



**ROCKCLIFF METALS CORPORATION
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE MONTHS ENDED JUNE 30, 2021
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Rockcliff Metals Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Rockcliff Metals Corporation

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	As at June 30, 2021	As at March 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	\$ 3,320,917	\$ 4,529,363
Prepaid expenses and deposits	5,620	15,639
Amounts receivable and advances (note 5)	54,171	46,660
Total current assets	3,380,708	4,591,662
Long-term assets		
Equipment (note 6)	50,707	53,376
Total assets	\$ 3,431,415	\$ 4,645,038
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 7 and 12)	\$ 552,402	\$ 428,520
Deferred flow-through premium (notes 8 and 18)	655,863	881,162
Total current liabilities	1,208,265	1,309,682
Long-term liabilities		
CEBA government loan (note 13)	40,000	40,000
Total liabilities	\$ 1,248,265	\$ 1,349,682
Equity		
Share capital (note 8)	60,721,755	60,721,755
Reserve (notes 10 and 11)	859,981	827,219
Deficit	(59,398,586)	(58,253,618)
Total equity	2,183,150	3,295,356
Total liabilities and equity	\$ 3,431,415	\$ 4,645,038

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

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 3 and 13)
Subsequent event (note 14)

Rockcliff Metals Corporation**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian dollars)****(Unaudited)**

	Three months ended June 30,	
	2021	2020
Operating expenses		
Exploration and property acquisition costs (note 3)	\$ 547,058	\$ 656,117
Salaries and benefits (note 12)	368,524	337,018
Legal and professional	7,829	55,682
Investor relations	78,375	15,338
General and administrative	65,371	74,866
Technical studies	48,799	658,648
Share-based payments (notes 11 and 12)	32,762	62,012
Right-of-use asset amortization	-	3,656
Depreciation (note 6)	2,669	3,277
Loss before the following items	(1,151,387)	(1,866,614)
Interest income	4,947	25,546
Foreign exchange gain (loss)	(96)	228
Amortization of flow-through premium (note 13)	225,299	546,430
Gain on sale of equipment	16,269	-
Option payments related to the Bucko mill lease payment (note 13)	(240,000)	(122,000)
Net loss and comprehensive loss for the period	\$ (1,144,968)	\$ (1,416,410)
Basic and diluted net loss per share (note 9)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	307,893,687	307,619,187

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

Rockcliff Metals Corporation**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian dollars)****(Unaudited)**

	Three months ended June 30,	
	2021	2020
Operating activities		
Net loss for the period	\$ (1,144,968)	\$ (1,416,410)
Adjustments for:		
Depreciation and amortization	2,669	6,933
Share-based payments	32,762	62,012
Amortization of flow-through premium	(225,299)	(546,430)
Gain on sale of equipment	(16,269)	-
Non-cash working capital items:		
Amounts receivable and advances	(7,511)	627,684
Prepaid expenses and deposits	10,019	(60,841)
Amounts payable and other liabilities	123,882	(1,062,665)
Net cash used in operating activities	(1,224,715)	(2,389,717)
Investing activities		
Proceeds from sale of equipment	16,269	-
Net cash provided by investing activities	16,269	-
Financing activities		
Principal payments on lease obligations	-	(2,883)
Net cash used in financing activities	-	(2,883)
Net change in cash and cash equivalents	(1,208,446)	(2,392,600)
Cash and cash equivalents, beginning of period	4,529,363	12,668,363
Cash and cash equivalents, end of period (note 4)	\$ 3,320,917	\$ 10,275,763
Supplemental information:		
Broker warrants issued	\$ -	\$ 36,792

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

Rockcliff Metals Corporation

Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

	Share capital (#)	Shares capital (\$)	Contributed surplus	Warrants	Deficit	Total
Balance, April 1, 2020	307,619,187	\$ 60,697,133	\$ 1,027,986	\$ 777,017	\$(53,643,441)	\$ 8,858,695
Expiry of options	-	-	(343,709)	-	343,709	-
Share-based payments	-	-	62,012	-	-	62,012
Net loss for the period	-	-	-	-	(1,416,410)	(1,416,410)
Balance, June 30, 2020	307,619,187	\$ 60,697,133	\$ 746,289	\$ 777,017	\$(54,716,142)	\$ 7,504,297

	Share capital (#)	Shares capital (\$)	Contributed surplus	Warrants	Deficit	Total
Balance, April 1, 2021	307,619,187	\$ 60,721,755	\$ 790,427	\$ 36,792	\$(58,253,618)	\$ 3,295,356
Share-based payments	-	-	32,762	-	-	32,762
Net loss for the period	-	-	-	-	(1,144,968)	(1,144,968)
Balance, June 30, 2021	307,619,187	\$ 60,721,755	\$ 823,189	\$ 36,792	\$(59,398,586)	\$ 2,183,150

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

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

1. Nature of operations and going concern

Rockcliff Metals Corporation (the "Company" or "Rockcliff") is engaged in the acquisition and exploration of mineral properties in Manitoba, Canada. The head office of the Company is located at 82 Richmond Street East, Toronto, ON M5C 1P1. The Company is presently conducting exploration and advancing various technical and economic studies with an intent to advance projects towards a development decision.

As at June 30, 2021, the Company had not determined the existence of economically recoverable reserves. The Company's exploration property interests may be subject to increases in taxes and royalties, renegotiation of contracts, changes in environmental designations, currency exchange fluctuations and restrictions, and political uncertainty.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

COVID-19

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 social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiary in future periods. The Company is closely monitoring the business environment as a result to ensure minimal distribution to business operations.

Going Concern

The Company is an exploration company which has not yet achieved production, has recurring losses and an accumulated deficit of \$59.6 million as at June 30, 2021. The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to be able to further explore its mineral properties, retain mining rights and to meet ongoing requirements for general operations. Even if the Company has been successful in the past in doing so, there can be no assurance that additional debt or equity financings will be available to meet these requirements or available on terms acceptable to the Company. Management believes that the current working capital is sufficient to support planned activities over the next 12 months.

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

2. Significant accounting policies

(a) *Statement of compliance*

The Board of Directors approved the consolidated financial statements on August 25, 2021.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 25, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited consolidated financial statements as at and for the year ended March 31, 2021, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

(b) *Basis of presentation*

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

(c) *New standards not yet adopted*

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

(d) *Basis of consolidation*

The unaudited condensed interim consolidated financial statements incorporate financial statements of Rockcliff Metals Corporation and its subsidiary. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(d) Basis of consolidation (continued)

The following entities have been consolidated within the consolidated financial statements:

	Country of incorporation	Principal activity	Ownership
Rockcliff Metals Corporation	Canada	Parent company	100%
Goldpath Resources Corp. (see note 14)	Canada	Exploration company	100%

3. Exploration and evaluation properties

Tower Property

The Company holds a 100% interest in the Tower property, subject to an existing 2% net smelter return royalty in favour of a previous owner. The property is located in the Thompson Nickel Belt District in Manitoba.

Talbot Property

On November 12, 2019, the Company earned a 51% interest in the Talbot Property, from Hudson Bay Exploration and Development Company Limited ("HBED"), a wholly owned subsidiary of Hudbay Minerals Inc. ("Hudbay").

On August 18, 2020, Rockcliff was notified of Hudbay's intention to exercise its Buy-Back Right to acquire an additional 2% ownership interest in the Project by making a one-time cash payment of \$725,892 to Rockcliff. If Hudbay takes the Project into production, Rockcliff will retain a 35% carried interest in the Project through life-of-mine, provided that Rockcliff contributes its pro-rata share of pre-construction capital.

As of June 30, 2021, the Company has a 49% interest in the Talbot Property.

Rail Property

The Company holds a 100% interest in the Rail property, subject to a 2% net smelter returns royalty in favour of the former owner, Hudbay. The property located in the Snow Lake District in Manitoba.

Bur Property

The Company holds a 100% interest in the Bur property, subject to a 2% of net smelter return royalty from the date of the commencement of commercial productions, payable to Hudbay.

Freebeth Property

The Company holds a 100% interest in the Freebeth Property, subject to a 2% net smelter return royalty in favour of the former owner, Hudbay. The property located in the Snow Lake District in Manitoba.

Copperman Property

The Company holds a 100% interest in the Copperman Property, located in the Snow Lake District in Manitoba.

Morgan Property

The Company holds a 100% interest in the Morgan Property, subject to a 2% net smelter return royalty. The property is located in the Snow Lake District in Manitoba.

Pennex Property

The Company holds a 100% in the Pennex Property, located in the Snow Lake District in Manitoba.

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

3. Exploration and evaluation properties (continued)

Lon Property

The Company holds a 100% interest in the Lon Property located in the Snow Lake District in Manitoba. The Company also acquired certain mining rights and mining data in respect of the Lon Deposit subject to a ½% net smelter return royalty in two of the claims acquired. The Company may purchase this net smelter return royalty for \$250,000.

Snow Lake Gold Property

The Company holds, through its 100% owned subsidiary Goldpath Resources Corporation ("Goldpath"), an option agreement on the Snow Lake Gold Property whereby it can earn a 100% interest by spending \$1 million by October 4, 2022. The property is located in the Snow Lake District in Manitoba. Subsequent to June 30, 2021, this property/subsidiary was sold. See Note 14.

Laguna Property

The Company holds, through its 100% owned subsidiary Goldpath, 30% interest in this property. Subsequent to June 30, 2021, this property/subsidiary was sold. See Note 14.

Snow Lake South (SLS) and Danlee Properties

The Company holds a 100% interest in the SLS properties (SLS #1-5), which surround the Danlee Property, which it subjected to 2% NSR. The properties are located in the Snow Lake District in Manitoba.

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

3. Exploration and evaluation properties (continued)

The following is a breakdown by property of exploration costs:

Three months ended June 30, 2021

	Freebeth	Tower	Rail	Bur	SLS	Goldpath	Other	Total
Exploration expenditures	\$ 1,375	\$ 2,375	\$ 159,543	\$ 51,923	\$ 395,815	\$ 427	\$ 35,600	\$ 647,058
Government grants received	-	(50,000)	(50,000)	-	-	-	-	(100,000)
Total, June 30, 2021	\$ 1,375	\$ (47,625)	\$ 109,543	\$ 51,923	\$ 395,815	\$ 427	\$ 35,600	\$ 547,058

Three months ended June 30, 2020

	Freebeth	Tower	Rail	Bur	SLS	Goldpath	Other	Total
Exploration expenditures	\$ -	\$ 434,106	\$ 30,133	\$ 44,796	\$ 4,575	\$ 44,461	\$ 98,046	\$ 656,117
Total, June 30, 2020	\$ -	\$ 434,106	\$ 30,133	\$ 44,796	\$ 4,575	\$ 44,461	\$ 98,046	\$ 656,117

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

4. Cash and cash equivalents

	As at June 30, 2021	As at March 31, 2021
Cash	\$ 3,295,917	\$ 4,504,363
Cash equivalents	25,000	25,000
Total	\$ 3,320,917	\$ 4,529,363

5. Amounts receivable and advances

	As at June 30, 2021	As at March 31, 2021
Harmonized sales tax recoverable - (Canada)	\$ 54,171	\$ 46,660
Total	\$ 54,171	\$ 46,660

6. Equipment

Equipment is represented by the following:

Cost	Equipment
Balance, March 31, 2020	\$ 109,029
Balance, March 31, 2021	109,029
Balance, June 30, 2021	\$ 109,029

Depreciation	Equipment
Balance, March 31, 2020	\$ 43,497
Depreciation	12,156
Balance, March 31, 2021	55,653
Depreciation	2,669
Balance, June 30, 2021	\$ 58,322

Net book value	Equipment
Balance, March 31, 2021	\$ 53,376
Balance, June 30, 2021	\$ 50,707

7. Amounts payable and other liabilities

	As at June 30, 2021	As at March 31, 2021
Trade payables	\$ 540,902	\$ 199,018
Accrued liabilities	11,500	229,500
Total	\$ 552,402	\$ 428,518

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

8. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, March 31, 2020	307,619,187	\$ 60,697,133
Balance, June 30, 2020	307,619,187	\$ 60,697,133
Balance, March 31, 2021	307,893,687	\$ 60,721,755
Balance, June 30, 2021	307,893,687	\$ 60,721,755

9. Net loss per common share

The calculation of basic and diluted loss per share from operations for the three months ended June 30, 2021, was based on the loss attributable to common shareholders of \$1,144,968 (three months ended June 30, 2020 - \$1,416,410) and the weighted average number of common shares outstanding of 307,893,687 (three months ended June 30, 2020 - 307,619,187).

Diluted loss per share for the three months ended June 30, 2021 did not include the effect of nil warrants (June 30, 2020 - 18,393,312) and 10,947,517 stock options (June 30, 2020 - 11,264,183) as they are anti-dilutive.

10. Warrants

The following table reflects the continuity of warrants for the three months ended June 30, 2021 and 2020:

	Number of warrants	Grant date Fair value (\$)	Weighted average exercise price (\$)
Balance, March 31, 2020	18,393,312	777,017	0.15
Balance, June 30, 2020	18,393,312	777,017	0.15
Balance, March 31, 2021	428,633	36,792	0.19
Expired	(428,633)	(36,792)	0.19
Balance, June 30, 2021	-	-	-

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

11. Stock options

The following table reflects the continuity of stock options for the three months ended June 30, 2021 and 2020:

	Number of stock options	Weighted average exercise price (\$)
Balance, March 31, 2020	14,880,848	0.15
Options expired	(3,616,665)	0.15
Balance, June 30, 2020	11,264,183	0.15
Balance, March 31, 2021	11,464,183	0.15
Options expired	(516,666)	0.16
Balance, June 30, 2021	10,947,517	0.15

Details of the stock options outstanding at June 30, 2021 are as follows:

Grant date fair value(\$)	Contractual life (years)	Number of options	Exercisable options	Exercise price (\$)	Expiry date
34,563	0.53	300,000	300,000	0.15	October 9, 2021
5,449	1.33	200,000	-	0.15	July 31, 2022
270,745	2.53	1,850,000	1,850,000	0.15	October 9, 2023
338,534	3.20	4,000,000	4,000,000	0.15	June 10, 2024
75,180	3.72	1,250,000	972,223	0.15	December 16, 2024
134,335	5.76	2,723,404	-	0.15	January 1, 2027
10,635	5.76	624,113	-	0.15	January 1, 2027
869,441	3.65	10,947,517	7,122,223	0.15	

12. Major shareholders and related party transactions

Major shareholders

As of June 30, 2021, Greenstone holds a total of 132,580,000 common shares of the Company, representing approximately 43.1%. (June 30, 2020 - 43.1%)

As of June 30, 2021, Norvista holds a total of 82,925,238 common shares of the Company, representing approximately 26.9%. (June 30, 2020 - 27.0%)

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

Related parties include the Board of Directors and key management personnel and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Related Party

Norvista Capital Corporation
Greenstone Resources II LLP

Nature of Relationship

Shareholder of the Company and common directors
Major shareholder of the Company and common directors

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

12. Major shareholders and related party transactions (continued)

Included in the June 30, 2021, amounts payable and other liabilities is \$Nil due to related parties (March 31, 2021 - \$5,503). These amounts are unsecured, non-interest bearing and due on demand.

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

	Three months ended June 30,	
	2021	2020
	\$	\$
Directors fees, management salaries and benefits	358,436	313,958
Share-based payments	30,803	62,012

13. Commitments and contingencies

As at June 30, 2021, pursuant to the issuance of 87,760,833 flow-through shares on May 7, 2019, the Company is required to incur qualifying expenditures of approximately \$20,862,600 by December 31, 2020. On July 10, 2020 and December 16, 2020, the Department of Finance proposed to extend the flow-through funds spend period, filing and payment, and the look-back rule by one year, including suspending the Part XII.6 tax for the same period. The Company is subject to Part XII.6 taxes on any unspent flow-through expenditures after February 1, 2021 for flow-through funds raised in 2019. Since the proposal by the Department of Finance received Royal assent on June 29, 2021, the dates to incur Part XII.6 taxes will be extended by one year, however, if the amounts are not expended by the end of 2021 for agreements entered in 2019 or by the end of 2022 for agreements entered into in 2020, the additional 10% tax under Part XII.6 will apply. The Company has indemnified the subscribers for any tax related amounts that become payable by the subscriber as a result of the Company not meeting its expenditure commitments. As of June 30, 2021 the Company has fulfilled approximately \$19,085,000 of the total commitment.

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities 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.

In August 2020, the Company received a \$40,000 interest-free loan from the Emergency Business Account (CEBA) to support business by providing financing for their expenses and a loan forgiveness of 25% (up to \$10,000) if \$30,000 is repaid on or before December 31, 2022.

The Company has entered into an option agreement for the Bucko mill lease. As at June 30, 2021, the Company has paid \$240,000 has no minimum commitment. Subsequent to June 30, 2021, the Company dismissed this option agreement, and no future commitment is further required.

Rockcliff Metals Corporation

Notes to the unaudited Condensed Interim Consolidated Financial Statements

June 30, 2021

(Expressed in Canadian dollars)

13. Commitments and contingencies (continued)

The Company is party to certain management contracts. These contracts require payment of \$590,000 upon the occurrence of a change of the Company, as defined by each officers' respective consulting agreement. The Company is also committed to payments upon termination of approximately \$590,000 pursuant to the terms of these contracts. As a triggering event has not taken in place, these amounts have not been recorded in these consolidated financial statements.

14. Subsequent event

On July 6, 2021, the Company closed the Share Purchase Agreement ("SPA") and sold to KG Exploration (Canada) Inc. ("Purchaser") all issued and outstanding common shares in the capital of Goldpath Resources Corp. for a total consideration of \$3,000,000 and the following royalties in favour to the Company:

- a 2% net smelter returns royalty ("NSR") in respect of mineral extracted from the BER Property (included in the Snow Lake Gold Property and Laguna Property), under on the terms and conditions set forth in the BER Royalty Agreement ("BER Royalty") and including: i) a right in favour of the Purchaser to purchase from the Company up to a 1% BER Royalty in 0.5% increments for \$500,000 per increment for an aggregate cost of \$1,000,000, and ii) a right of first refusal in favour of the Purchaser to purchase the BER Royalty on the same terms as the Company is prepared to sell the BER Royalty;
- a 2% net smelter returns royalty ("NSR") in respect of mineral extracted from the DSN Property (included in the Snow Lake Gold Property and Laguna Property) on the terms and conditions set forth in the DSN Royalty Agreement ("DSN Royalty") and including: i) a right in favour of the Purchaser to purchase from the Company up to a 1% DSN Royalty in 0.5% increments for \$500,000 per increment for an aggregate cost of \$1,000,000, and ii) a right of first refusal in favour of the Purchaser to purchase the DSN Royalty on the same terms as the Company is prepared to sell the DSN Royalty;
- if applicable, promptly following the exercise of the option in the SLG Agreement: a 0.5% net smelter returns royalty in respect of mineral extracted from the SLG Property (included in the Snow Lake Gold Property and Laguna Property) on the terms and conditions set forth in SLG Royalty Agreement ("SLG Royalty") and including a right of first refusal in favour of the Purchaser to purchase the SLG Royalty on the same terms as the Company is prepared to sell the SLG Royalty; and
- Transaction fee payable to Red Cloud Securities Inc. at 4.8% given the transaction value is \$3,000,000; cash bonus of \$5,000 for each 1% NSR - 2% NSR for each of the BER and DSN properties and 0.5% for SLG.