come to maturity within a short period of time, the impact would not be significant.

Currency Risk

The Company is exposed to currency risk by incurring certain expenditures and holding assets denominated in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk. Assuming all other variables remain constant, a 1% change in the Canadian dollar against the US dollar would not result in a significant change to the Company's operations.

Commodity price risk

The Company is not exposed to commodity price risk as it is still in exploration stage.

(Expressed in Canadian dollars)

12. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements.

The Company is dependent on external financing to fund its activities. In order to carry out its planned business strategy, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

As at 31 March 2021, the Company's capital structure consists of the equity of the Company (Note 9). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

As at 31 March 2021, the Company's available capital resources, consisting of cash and cash equivalents, totaled $1,702,370 (30 June 2020: $409,303). As at 31 March 2021, the Company's total payables are $15,786 (30 June 2020: $78,308). The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future.

13. RELATED PARTY TRANSACTIONS

For the periods ended 31 March 2021 and 2020, the Company had related party transactions with the following companies related by way of management, directors or shareholders in common:

- TCF Ventures Corp., a company controlled by the former Chief Operating Officer of the Company.
- Zeus Capital Ltd., a company controlled by the Chief Financial Officer of the Company.

As at 31 March 2021, included in accrued liabilities is a balance of $Nil (30 June 2020: $24,000) due to related parties as follows:

As at	**31 March 2021**	30 June 2020
	$	$
Corporate Secretary	**-**	24,000
Chief Executive Officer	**-**	3,008
Chief Financial Officer	**504**	-
Total trade payable and accrued liabilities due to related parties	**504**	27,008

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS (continued)

13.1 Related party expenses

The Company's related party expenses are summarized as follows:

	Three months ended 31 March 2021	Three months ended 31 March 2020	**Nine months ended 31 March 2021**	Nine months ended 31 March 2020
Consulting fees to:	**$**	$	**$**	$
Zeus Capital Ltd.	**20,000**	6,000	**32,000**	12,000
Corporate Secretary	**25,122**	12,000	**57,122**	24,000
TCF Ventures Corp.	**-**	12,000	**8,000**	24,000
A former director	**77,406**	-	**148,139**	-
The CEO	**6,000**	-	**21,000**	-
Total related party expenses	**128,528**	30,000	**266,261**	60,000

14. KEY MANAGEMENT PERSONNEL COMPENSATION

The remuneration of directors and other members of key management for the three and nine months ended 31 March 2021 and 2020 were as follows:

	Three months ended 31 March 2021	Three months ended 31 March 2020	**Nine months ended 31 March 2021**	Nine months ended 31 March 2020
	$	$	**$**	$
Short-term benefits – management and consulting fees	**128,528**	30,000	**266,261**	60,000
Share-based compensation	**-**	-	**66,171**	-
Total key management personnel compensation	**128,528**	30,000	**332,432**	60,000

(Expressed in Canadian dollars)

15. COMMITMENTS AND CONTINGENCIES

As at 31 March 2021, the Company had the following commitments and contingent liabilities:

a) Effective 1 June 2019, the Company renewed a rental agreement with an unrelated third party to lease office space for a term of three years. The Company has the following commitments relating to its operating lease:

	< 1 year	2-5 years	> 5 years	Total
	$	$	$	$
Rent	24,059	4,046	-	28,105

b) The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the government. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

c) As at 31 March 2021, the Company owns various exploration and evaluation properties (Note 5). Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.

16. SEGMENTED INFORMATION

The Company's only business activity is exploration and development of exploration and evaluation properties. This activity is carried out in the USA.

The breakdown of geographic area for the nine months ended 31 March 2021 and the year ended 30 June 2020 is as follows:

(Expressed in Canadian dollars)

16. SEGMENTED INFORMATION (continued)

Nine months ended 31 March 2021	**Canada $**	**USA $**	**Total $**
Net loss	**(1,501,903)**	**-**	**(1,501,903)**
Current assets	**1,811,054**	**-**	**1,811,054**
Exploration and evaluation properties	**2,813,177**	**83,579**	**2,896,756**
Right-of-use asset	**26,589**	**-**	**26,589**
Total assets	**4,650,820**	**83,579**	**4,734,399**

Year ended 30 June 2020	Canada $	USA $	Total $
Net loss	(182,638)	-	(182,638)
Current assets	892,483	-	892,483
Exploration and evaluation properties	-	188,981	188,981
Total assets	892,483	188,981	1,081,464

18. SUBSEQUENT EVENTS

In April 2021, the Company has awarded an exploration program with a budget proposal totaling $600,000 to Hardline Exploration. Hardline, headquartered in Smithers, B.C., was founded in 2014 and is a local consulting firm for the Golden Triangle and Western Canada. Hardline works directly with local contractors and first nations to ensure its projects receive the most efficient and dedicated exploration services available it specialized in executing programs on complex exploration projects to generate new discoveries and has a proven record of successful projects incorporating highly skilled geologists and team members with vast experience across Canada on a variety of deposit types.

19. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements of the Company for the three and nine months ended 31 March 2021 were approved and authorized for issue by the Board of Directors on 18 May, 2021.