



**Condensed Consolidated Interim Financial Statements
June 30, 2021**

(Unaudited – Prepared by Management)

NOTICE TO READER

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these unaudited interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

GrowMax Resources Corp.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in thousands of Canadian dollars)

Unaudited

As at	Note	June 30, 2021	September 30, 2020
Assets			
Current assets			
Cash		\$ 13,738	\$ 13,506
Equity investments	5	9,067	12,616
Other current assets	6	911	1,420
Total assets		\$ 23,716	\$ 27,542
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	13	\$ 181	\$ 128
Provisions and other current liabilities	7	624	910
Total liabilities		805	1,038
Equity			
	8		
Share capital		214,211	214,211
Contributed surplus		39,195	39,195
Accumulated other comprehensive income		3,710	3,463
Deficit		(237,018)	(233,220)
Equity attributable to owners of the Company		20,098	23,649
Non-controlling interest	9	2,813	2,855
Total equity		22,911	26,504
Total liabilities and equity		\$ 23,716	\$ 27,542

Contingencies

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Approved by the Board of Directors on August 27, 2021.

Signed:

"Kulwant Malhi"

Director

Signed:

"Chris Cooper"

Director

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

GrowMax Resources Corp.

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in thousands of Canadian dollars, except per share amounts and number of shares outstanding)

Unaudited

	Note	Three months ended		Nine months ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
General and administrative expenses					
Depreciation		\$ -	(75) \$	\$ -	(75)
Other general and administrative	10	(728)	(674)	(1,718)	(1,395)
		(728)	(749)	(1,718)	(1,470)
Other income (expense)	11	(778)	(2,093)	(2,136)	189
Net income (loss) for the period		\$ (1,506)	(2,842) \$	(3,854) \$	(1,281)
Attributable to:					
Owners of the Company		\$ (1,482)	(2,815) \$	(3,798) \$	(1,227)
Non-controlling interest		(24)	(27)	(56)	(54)
Net income (loss) for the period		\$ (1,506)	(2,842) \$	(3,854) \$	(1,281)
Earnings (loss) per share attributable to owners of the Company					
Basic and diluted		(0.01)	(0.01)	(0.02)	(0.01)
Weighted average number of common shares outstanding					
Basic and diluted		213,925,645	213,925,645	213,925,645	213,925,645
Net income (loss) for the period		\$ (1,506)	(2,842) \$	(3,854) \$	(1,281)
Other comprehensive income (loss), net of tax					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		(8)	(21)	247	(17)
<i>Items that will not be reclassified to profit or loss:</i>					
Exchange differences on translating non-controlling interest		(1)	(1)	14	(1)
Comprehensive income (loss) for the period		(1,515)	(2,864)	(3,593)	(1,299)
Attributable to:					
Owners of the Company		(1,490)	(2,836)	(3,551)	(1,244)
Non-controlling interest		(25)	(28)	(42)	(55)
Comprehensive income (loss) for the period		\$ (1,515)	(2,864) \$	(3,593) \$	(1,299)

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

GrowMax Resources Corp.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in thousands of Canadian dollars)

Unaudited

	Number of Shares	Share Capital \$	Contributed surplus \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Equity attributable to owners of the Company \$	Non- controlling interest \$	Total equity \$
Balance – September 30, 2019	213,925,645	214,211	39,220	3,466	(237,064)	19,833	2,883	22,716
Forfeiture of stock options	-	-	(25)	-	25	-	-	-
Net loss	-	-	-	-	(1,227)	(1,227)	(54)	(1,281)
Other comprehensive income	-	-	-	(17)	-	(17)	(1)	(18)
Total comprehensive income (loss)	-	-	-	(17)	(1,202)	(1,244)	(55)	(1,299)
Balance – June 30, 2020	213,925,645	214,211	39,195	3,449	(238,266)	18,589	2,828	21,417
Balance – September 30, 2020	213,925,645	214,211	39,195	3,463	(233,220)	23,649	2,855	26,504
Net income (loss)	-	-	-	-	(3,798)	(3,798)	(56)	(3,854)
Other comprehensive loss	-	-	-	247	-	247	14	261
Total comprehensive income (loss)	-	-	-	247	(3,798)	(3,551)	(42)	(3,593)
Balance – June 30, 2021	213,925,645	214,211	39,195	3,710	(237,018)	20,098	2,813	22,911

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

GrowMax Resources Corp.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

Unaudited

	Note	Nine months ended June 30,	
		2021	2020
Operating activities			
Net income (loss) for the period		\$ (3,854)	\$ (1,281)
Adjustments to net income (loss) for non-operating items and non-cash items:			
Depreciation		-	75
Unrealized and other foreign exchange (gain) loss		1,026	(364)
Fair value (gain) loss on equity investments		5,344	(1,271)
(Gain) loss on sale of equity investment	5	(3,957)	-
Other (income) expense		-	20
Write-off of loan receivable		-	1,946
<hr/>			
Cash used in operating activities, before changes in non-cash operating items		(1,441)	(875)
Net change in non-cash operating items:			
Other current assets		508	(92)
Other non-current assets		-	(1,959)
Accounts payable and accrued liabilities		53	32
Provisions and other current liabilities		(286)	(4,331)
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Net cash used in operating activities		(1,166)	(7,225)
<hr/>			
Investing activities			
Capital expenditures, net		-	3
Withdrawal of restricted investments		-	6,571
Purchase of equity investments	5	(4,338)	(2,556)
Sale of equity investments	5	6,500	1,231
<hr/>			
Net cash generated by investing activities		2,162	5,249
<hr/>			
Net change in cash		996	(1,976)
<hr/>			
Effect of foreign exchange rate on cash		(764)	241
Cash – beginning of period		13,506	17,176
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Cash – end of period		\$ 13,738	\$ 15,441

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

GrowMax Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended June 30, 2021 and 2020

(Currency amounts are expressed in thousands of Canadian dollars, except per share amounts and prices)

Unaudited

1. General information

GrowMax Resources Corp. (the “Company” or “GrowMax”) is a publicly traded company that was formed on August 22, 2008 by an amalgamation of two predecessor entities. The Company is incorporated and domiciled in Canada. The Company’s corporate head office is located at 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

GrowMax has the following subsidiaries:

- (1) 95% ownership interest in GrowMax Agri Corp. (“GAC”), which was incorporated and registered in Alberta in 2009 and is a holding company for its 100% owned subsidiary, Americas Potash Peru S.A. (“APPSA”); and
- (2) APPSA, which was incorporated and registered in Peru in 2008, and holds the Company’s interests in phosphates, potash and other mineral concessions in Peru.

These consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

All dollar figures stated herein are expressed in Canadian dollars (\$) or CAD), unless otherwise specified.

Since inception, efforts of the Company had been devoted to the acquisition, exploration and development of mineral properties. In recent years, the Company was focused on the exploration, evaluation, and development of phosphate and potassium-rich brine resources on its Bayovar property (the “Bayovar Property”), which is located in the Sechura Desert in northwestern Peru.

After a thorough review of the Company’s resources and strategic options, and given the expertise and skill sets of the Company’s current management and directors, the GrowMax board of directors determined that the optimal allocation of the Company’s working capital would be within the framework of an investment company. On August 19, 2021, the Company announced that it received final approval from the TSX Venture Exchange with respect to its previously announced proposed change of business from mineral exploration to an investment issuer.

2. Basis for presentation

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. They do not include all the information required for full annual financial statements. These Financial Statements should be read in conjunction with the audited annual consolidated financial statements for the nine months ended September 30, 2020, which have been prepared in accordance with IFRS as issued by the IASB.

3. Significant accounting policies

The preparation of these Financial Statements is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements for the nine months ended September 30, 2020.

4. Critical accounting estimates and judgements

The preparation of these Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. In preparing these Financial Statements, the significant judgements made by management in applying the Company’s accounting policies and key sources of estimation uncertainty were the same as those that were applied to the audited annual consolidated financial statements for the nine months ended September 30, 2020.

GrowMax Resources Corp.

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5. Equity investments

As at June 30, 2021, the Company's equity investments consist of:

Description	Number of securities			Cost	Fair Value
	Units in Advance	Shares	Warrants		
<u>Private equity investments:</u>					
AuAg Exploration Inc.	3,000,000	-	-	\$ 450	\$ 450
Montana Silver Mines, LLC	500,000	-	-	10	10
Pike Therapeutics Inc.	-	1,000,000	-	143	124
Quality Green Inc.	-	5,500,000	5,500,000	3,025	1,313
Telecure Technologies Inc.	1,400,000	-	-	490	490
	4,900,000	6,500,000	5,500,000	\$ 4,118	\$ 2,387
<u>Public equity investments:</u>					
Algernon Pharmaceuticals Inc.	-	4,999,300	3,000,000	\$ 677	\$ 790
Alpha Esports Inc.	-	2,857,142	2,857,142	1,000	3,231
Beyond Medical Tech Inc.	-	7,000,000	8,000,000	975	612
Canagold Resources Ltd. ⁽¹⁾	-	250,000	125,000	100	155
First Responder Technologies Inc.	-	3,000,000	1,500,000	1,050	135
HAVN Life Sciences Inc.	-	1,325,100	-	254	729
Hempfusion Inc.	-	240,000	165,000	397	135
Manning Ventures Inc.	-	2,350,000	2,350,000	353	694
Rockshield Capital Corp.	-	389,500	-	195	199
	-	22,411,042	17,997,142	\$ 5,001	\$ 6,680
Balance, June 30, 2021	4,900,000	28,911,042	23,497,142	\$ 9,119	\$ 9,067

Note:

⁽¹⁾ On December 8, 2020, Canagold Resources Ltd. consolidated its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every five (5) pre-consolidation common shares

During the nine months ended June 30, 2021, the Company completed the following transactions:

- i) The Company purchased 2,857,142 units in the capital of Alpha Esports Inc. for \$0.350 per unit. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.50 for up to May 14, 2023.
- ii) The Company purchased 2,350,000 units in the capital of Manning Ventures Inc. for \$0.15 per unit. Each unit consists of one common share and one-half common share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.20 up to February 11, 2023.
- iii) The Company purchased 1,400,000 units in advance in the capital of Telecure Technologies Inc. for \$0.350 per unit in advance. Each unit in advance consists of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at an exercise price to be determined at a yet to be determined date.
- iv) The Company sold a total of 4,113,500 common shares of Algernon Pharmaceuticals Inc. ("Algernon") at an average price of \$0.27 per share for total proceeds of \$1,118. The Company recorded a gain on the sale of Algernon common shares of \$679. The Company purchased 1,000,000 units in the capital of Algernon for \$0.25 per unit. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.50 up to March 5, 2023. The Company and Algernon have one common director.

GrowMax Resources Corp.

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- v) The Company purchased 500,000 shares in the capital of Beyond Medical Tech Inc. ("Beyond Medical") for an average of \$0.226 per share. The Company also purchased 8,000,000 units in the capital of Beyond Medical for \$0.125 per unit. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$7.20 up to February 5, 2023. The Company sold 1,500,000 shares in the capital of Beyond Medical at a per share average price of \$0.05 for total proceeds of \$75. The Company recorded a loss on the sale of Beyond Medical common shares of \$63.
- vi) The Company purchased 50,000 shares in the capital of Canaccord Genuity Group Inc. for \$12.12 per share. The Company sold 50,000 shares in the capital of Canaccord Genuity Group Inc. at a per share average price of \$13.53 for total proceeds of \$676 and recorded a gain on sale of \$70.
- vii) The Company sold a total of 4,276,900 common shares of HAVN Life Sciences Inc. ("HAVN") at an average price of \$0.90 per share for total proceeds of \$3,857. The Company recorded a gain on the sale of HAVN common shares of \$3,316. Additionally, The Company sold a total of 2,000,000 warrants of HAVN at an average price of \$0.03 per share for total proceeds of \$60. The Company recorded a loss on the sale of HAVN warrants of \$56. Also, 2,000,000 HAVN warrants expired unexercised. The Company recorded a loss on the expiry of warrants of \$116.
- viii) The Company purchased 90,000 units in the capital of Hempfusion Inc. ("Hempfusion") for US \$1.00 per unit. Each unit consists of one common share and one-half common share purchase warrant entitling the holder to purchase one additional common share at an exercise price of US \$7.00 up to February 28, 2023. The Company sold 90,000 shares in the capital of Hempfusion at a per share average price of US \$0.45 for total proceeds of US \$41 (\$49) and recorded a loss on sale of US \$50 (\$67).
- ix) The Company purchased 200,000 shares in the capital of Optimi Health Corp. for \$0.75 per share. The Company sold a total of 200,000 shares in the capital of Optimi Health Corp. at a per share average price of \$0.70 and recorded a loss on sale of \$10.
- x) The Company purchased 400,000 shares in the capital of Rockshield Capital Corp. for \$0.50 per share. The Company sold a total of 10,500 shares in the capital of Rockshield Capital Corp. at a per share average price of \$0.60 and recorded a gain on sale of \$1.
- xi) The Company sold a total of 1,250,000 common shares of Sweet Earth Holdings Corp. ("Sweet Earth") at an average price of \$0.36 per share for total proceeds of \$453. The Company recorded a gain on the sale of Sweet Earth common shares of \$203.

The fair value of the derivative instruments as at June 30, 2021 was determined using the Black-Scholes option pricing model with the following inputs:

	Volatility factor	Risk-free interest rate	Expected life (years)	Expected dividend yield	Share price
Hempfusion Inc.	100%	0.44%	1.67 – 1.71	0%	US \$0.375
Quality Green Inc.	100%	0.44%	0.01	0%	\$0.239
Algernon Pharmaceuticals Inc.	100%	0.44%	1.14 – 1.66	0%	\$0.130
First Responder Technologies Inc.	100%	0.44%	0.11	0%	\$0.045
HAVN Life Sciences Inc.	100%	0.44%	0.81	0%	\$0.550
Canagold Resources Ltd.	100%	0.44%	1.37	0%	\$0.520
Manning Ventures Inc.	100%	0.44%	1.62	0%	\$0.200
Beyond Medical Tech Inc.	100%	0.44%	1.60	0%	\$0.070
Alpha Esports Inc.	100%	0.44%	1.87	0%	\$0.710

GrowMax Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended June 30, 2021 and 2020

(Currency amounts are expressed in thousands of Canadian dollars, except per share amounts and prices)

Unaudited

As at September 30, 2020, the Company's equity investments consisted of:

Description	Number of securities			Cost	Fair Value
	Units in Advance	Shares	Warrants		
Private equity investments:					
AuAg Exploration Inc.	3,000,000	-	-	\$ 450	\$ 450
Hempfusion Inc.	-	240,000	120,000	397	385
Montana Silver Mines, LLC	500,000	-	-	10	10
Pike Therapeutics Inc.	-	1,000,000	-	143	133
Quality Green Inc.	-	5,500,000	5,500,000	3,025	1,601
	3,500,000	6,740,000	5,620,000	\$ 4,025	\$ 2,579
Public equity investments:					
Algernon Pharmaceuticals Inc.	-	8,112,800	2,000,000	\$ 867	\$ 3,013
First Responder Technologies Inc.	-	3,000,000	1,500,000	1,050	353
Sweet Earth Holdings Corp.	-	1,250,000	-	250	200
HAVN Life Sciences Inc.	-	5,602,000	4,000,000	1,032	6,371
Canagold Resources Ltd.	1,250,000	-	-	100	100
	1,250,000	17,964,800	7,500,000	\$ 3,299	\$ 10,037
Balance, September 30, 2020				\$ 7,324	\$ 12,616

The fair value of the derivative instruments as at September 30, 2020 was determined using the Black-Scholes option pricing model with the following inputs:

	Volatility factor	Risk-free interest rate	Expected life (years)	Expected dividend yield	Share price
Hempfusion Inc.	100%	0.23% - 1.32%	2.41 - 3.5	0%	US \$1.061
Quality Green Inc.	100%	0.23% - 1.62%	0.60 - 1	0%	\$0.498
Algernon Pharmaceuticals Inc.	100%	0.23% - 1.48%	1.89 - 2.5	0%	\$0.315
First Responder Technologies Inc.	100%	0.23% - 1.40%	0.88 - 2	0%	\$0.115
HAVN Life Sciences Inc.	100%	0.23% - 1.40%	1.55 - 2	0%	\$0.800

6. Other current assets

	June 30, 2021	September 30, 2020
Receivable from a Peruvian state-owned company	\$ 781	\$ 1,317
Other	130	103
	\$ 911	\$ 1,420

7. Provisions and other current liabilities

	June 30, 2021	September 30, 2020
Provisions related to the Bayovar Property write-off	\$ 615	\$ 807
Other	9	103
	\$ 624	\$ 910

GrowMax Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended June 30, 2021 and 2020

(Currency amounts are expressed in thousands of Canadian dollars, except per share amounts and prices)

Unaudited

At June 30, 2021, the Company recorded provisions related to the write-off of the Bayovar Property in Peru. These provisions will be paid from the receivable due from a Peruvian state-owned company once settled (see Note 6). The provisions are as follows:

	June 30, 2021	September 30, 2020
Land use	\$ 309	\$ 333
Property taxes	306	-
Reclamation	-	474
	\$ 615	\$ 807

8. Equity

(a) Common shares

Authorized shares: unlimited number of common shares and unlimited number of preferred shares. No preferred shares have ever been issued.

No shares were issued during the nine months ended June 30, 2021 and 2020.

(b) Options to purchase common shares

(i) Movement in share options

Share option activity during the nine months ended June 30, 2021 and the nine months ended September 30, 2020 were as follows:

	June 30, 2021		September 30, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance outstanding, beginning of the period	40,000	\$0.20	40,000	\$0.20
Options forfeited	-	-	-	-
Balance outstanding, end of the period	40,000	\$0.20	40,000	\$0.20

(ii) Share options outstanding

The following table summarizes information concerning outstanding and exercisable options of the Company at June 30, 2021:

Options outstanding	Options exercisable	Exercise price	Remaining contractual life (years)
40,000 ⁽¹⁾	40,000	\$0.20	0.66

Note:

⁽¹⁾ The expiry date for these options is November 28, 2021.

GrowMax Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended June 30, 2021 and 2020

(Currency amounts are expressed in thousands of Canadian dollars, except per share amounts and prices)

Unaudited

The following table summarizes information concerning outstanding and exercisable options of the Company at September 30, 2020:

Options outstanding	Options exercisable	Exercise price	Remaining contractual life (years)
40,000	40,000	\$0.20	1.16

For the nine months ended June 30, 2021 and 2020, no share options were granted.

(c) Warrants

As at June 30, 2021 and September 30, 2020 the Company had no warrants outstanding.

9. Non-controlling interest

As at June 30, 2021 and September 30, 2020, GrowMax Resources held a 95% interest in GAC with the remaining 5% interest in GAC held by non-controlling interests. The accumulated non-controlling interest of GAC at June 30, 2021 was \$2,838 (September 30, 2020 – \$2,855). As at June 30, 2021, GAC and its Peruvian subsidiary, APPSA, held \$226 (September 30, 2020 – \$1,010) of cash.

The following table summarizes financial information related to GAC, before inter-company eliminations:

	June 30, 2021	September 30, 2020
Current assets	\$ 491	\$ 1,538
Current liabilities ⁽¹⁾	10,667	10,954
Net loss	(1,022)	(27)
Comprehensive income (loss)	\$ 262	\$ 19

Notes:

⁽¹⁾ Includes intercompany monetary items that are repayable on demand, but which are not expected to be repaid in the foreseeable future.

10. Other general and administrative expenses

	Nine months ended June 30,	
	2021	2020
Employee benefits (including termination costs)	\$ 352	\$ 322
Management fees	207	130
Professional and consulting	371	318
Rent	27	29
Travel	22	77
Provisions related to Bayovar Property	678	453
Other	61	66
	\$ 1,718	\$ 1,395

GrowMax Resources Corp.

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(Currency amounts are expressed in thousands of Canadian dollars, except per share amounts and prices)

Unaudited

11. Other income (expense)

	Nine months ended June 30,	
	2021	2020
Foreign exchange gain (loss)	\$ (765)	\$ 683
Fair value gain (loss) on equity investments	(1,386)	1,271
Interest income	19	217
Other income (expense)	(4)	(36)
Write-off of loan receivable ⁽¹⁾	-	(1,946)
	\$ (2,136)	\$ 189

Notes:

⁽¹⁾ GrowMax entered into a Share Purchase Agreement (the "SPA") with the controlling shareholders of Fertimar Mineração e Navegação Ltda. ("Fertimar") in which a loan was made to Fertimar with interest calculated using the Certificado de Depósito Interbancário ("CDI") rate in Brazil, currently set at 6.05% per annum. The bridge facility is secured by a personal guarantee from Mr. Eduardo Marinho Christoph. On March 4, 2019 GrowMax announced that the SPA had been terminated following which a notice to repay the loan was issued by GrowMax to Fertimar. The loan principal and accrued interest was due on September 23, 2019. During the nine months ended June 30, 2020, the full balance of the loan of \$1,946 (principal plus accrued interest) was determined to be uncollectible and thus written off.

12. Financial instruments and financial risk management

(a) Categories of financial instruments

The following table summarizes the carrying amounts of the Company's financial instruments:

	June 30, 2021	September 30, 2020
Financial assets		
<i>Amortized cost</i>		
Cash	\$ 13,738	\$ 13,506
Other current assets	911	1,420
<i>Fair value through profit or loss</i>		
Equity investments	9,067	12,616
	\$ 23,716	\$ 27,542
Financial liabilities		
<i>Amortized cost</i>		
Accounts payable and accrued liabilities	\$ 181	\$ 128
Provisions and other current liabilities	624	910
	\$ 805	\$ 1,038

(b) Fair value of financial instruments

(i) Fair value estimation of financial instruments

The fair value of cash and various receivables included in other current assets, accounts payable and accrued liabilities, the payable to the Peruvian Group, and various liabilities included in other current liabilities approximate their carrying values due to the short-term maturity of the financial instruments.

(ii) Financial instruments measured at fair value

Financial instruments that are measured at fair value subsequent to initial recognition are grouped in a hierarchy based on the degree to which the fair value is observable. The levels in the hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

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- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following is a summary of the Company's equity investments categorized in the fair value hierarchy as at June 30, 2021:

	Level 1	Level 2	Level 3	Total
Private equity investments	\$ -	\$ -	\$ 2,387	\$ 2,387
Public equity investments	4,942	-	-	4,942
Derivative instruments	1,738	-	-	1,738
Balance, June 30, 2021	\$ 6,680	\$ -	\$ 2,387	\$ 9,067

The following is a summary of the Company's equity investments categorized in the fair value hierarchy as at September 30, 2020:

	Level 1	Level 2	Level 3	Total
Private equity investments	\$ -	\$ -	\$ 2,387	\$ 2,387
Public equity investments	7,682	-	-	7,682
Derivative instruments	2,355	-	192	2,547
Balance, September 30, 2020	\$ 10,037	\$ -	\$ 2,579	\$ 12,616

The Company is responsible for performing the valuation of fair value measurements included in the consolidated financial statements, including Level 3 fair values. The valuation processes and results for recurring measurements are reviewed at least once every quarter, in line with the Company's quarterly reporting dates.

The private equity investments are based on inputs other than quoted prices and are therefore considered to be Level 3. The derivative instruments are based on inputs other than quoted prices and therefore considered to be Level 3.

(c) Financial risk management

The Company's financial instruments are exposed to certain financial risks, including currency risk, interest rate risk, credit risk and liquidity risk. Except as disclosed below, the Company's exposure to these risks and its methods of managing the risks remain consistent.

(i) Currency risk

The Company is exposed to financial risk related to fluctuations in foreign exchange rates. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at June 30, 2021, the Company's head office held US\$7,893 (September 30, 2020 – US\$10,656) of U.S. dollar cash.

The Company estimates that a 5% weakening of the Canadian dollar at June 30, 2021 would have decreased the Company's reported net loss for the nine months ended June 30, 2021 by approximately US\$395 (relates to U.S. dollar financial instruments held at head office). A 5% strengthening of the Canadian dollar at June 30, 2021 would have had an equal but opposite effect.

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(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. When investments are made, the Company's strategy is to stagger the maturity dates over different time periods to minimize exposure to interest rate changes. The Company monitors its exposure to interest rates but has not entered into any derivative financial instruments to manage this risk.

(iii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligation. Credit risk arises from the Company's financial assets. The carrying value of the financial assets represents the maximum exposure to credit risk. The Company's exposure to credit risk is considered to be low-moderate, given the size and nature of the various counterparties involved and their history of performance.

As at June 30, 2021, the majority of the Company's cash is held with a financial institution in Canada that was assigned a long-term issuer default rating of AAA (Fitch Ratings).

The Company is exposed to credit risk arising from receivables from a Peruvian state-owned company. The carrying amount of the receivables from Peruvian state-owned company represent the maximum credit exposure.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its holdings of cash. All of the Company's financial liabilities are short-term and without fixed terms of repayment.

To date, the Company has relied on cash flows from operations, equity and debt financing, and sale of assets to fund its operations and capital expenditures.

(v) Equity price risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and derivative investments consisting of share purchase warrants are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares and warrants would result in an approximate \$710 decrease in net income and comprehensive income for the nine months ended June 30, 2021.

13. Related party transactions

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

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Remuneration to the Company's related parties was as follows:

	Nine months ended June 30,			
	2021		2020	
Short-term employee benefits ⁽¹⁾	\$	284	\$	260
Professional fees		165		6
Rent		27		30
	\$	476	\$	296

Notes:

(1) Includes directors' fees, management fees, termination benefits, salaries and bonuses.

As at June 30, 2021, accounts payable and accrued liabilities include \$115 (September 30, 2020 – \$nil) payable to key management personnel and/or companies owned directly or indirectly by key management personnel.

Amounts due to related parties included in accounts payable and accrued liabilities are unsecured, non-interest-bearing and are without fixed terms of repayment.

14. Contingencies

During the nine months ended September 30, 2020, the Company received two notices of claims filed against the Company by former consultants for payments owing for unpaid salaries and other labour benefits. The Company is defending the claims vigorously. Management considers any claims against the Company to be without merit and accordingly no amounts have been accrued.

During the nine months ended June 30, 2021, the Company received a claim filed against the Company from a third party for penalties in regards to the Bayovar Project. The Company is defending this claim and considers the claim to be without merit and accordingly no amounts have been accrued.

15. Capital management

The Company's objectives in managing liquidity and capital are to safeguard the Company's ability to continue as a going concern and provide the financial capacity to meet its strategic objectives. The Company defines its capital as equity attributable to owners of the Company, excluding accumulated OCI. 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 new shares, issue new debt and/or acquire or dispose of assets to facilitate the management of its capital requirements. The Company's investment policy is to invest in equity, debt and/or convertible securities, with the intention to hold both for long-term capital appreciation and shorter-term gains. The Company prepares annual expenditure budgets that are updated as necessary depending upon various factors, including successful capital deployment and general industry conditions. The Company's board of directors approves the annual and updated budgets.

The Company is not subject to any external imposed capital requirements and there were not changes in the Company's capital management during the nine months ended June 30, 2021.

16. Segment disclosure

The Company has one operating segment, being mineral exploration. However, the Company is in the process of changing its business to the acquisition and sale of investments in other companies.

17. COVID-19

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced

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significant volatility and weakness.

At the time these condensed consolidated interim financial statements were prepared, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these condensed consolidated interim financial statements, there may be further significantly adverse impact on the Company's financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.