

# **BENCHMARK METALS INC.**

Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2021 and 2020

Expressed in Canadian Dollars

To the shareholders of Benchmark Metals Inc:

The consolidated condensed interim financial statements of Benchmark Metals Inc. (the "Company") for the three and six months ended August 31, 2021 and 2020 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors

BENCHMARK METALS INC.  
 Consolidated Condensed Interim Statements of Financial Position  
 Expressed in Canadian Dollars

(unaudited)

	August 31, 2021	February 28, 2021
<b>ASSETS</b>		
Current		
Cash	\$ 21,779,481	\$34,121,748
Short-term investment	10,000	10,000
Goods and services tax credit receivable	501,405	159,981
Mineral exploration tax credit receivable	1,767,737	1,767,737
Other receivable	12,034	12,034
Prepaid expenses and deposits	826,205	119,170
	<b>24,896,862</b>	36,190,670
Equipment (note 6)	196,714	212,534
Reclamation bonds (note 9)	836,121	272,082
Exploration and evaluation assets (note 3)	50,628,226	35,581,267
	<b>\$ 76,557,923</b>	<b>\$72,256,553</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 6,062,308	\$ 1,213,766
Deferred flow-through liability	-	2,144,711
	<b>6,062,308</b>	3,358,477
Asset retirement obligation (note 9)	836,039	272,000
Deferred taxes	3,291,685	3,291,685
	<b>10,190,032</b>	6,922,162
<b>EQUITY</b>		
Share capital (note 4)	74,141,801	73,099,561
Option and warrant reserve (note 4)	9,644,309	5,556,637
Deficit	(17,418,219)	(13,321,807)
	<b>66,367,891</b>	65,334,391
	<b>\$ 76,557,923</b>	<b>\$72,256,553</b>

SUBSEQUENT EVENT (note 4)

Authorized for issuance on behalf of the Board on November 1, 2021

Director (signed by) "Jim Greig"

Director (signed by) "Sean Maqer"

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

BENCHMARK METALS INC.

Consolidated Condensed Interim Statements of Comprehensive Loss

Expressed in Canadian Dollars

(unaudited)

For the	three months ended August 31		six months ended August 31	
	2021	2020	2021	2020
<b>Expenses</b>				
Investor relations expenses	\$ 403,404	\$ 523,361	\$ 1,209,185	\$ 655,170
Management and consulting fees	427,592	95,771	506,564	184,170
Office and administration	68,519	29,094	118,557	52,715
Professional fees	68,393	58,047	98,078	78,158
Regulatory and filing fees	9,790	29,498	35,341	32,190
Share-based compensation (note 5,8)	4,172,901	230,836	4,346,052	1,888,665
Exploration expenses	12,069	369	12,069	23,851
	<b>(5,150,599)</b>	<b>(966,976)</b>	<b>(6,325,846)</b>	<b>(2,914,919)</b>
<b>Other</b>				
Interest income	38,926	34,304	84,723	71,816
Settlement of flow-through liability	1,754,764	1,017,296	2,144,711	1,101,027
<b>Net income (loss) and comprehensive income (loss)</b>	<b>\$ (3,356,909)</b>	<b>\$ 84,624</b>	<b>\$ (4,096,412)</b>	<b>\$ (1,742,076)</b>
<b>Basic and diluted income (loss) per common share</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>
Basic and diluted weighted average number of common shares outstanding	<b>161,290,138</b>	<b>119,200,107</b>	<b>159,257,221</b>	<b>116,180,804</b>

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

BENCHMARK METALS INC.  
Consolidated Condensed Interim Statements of Changes in Equity  
Expressed in Canadian Dollars

(unaudited)

	Number of shares	Share capital	Option and Warrant reserve	Deficit	Total equity
<b>Balance at February 29, 2020</b>	<b>112,562,066</b>	<b>\$ 28,716,846</b>	<b>\$ 1,650,926</b>	<b>\$ (8,559,409)</b>	<b>\$ 21,808,363</b>
Shares issued for cash	8,591,015	2,520,850	(306,655)	-	2,214,195
Share based payments	-	-	1,888,664	-	1,888,664
Comprehensive loss	-	-	-	(1,742,076)	(1,742,076)
<b>Balance at August 31, 2020</b>	<b>121,153,081</b>	<b>\$ 31,237,696</b>	<b>\$ 3,232,935</b>	<b>\$ (10,301,485)</b>	<b>\$ 24,169,146</b>
Shares issued for cash	37,031,980	51,426,000	(365,284)	-	51,060,716
Flow-through premium liability	-	(4,874,343)	-	-	(4,874,343)
Share issuance costs	-	(3,237,400)	-	-	(3,237,400)
Finders warrants issued	-	(1,452,392)	1,452,392	-	-
Share based payments	-	-	1,236,594	-	1,236,594
Comprehensive loss	-	-	-	(3,020,322)	(3,020,322)
<b>Balance at February 28, 2021</b>	<b>158,185,061</b>	<b>\$ 73,099,561</b>	<b>\$ 5,556,637</b>	<b>\$ (13,321,807)</b>	<b>\$ 65,334,391</b>
Shares issued for cash	2,460,073	1,045,048	(258,380)	-	786,668
Share issuance costs	-	(2,808)	-	-	(2,808)
Share based payments	-	-	4,346,052	-	4,346,052
Comprehensive loss	-	-	-	(4,096,412)	(4,096,412)
<b>Balance at August 31, 2021</b>	<b>160,645,134</b>	<b>\$ -</b>	<b>\$ 9,644,309</b>	<b>\$ (17,418,219)</b>	<b>\$ 66,367,891</b>

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

BENCHMARK METALS INC.  
Consolidated Condensed Interim Statements of Cash Flows  
Expressed in Canadian Dollars

(unaudited)

For the six months ended	August 31, 2021	August 31, 2020
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (4,096,412)	\$ (1,742,076)
Items not effecting cash:		
Share-based payments (note 4)	4,346,052	1,888,665
Settlement of flow-through liability	<u>(2,144,711)</u>	<u>(1,101,027)</u>
	(1,895,071)	(954,438)
Changes in non-cash working capital:		
Goods and services tax receivable	(341,424)	(221,347)
Prepaid expenses and deposits	(580,339)	176,460
Accounts payable and accrued liabilities	<u>4,731,849</u>	<u>3,912,785</u>
Cash provided by operating activities	<u>1,915,015</u>	<u>2,913,460</u>
<b>Investing activities</b>		
Purchase of reclamation deposit	(564,039)	-
Purchase of equipment	(7,595)	(85,882)
Exploration and evaluation asset expenditures	<u>(14,10,008)</u>	<u>(8,503,117)</u>
Cash used in investing activities	<u>(15,041,142)</u>	<u>(8,588,999)</u>
<b>Financing activities</b>		
Proceeds from exercise of options	118,250	192,250
Proceeds from exercise of warrants	668,418	2,021,945
Share issuance costs	<u>(2,808)</u>	<u>-</u>
Cash provided by financing activities	<u>783,860</u>	<u>2,214,195</u>
<b>Net increase in cash</b>	<b>(12,342,267)</b>	<b>(3,461,344)</b>
Cash – beginning of period	<u>34,121,748</u>	<u>10,171,023</u>
<b>Cash – end of period</b>	<b><u>\$ 21,779,481</u></b>	<b><u>\$ 6,709,679</u></b>

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

**BENCHMARK METALS INC.**

Notes to the Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2021 and 2020

Expressed in Canadian Dollars

*(unaudited)*

**1. Nature of operations**

Benchmark Metals Inc. (“Benchmark” or the “Company”) was incorporated under the British Columbia Business Corporations Act on November 9, 2010 and has its shares listed for trading on the TSX Venture Exchange under the symbol “BNCH”. The Company’s head office is located at 10545 – 45 Avenue NW, 250 Southridge NW, Suite 300, Edmonton, AB, Canada T6H 4M9. The principal business of the Company is the identification, acquisition, exploration and evaluation of mineral properties.

The COVID-19 pandemic has caused significant and negative impact to the global financial markets. The Company’s exploration activities in Canada have not been significantly affected by the pandemic to date. If the Company becomes unable to conduct future exploration activities over the long-term in the future, this may result in a potential material impairment of exploration and evaluation assets. The Company continues to monitor and assess the impact of COVID-19 on its business activities. Currently the potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

**2. Basis of presentation**

These consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on November 1, 2021.

These consolidated condensed interim financial statements include the accounts of the Company, and its wholly owned subsidiary PPM Phoenix Precious Metals Corp. All intercompany transactions and balances have been eliminated from the date of acquisition of control.

<b>Name of Subsidiary</b>	<b>Proportion of Ownership Interest</b>	<b>Principal Activity</b>
PPM Phoenix Precious Metals Corp.	100%	Holds mineral interest in BC

On September 18, 2019, the Company acquired a 100% ownership interest of PPM Phoenix Precious Metals Corp.

These consolidated condensed interim financial statements are presented in Canadian Dollars, and the use of the symbol “\$” herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization 3-letter symbol for such foreign currency.

BENCHMARK METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2021 and 2020

Expressed in Canadian Dollars

(unaudited)

**3. Exploration and evaluation assets**

On September 18, 2019, the Company acquired 100% ownership of the Lawyers Property through the acquisition of PPM.

Lawyers Property in British Columbia, Canada

Total costs incurred on the Lawyers Property are summarized as follows:

	<b>Acquisition</b>	<b>Exploration</b>	<b>Total</b>
<b>Balance, February 29, 2020</b>	<b>5,552,828</b>	<b>6,912,417</b>	<b>12,465,245</b>
Fieldwork	-	5,015,722	5,015,722
Geology	-	404,698	404,698
Drilling	-	13,559,220	13,559,220
Engineering	-	519,357	519,357
Environmental	-	98,082	98,082
Assay	-	3,028,016	3,028,016
Amortization	-	39,978	39,978
Permits	-	11,962	11,962
Travel and support	-	639,890	639,890
Community relations	-	377,402	377,402
Road maintenance	-	968,682	968,682
Reclamation	-	70,000	70,000
Management fees	-	150,750	150,750
Mineral exploration tax credit	-	(1,767,737)	(1,767,737)
<b>Balance, February 28, 2021</b>	<b>\$ 5,552,828</b>	<b>\$ 30,028,439</b>	<b>\$ 35,581,267</b>
Fieldwork	-	2,219,090	2,219,090
Geology	-	206,080	206,078
Drilling	-	7,689,187	7,689,187
Engineering	-	901,309	901,309
Environmental	-	412,920	412,920
Assay	-	861,779	861,779
Amortization	-	23,416	23,416
Travel and support	-	1,301,565	1,301,565
Community relations	-	698,813	698,813
Road maintenance	-	75,763	75,763
Reclamation	-	564,039	564,039
Management fees	-	93,000	93,000
<b>Balance, August 31, 2021</b>	<b>\$ 5,552,828</b>	<b>\$ 45,075,398</b>	<b>\$ 50,628,226</b>

BENCHMARK METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2021 and 2020

Expressed in Canadian Dollars

(unaudited)

4. Share capital

a) Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value.

A summary of changes in common share capital in the period is as follows:

	Number of shares		Amount
<b>Balance, February 28, 2021</b>	<b>158,185,061</b>	<b>\$</b>	<b>73,099,561</b>
Shares issued upon exercise of warrants	1,832,573		828,523
Shares issued upon the exercise of options	627,500		216,525
Share issuance costs	-		(2,808)
<b>Balance, August 31, 2021</b>	<b>160,645,134</b>	<b>\$</b>	<b>74,141,801</b>

b) Warrants

A summary of share purchase warrant activity in the period is as follows:

	Number of warrants		Weighted average exercise price
<b>Balance, February 28, 2021</b>	<b>35,276,419</b>	<b>\$</b>	<b>1.14</b>
Exercised	(1,832,573)		0.36
<b>Balance, August 31, 2021</b>	<b>33,443,846</b>	<b>\$</b>	<b>1.18</b>

A summary of the warrants outstanding and exercisable is as follows:

August 31, 2021				February 28, 2021		
Exercise Price	Number of warrants	Remaining contractual life (years)		Exercise Price	Number of warrants	Remaining contractual life (years)
\$ 0.40	7,058,337	0.1		\$ 0.40	8,101,835	0.6
0.30	20,108	0.1		0.30	672,204	0.6
0.40	6,230,000	0.3		0.40	6,355,000	0.8
0.45	762,199	0.3		0.45	774,178	0.8
1.30	2,024,638	1.1		1.30	2,024,638	1.6
1.80	17,348,564	1.1		1.80	17,348,564	1.6
<b>\$ 1.18</b>	<b>33,443,846</b>	<b>0.7</b>		<b>\$ 1.14</b>	<b>35,276,419</b>	<b>1.2</b>

Subsequent to the three months ended August 31, 2021, the Company received gross proceeds of \$3,163,274 from the exercise of 7,820,459 warrants.

b) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted. All options vest when granted unless otherwise specified by the Board of Directors.

A summary of stock option activity in the period is as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
<b>Outstanding options, February 28, 2021</b>	<b>10,560,166</b>	<b>\$ 0.44</b>
Issued	4,880,000	1.17
Exercised	(627,500)	0.19
Expired	(50,000)	0.30
<b>Outstanding options, August 31, 2021</b>	<b>14,762,666</b>	<b>\$ 0.69</b>
<b>Exercisable options, August 31, 2021</b>	<b>14,612,666</b>	<b>\$ 0.70</b>

On May 3, 2021, the Company granted incentive stock options, for the option to purchase up to 250,000 common shares. The options are exercisable at a price of \$1.50 per common share, for a period of two years. The estimated fair value of these options of \$160,000, or \$0.64 per option, has been recorded as share-based payment expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$1.47; expected life, 2 years; expected volatility, 83%; risk-free rate 0.30%; expected dividends, 0%.

On June 21, 2021, the Company granted incentive stock options, for the option to purchase up to 4,630,000 common shares. The options are exercisable at a price of \$1.15 per common share, for a period of five years. The estimated fair value of these options of \$4,167,000, or \$0.90 per option, has been recorded as share-based payment expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$1.08; expected life, 5 years; expected volatility, 125%; risk-free rate 0.97%; expected dividends, 0%.

BENCHMARK METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2021 and 2020

Expressed in Canadian Dollars

(unaudited)

A summary of the options outstanding is as follows:

August 31, 2021			February 28, 2021		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
\$ 0.435	16,666	0.2	\$ 0.435	16,666	0.7
0.30	703,000	1.5	0.30	703,000	2.0
0.16	600,000	1.9	0.16	1,100,000	2.4
0.20	538,000	2.3	0.20	538,000	2.8
0.30	100,000	2.9	0.30	100,000	3.4
0.30	6,225,000	3.6	0.30	6,315,000	4.1
1.30	500,000	0.3	0.30	87,500	0.1
1.30	1,200,000	4.4	1.30	500,000	0.8
1.50	250,000	1.7	1.30	1,200,000	4.9
1.15	4,630,000	4.8	-	-	-
<b>\$ 0.69</b>	<b>14,762,666</b>	<b>3.7</b>	<b>\$ 0.44</b>	<b>10,560,166</b>	<b>3.6</b>

Subsequent to the three months ended August 31, 2021, the Company received gross proceeds of \$10,250 from the exercise of 26,666 options.

## 5. Financial instruments and risk management

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

### General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

## BENCHMARK METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2021 and 2020

Expressed in Canadian Dollars

(unaudited)

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, commodity price risk.

#### *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. As at August 31, 2021, the Company's financial assets and liabilities are denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk as low.

#### *Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with Canadian financial institutions. The Company considers this risk to be minimal.

#### *Commodity price risk*

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

### Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. As at August 31, 2021, the Company's maximum exposure to credit risk is \$21,779,481. Substantially all of the Company's cash is held with one financial institution in Canada.

### Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at August 31, 2021, the Company's contractual undiscounted cash flow requirements for financial liabilities consisting of accounts payable and accrued liabilities of \$6,062,308 are due within one year.

### Determination of fair value

The statement of financial position carrying amounts for cash and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

**BENCHMARK METALS INC.**

Notes to the Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2021 and 2020

Expressed in Canadian Dollars

*(unaudited)*

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- 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: unobservable inputs for the asset or liability.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at August 31, 2021:				
Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 21,779,481	-	-	\$ 21,779,481
Short-term investment	\$ 10,000	-	-	\$ 10,000

  

As at February 28, 2021:				
Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 34,121,748	-	-	\$ 34,121,748
Short-term investment	\$ 10,000	-	-	\$ 10,000

**6. Equipment**

	<b>Camp equipment</b>
<b>Balance, February 28, 2021</b>	<b>212,534</b>
Additions	7,595
Depreciation	<u>(23,415)</u>
<b>Balance, August 31, 2021</b>	<b><u>\$ 196,714</u></b>

During the period ended August 31, 2021, the Company capitalized \$23,415 (2020 - \$6,626) in depreciation to mineral properties.

## 7. Related party transactions and balances

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

<b>For the six months ended</b>	<b>August 31, 2021</b>	<b>August 31, 2020</b>
Management fees paid to companies controlled by directors, officers, and former officers	\$ 499,000	\$ 87,750
Management fees paid to companies controlled by directors, officers - capitalized to exploration and evaluation assets	93,000	29,250
Share-based payments	1,800,000	884,000
	<b>\$ 2,392,000</b>	<b>\$ 1,001,000</b>

### Key management compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel is summarized below:

<b>For the six months ended</b>	<b>August 31, 2021</b>	<b>August 31, 2020</b>
Short term benefits	\$ 592,000	\$ 117,000
Share-based payments	1,800,000	884,000
	<b>\$ 2,392,000</b>	<b>\$ 1,001,000</b>

At August 31, 2021, accounts payable and accrued liabilities include \$2,637 (February 28, 2021 - \$888) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

## 8. Flow-through premium liability

During the year ended February 28, 2021, the Company issued 13,051,668 flow-through shares for gross proceeds of \$22,128,560 and recognized a deferred flow-through premium of \$4,874,343, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at August 31, 2021, the Company incurred the \$22,128,560 of required eligible exploration expenditures relating to these flow-through shares. As a result, the remaining balance of \$2,144,711 in connection with the settlement of the flow-through liability was recognized in other income.

## 9. Asset retirement obligation and reclamation bonds

As at August 31, 2021, the Company recognized an asset retirement obligation in the amount of \$836,121 (February 28, 2021 - \$272,000) in connection with its Lawyers Property (note 3). In order to obtain a mineral exploration permit, the Company was required to place a total of \$836,121 in reclamation bonds with the Ministry of Energy, Mines and Petroleum Resources of the Province of British Columbia.

## **10. Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at August 31, 2021, the Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash on hand.