

**Progressive Planet Solutions Inc.  
Management Discussion & Analysis  
For the Period Ended January 31, 2021**

**March 31, 2021**

The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the trading symbol PLAN.

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Progressive Planet Solutions Inc. ("the Company" or "Progressive") and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the accompanying notes for the period ended January 31, 2021, which were prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting and are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

The reader should also refer to the Company's audited consolidated financial statements and the accompanying notes for the year ended April 30, 2020, which were prepared in accordance with IFRS.

All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

On December 20, 2019, the Company consolidated its share capital on a three to one basis. This MD&A reflects the share consolidation.

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

**FORWARD-LOOKING STATEMENTS**

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among

other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See “Risks and Uncertainties”) and the Company’s annual information form contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

## **OVERVIEW**

Progressive Planet Solutions Inc. (the Company or PLAN) was incorporated under the Laws of British Columbia, Canada on November 10, 2006.

PLAN is primarily engaged in developing natural pozzolan properties in BC, Canada. Its three mineral properties are all within a one hour drive of Kamloops, BC. These properties are named the Z1 Natural Pozzolan Property, the Z2 Natural Pozzolan Quarry, and the Heffley Creek Metals & Pozzolan Property.

In addition, PLAN has built a Comminution Plant in Spallumcheen, BC. Comminution is defined by Wikipedia as “the reduction of solid materials from one average particle size to a smaller average particle size, by crushing, grinding, cutting, vibrating, or other processes.” This comminution plant was designed to crush natural pozzolan from its Z1 Natural Pozzolan Quarry as well as post-consumer glass. This plant recently began crushing ore into fine powders for third party customers under toll processing arrangements.

In addition to generating revenue under toll processing, the comminution plant is used to crush glass and blend it with Z1 Natural Pozzolan to supply test materials to various parties which are conducting testing on behalf of PLAN as it develops its first natural pozzolan product which has been named PozGlass SCM.

In 2021, PLAN is seeking to finish independent testing of PozGlass SCM so that it can introduce this product as a competitive substitute for fly ash in concrete as part of an overall strategy of developing cementitious products using natural pozzolans.

As a junior mineral exploration company, the Company’s core assets include the exploration rights to its mineral properties. In conjunction with developing its Heffley Creek Pozzolan and Metals Property, PLAN discovered nickel and chromium in both soil and bedrock in 2020.

PLAN is beginning to use mined pozzolan from its Z1 Natural Pozzolan Quarry where it has stockpiled approximately 7,000 tonnes of natural pozzolan that has been crushed on site to  $\frac{3}{4}$  inch and  $\frac{1}{4}$  inch aggregate. Approximately 135 tonnes of bagged fines were trucked from Cache Creek to the comminution plant in Spallumcheen in 2020. This material is being consumed for testing of PozGlass SSM as well as in sales for the denaturing of cannabis by a licensed cannabis extraction company.

## **SIGNIFICANT EVENTS / OVERALL PERFORMANCE**

### **MINERAL PROPERTIES**

#### **Z1 Natural Pozzolan Property, British Columbia**

On January 23, 2017, the Company announced the signing of an option agreement, subsequently amended, to acquire a 100% interest in the Z1 Zeolite Quarry/Mine located about 3 kms northeast of Cache Creek, BC. Details can be found on PLAN's website at [www.progressiveplanet.ca/past-releases/](http://www.progressiveplanet.ca/past-releases/)

On January 2, 2018, PLAN announced that Stephen Harpur had joined its board and accepted the role of President. Details can be found on PLAN's website at [www.progressiveplanet.ca/past-releases/](http://www.progressiveplanet.ca/past-releases/)

On January 17, 2018, the Company amended certain terms of the Z1 Zeolite agreement. The mending agreement afforded the Company an additional 12 months to meet the minimum expenditures requirement. Details can be found on PLAN's website at [www.progressiveplanet.ca/past-releases/](http://www.progressiveplanet.ca/past-releases/)

On June 14, 2018, the Company completed all its option requirements on the Z1 Zeolite Property in Cache Creek, BC, six months ahead of the deadline to complete the minimum expenditures requirement. Details can be found on PLAN's website at [www.progressiveplanet.ca/past-releases/](http://www.progressiveplanet.ca/past-releases/)

Since completing the acquisition of the Z1, PLAN has completed various research activities on natural pozzolan from the Z1. Management determined that the largest market opportunity involved creating a supplementary cementing material (SCM) since the main SCM currently consumed in Canada is fly ash and fly ash is created from burning thermal coal to produce electricity.

In December 2018, Canada announced regulations to phase-out traditional coal-fired electricity by 2030. As Class F fly ash is only created by coal fired power plants, the generation of fly ash as a by-product of burning coal will cease in Canada by 2030. In the interim, the supply is already diminishing with early shutdowns already occurring. Further early shutdowns were announced in December 2020 by Capital Power announcing the early shutdown of the coal fired Genesee 1 and Genesee 2 in Alberta by 2023.

#### **Z2 Natural Pozzolan Property, British Columbia**

On October 3, 2019, the Company entered into a property option agreement to acquire the Z-2 Zeolite Property for the following considerations:

- i) Share issuances
  - a) 33,334 common shares on or before October 22, 2019 (issued with a value of \$3,000).
  - b) 66,666 common shares on or before April 22, 2021.
  - c) 66,666 common shares on or before October 22, 2022.
- ii) Cash payment
  - a) \$1,000 as non-refundable deposit (paid).
  - b) \$5,000 upon the execution of the agreement (paid).
  - c) \$10,000 on or before April 22, 2021.
  - d) \$10,000 on or before October 22, 2022.
- iii) Exploration expenditures
  - a) incur \$200,000 in exploration on or before October 22, 2022.

In relation to the acquisition, the Company is also required to issue the following as finder's fees:

- i) Share issuances
  - a) 3,333 common shares on or before October 22, 2019 (issued with a value of \$300).
  - b) 6,666 common shares on or before April 22, 2021.
  - c) 6,666 common shares on or before October 22, 2022.

The vendor will retain a royalty of \$8 per tonne of mineral products produced from the property, subject to a 50% buyback right in consideration of \$75,000.

No work was completed on the Z2 Natural Pozzolan Property in 2020 as management's efforts were focused on its two other properties. This work included completing the application to renew the Notice of Work (operating permit) for the Z1 Natural Pozzolan Property and completing exploration for nickel and chromium on the Heffley Creek Pozzolan and Metals Property.

Management remains optimistic regarding Z2's ability to supply natural pozzolan to the cement industry. Testing of the Z2 natural pozzolan for compressive strength showed that this pozzolan had excellent compressive strength.

It is management's intention to keep this property in good standing with the long-term goal of completing a successful Notice of Work for the Z-2 so that natural pozzolan from this property can be used to supply the cement industry as the supply of Class F fly ash continues to diminish in Canada.

#### **Heffley Creek Metals and Pozzolan Property, British Columbia**

On February 24, 2020, the Company entered into an option agreement to acquired 100% interest in Heffley Creek Natural Pozzolan Property in Heffley Creek, BC, for the following consideration:

- i) Cash payment
  - a) \$7,500 on or before February 25, 2020 (paid).
  - b) \$10,000 on or before February 10, 2021(paid).
  - c) \$10,000 on or before February 10, 2022.
  - d) \$12,500 on or before February 10, 2023.
  - e) \$15,000 on or before February 10, 2024.
- ii) Exploration expenditures
  - a) incur \$50,000 in exploration on or before February 10, 2021(incurred).
  - b) incur \$50,000 in exploration on or before February 10, 2022.
  - c) incur \$75,000 in exploration on or before February 10, 2023.
  - d) incur \$100,000 in exploration on or before February 10, 2024.

The vendor will retain a royalty of \$8 per tonne of industrial mineral products produced from the property, subject to a 75% buyback right in consideration of \$150,000. The vendor will also retain a 3% NSR subject to a 50% buyback right in consideration of \$1,500,000.

PLAN optioned this property after conducting surface sampling which confirmed the presence of aluminosilicates (natural pozzolans), magnesium, and anomalous gold and silver. Five rock samples were taken and one soil sample. PLAN's original interest in the property was for its potential as a further source of natural pozzolans near Kamloops, BC. When surface sampling was done to confirm the presence of natural pozzolans, it revealed the presence of anomalous gold and silver in the soil (0.28 g/tonne gold and 1.6 g/tonne silver). PLAN thus requested the precious metal rights to the property in addition to the industrial mineral rights originally sought. The vendor agreed to option the precious metals rights.

The field exploration program was led by Dwayne Melrose, a director of PLAN and a professional geologist. When PLAN optioned Heffley Creek, the owner of the mineral claims believed there was potential for gold on the property. Since PLAN was required to spend \$275,000 on exploration on the property to earn a 100% interest, it commenced soil and hard rock sampling during the 2020 field exploration season and submitted these samples for precious metals assays.

In July 2020, PLAN received its first assays back from its soil and hard rock sampling and discovered that many of these samples had elevated nickel content.

In early August 2020, PLAN announced that the nickel in soil anomaly was over 500 meters long and by mid-August, PLAN announced that it had confirmed the presence of nickel in bedrock at Heffley Creek.

In late October 2020, PLAN announced that it has expanded the nickel in bedrock to a strike length of 800 meters and also confirmed anomalous chromium in bedrock with a strike length of 800 meters.

The field exploration program ended in November 2020 with the onset of snowfall in the area. PLAN subsequently completed the expenditure of the flow through funds it raised in December 2019 by conducting further detailed assaying on over two hundred rock samples collected during the field season. In addition, work was completed by ALS Metallurgy on rock lithologies to better understand the geological environment at Heffley Creek.

Management intends to apply to drill this property in 2021, subject to receiving the necessary drill permits.

### **Comminution Plant**

Through January 31, 2021, PLAN has spent over \$500,000 on building a comminution plant. This plant was designed to produce fine powders from natural pozzolan mined from the Z1 Natural Pozzolan Quarry as well as being able to pulverize post-consumer glass down to a fine powder. PLAN is developing a supplementary cementing material, PozGlass SCM, which is a combination of Z1 Natural Pozzolan and finely ground post-consumer glass.

The comminution plant consists of a jaw crusher, a hammer mill, a ball mill, and an air classifier which separates particles by their weight. Ancillary equipment includes conveyors, fans, dust collection systems, etc.

As a general rule of thumb, natural pozzolans are more reactive as a component of cement when the particles are smaller. Cement industry users expect particles to be less than 45 microns and the American Society of Tests and Measures (ASTM) developed standard specifications for ground glass pozzolan in 2020. These standards are identified as ASTM C1866/C1866M-20. These specific standards require that 95% of the ground glass pozzolan is smaller than 45 microns.

In the Fall of 2019, a regional toll processing comminution plant in southern Alberta closed. PLAN purchased some of its equipment and filled a market gap to produce fine powders with the commissioning of its comminution plant in Spallumcheen, BC in late August 2020. PLAN invoiced its first customer for comminution toll processing in October 2020. PLAN currently has a backlog of orders for third party customers and has ordered larger equipment to increase the throughput of the plant. The new equipment is expected to be commissioned in March 2021.

## **RISKS, UNCERTAINTIES AND GOING CONCERN**

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and 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, the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Additionally, the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The biggest effect that COVID-19 has had on PLAN's operations has been the delay in the completion of five tests on PozGlass SCM which PLAN had contracted with the University of Alberta to complete as announced in a news release dated December 18, 2020. The University of Alberta notified PLAN in mid December of its inability to complete the tests due to its inability for engineering staff to access its concrete research lab based on COVID-19 protocols. Management is currently seeking an alternate entity in the private sector to complete these tests.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses during the reporting year. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in a mineral property that produces significant revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

## RESULTS OF OPERATIONS

*Nine months ended January 31, 2021 compared to nine months ended January 31, 2020.*

### **Loss and comprehensive loss**

The Company recorded a new loss and comprehensive loss of \$699,693 for the nine month period ended January 31, 2020, compared to \$542,614 in the comparative period.

A brief explanation of the significant changes in expenses by category is provided below:

- Consulting fees increased to \$64,164 (2020 - \$6,295) due to the additional services incurred during the current period.
- Depreciation increased to \$77,760 (2020 - \$35,282) due to additional equipment purchased to assist with the business operation during the current period.
- Gain on sale of intellectual property of \$Nil (2020 - \$97,500) from the completion of sale for its interest in early stage intellectual property relating to sulfur lithium battery research.
- Management fees increased to \$45,000 (2020 - \$33,000) due to director fees paid during the current period.
- Office and administration fees of \$110,740 (2020 - \$85,098) due to general office costs include rent, and various administrative costs such as office personnel.
- Professional fees decreased to \$124,895 (2020 - \$186,235) as a result of legal fees incurred related to increased corporate activities and share consolidation during the comparative period.
- Research and development costs of \$80,500 (2020 - \$84,641) due to activities for the development of zeolite research during the current period, including a contract with the University of Alberta.
- Realized gain on marketable securities of \$79,962 (2020 – loss of \$39,923) related to the sale of marketable securities held by the Company during the current period.
- Share-based compensation increased to \$403,600 (2020 - \$8,300) due to stock options and bonus warrants granted during the current period.
- Unrealized gain on marketable securities of \$202,050 (2020 – loss of \$19,000) related to the change in fair value of securities held by the Company during the current period.
- Travel and entertainment of \$2,655 (2020 - \$26,510) due to fewer trips taken for conferences and meetings during the current period.
- Wage and salaries of \$160,185 (2020 - \$128,724) due to additional hiring of employees from increased business operations in current period.

*Three months ended January 31, 2021 compared to three months ended January 31, 2020*

### **Loss and comprehensive loss**

The Company recorded a new income and comprehensive income of \$24,587 for the three month period ended January 31, 2020, compared to comprehensive loss of \$188,284 in the comparative period.

A brief explanation of the significant changes in expenses by category is provided below:

- Consulting fees increased to \$20,810 (2020 - \$2,630) due to the additional services incurred during the current period.
- Depreciation increased to \$29,767 (2020 - \$11,760) due to additional equipment and property purchased to assist with the business operations during the current period.
- Management fees increased to \$21,000 (2020 - \$15,000) due to director fees paid during the current period.

- Office and administration fees of \$45,483 (2020 - \$33,020) due to general office costs include rent, and various administrative costs such as office personnel.
- Realized gain on marketable securities of \$79,962 (2020 – \$Nil) related to the sale of marketable securities held by the Company during the current period.
- Share-based compensation increased to \$57,600 (2020 - \$Nil) due to stock options granted during the current period.
- Unrealized gain on marketable securities of \$204,550 (2020 – loss of \$3,000) related to the change in fair value of securities held by the Company during the current period
- Travel and entertainment of \$215 (2020 - \$7,826) due to fewer trips taken for conferences and meetings during the current period.
- Wage and salaries of \$63,021 (2020 - \$28,073) due to additional hiring of employees from increased business operations in current period.

## SUMMARY OF QUARTERLY REPORTS

Results for the most recent quarters ending:

	For the Three Months Ended			
	January 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) and comprehensive income (loss)	24,587	(184,511)	(539,769)	(1,175,586)
Exploration and evaluation assets	1,429,981	1,311,969	1,221,872	1,181,863
Total assets	3,050,933	2,127,903	1,962,027	1,816,701
Basic and diluted income (loss) per share	0.00	(0.01)	(0.02)	(0.04)
	January 31, 2020	October 31, 2019	July 31, 2019	April 30, 2019
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Loss and comprehensive loss	(188,284)	(222,182)	(132,148)	(341,470)
Exploration and evaluation assets	2,136,383	2,123,806	2,097,709	2,350,590
Total assets	2,765,524	2,630,141	2,671,528	2,930,795
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)

Fluctuations in the Company's expenditures reflect the seasonal variations of exploration and the ability of the Company to raise capital for its projects.

Variations in losses occurred during quarters where share-based compensation was recorded, where higher professional fees were incurred and where exploration and evaluation assets were written off. In addition, as the Company attends to more projects, administrative expenses also increase to support the operation of these projects.



## LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2021, the Company's shareholders' equity was \$2,196,259.

The company had the following cash flows during the nine-month period ended January 31, 2021;

- i) Cash used in operating activities of \$629,364 (2020 - \$411,545) which consisted of the cash costs related to the statement of loss and comprehensive loss adjusted for changes in non-cash operating working capital items.
- ii) Cash used in investing activities of \$421,556 (2020 - \$85,021) consisted primarily of exploration and evaluation cash costs of \$248,118 (2020 - \$37,881) and the cash costs associated with the purchase of property and equipment of \$251,158 (2020 - \$83,600).
- iii) Cash provided by financing activities of \$1,606,864 (2020 - \$369,450) consisted primarily of proceeds from share issuances of \$1,400,250 (2020 - \$314,700), loan proceeds of \$355,000 (2020 - \$75,000) net of loan repayments of \$173,386 (2020 - \$20,250).

During the period from May 1, 2020 to March 31, 2021, the Company

- i) closed a non-brokered private placement of 6,784,000 units at a price of \$0.03 per unit for gross proceeds of \$203,520, of which \$164,520 was collected in the year ended April 30, 2020. Each unit is comprised of one common share and one-half of a share purchase warrant of the Company. Each whole warrant will entitle the holder to purchase one share at a price of \$0.05 per warrant until May 12, 2021.
- ii) granted 6,000,000 bonus warrants to the controlling shareholder of the Company in consideration of acting as a guarantor for two loan facilities for up to an aggregate of \$300,000 in principal amount. Each warrant is exercisable into one common share at \$0.05 with 2,000,000 warrants expiring on June 15, 2021 and 4,000,000 warrants expiring on June 15, 2023.
- iii) closed a private placement of 1,250,000 flow-through units at \$0.08 per flow-through unit for gross proceeds of \$100,000, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one flow-through common share and one-half share purchase warrant of the Company. Each warrant will entitle the holder to purchase one non-flow-through share at a price of \$0.10 per warrant until September 25, 2021. A value of \$18,750 was attributed to the flow-through premium liability in connection with the financing. The Company expended certain of the flow-through proceeds and accordingly, recorded \$18,750 as reversal of flow-through premium during the period ended January 31, 2021.

The Company also closed a private placement of 3,150,000 non-flow through units at \$0.065 per unit for gross proceeds of \$204,750, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one common share and one-half share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until September 25, 2021. The Company paid issuance costs of \$7,850 cash and 120,000 finder's warrants. Each finder's warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until September 25, 2021. The Company also paid other issuance costs of \$2,274.

- iv) issued 2,342,000 common shares upon exercise of warrants for gross proceeds of \$127,100.
- v) closed a private placement of 2,500,000 flow-through units at \$0.10 per flow-through unit for gross proceeds of \$250,000, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one flow-through common share and one-half share purchase warrant of the Company. Each warrant will entitle the holder to purchase one non-flow-through share at a price of \$0.15 per warrant until December 24, 2021. A value of \$37,500 was attributed to the flow-through premium liability in connection with the financing. The Company expended certain of the

flow-through proceeds and accordingly, recorded \$10,990 as reversal of flow-through premium during the period ended January 31, 2021.

- vi) closed a private placement of 7,500,000 non-flow through units at \$0.10 per unit for gross proceeds of \$750,000, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until January 20, 2023. The Company paid issuance costs of \$27,750 in cash and issued 277,500 finder's warrants valued at \$42,900. Each finder's warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until January 20, 2022.
- vii) closed a private placement of 7,000,000 non-flow through units at \$0.20 per unit for gross proceeds of \$1,400,000, of which \$nil was allocated to the warrant component of the unit offering completed. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at a price of \$0.25 per warrant until February 12, 2023. The Company paid issuance costs of \$53,000 in cash and issued 530,000 finder's warrants valued at \$169,700. Each finder's warrant will entitle the holder to purchase one share at a price of \$0.10 per warrant until January 20, 2022.
- viii) issued 2,213,665 common shares upon exercise of options for gross proceeds of \$161,820 and accordingly, the Company relocated \$82,852 of its share-based payment reserve to share capital.

## **RELATED PARTY TRANSACTIONS**

The Company defines key management as officers and directors. For the period ended January 31, 2021, the Company had the following transactions with key management, being related parties:

- i) paid or accrued management fees of \$27,000 (2020 - \$27,000) to a corporation owned by the Company's CEO for his services as President and CEO.
- ii) paid or accrued fees of \$63,000 (2020 - \$63,000) to a corporation owned by the Company's CEO for services relating to research and development.
- iii) paid or accrued director fees of \$18,000 (2020 - \$6,000) to the directors of the Company.
- iv) paid or accrued professional fees of \$54,000 (2020 - \$54,000) to a partnership in which the Company's Chief Financial Officer has an interest.
- v) paid or accrued advertising and promotion consulting fees of \$6,000 (2020 - \$Nil) to the CEO's spouse.
- vi) granted a total of 700,000 stock options (2020 - \$50,000) to officers and directors of the Company, of which the fair market value was estimated at \$19,232 (2020 - \$3,557) and was included in share-based compensation expense.

As at January 31, 2021, \$15,688 (April 30, 2020 - \$33,066) is included in accounts payable and accrued liabilities owed to directors, and an accounting firm where an officer of the Company is a partner.

## FINANCIAL INSTRUMENTS, RISKS AND UNCERTANTIES

### Fair values

The Company's financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities. Cash and marketable securities are carried at fair value. The fair values of accounts payable and accrued liabilities approximate their carrying amounts due to their current nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in 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 (unobservable inputs).

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observabl e Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>As at January 31, 2021</i>				
Cash	\$ 657,205	\$ 657,205	\$ -	\$ -
Marketable securities	302,000	-	-	302,000
<i>As at April 30, 2020</i>				
Cash	\$ 101,261	\$ 101,261	\$ -	\$ -
Marketable securities	137,988	-	2,600	135,388

Financial instruments measured at fair value on the statement of financial position include marketable securities and are included in level 1 of the fair value hierarchy.

The fair value of the warrant component of the Snow Lake private company, which is not traded in an active market, are within level 2 of the fair value hierarchy as it is measured using the Black-Scholes Option Pricing Model.

The Snow Lake private company shares are valued within level 3 of the fair value hierarchy. The key assumptions driving the valuation of the Company's private company investments include, but are not limited to, the value at which a recent financing was completed by the investee, significant changes in general market conditions and company specific information. For those investments valued based on general market condition and company specific information, these inputs can be highly judgmental.

### *Financial instrument risk exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

### *Credit risk*

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from a federal government agency.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operating activities and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

#### a) Interest rate risk

The Company has cash balances and interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

#### b) Foreign currency risk

The Company is exposed to nominal foreign currency risk.

#### c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings (loss) due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations may be significant.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

### **CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS**

Please refer to the condensed interim consolidated financial statements for the period ended January 31, 2021 located on [www.sedar.com](http://www.sedar.com).

## OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

As of March 31, 2021, the Company had the following outstanding:

Common shares – 59,594,376 outstanding

Stock options:

Options Outstanding	Exercise Price	Expiry Date
53,333	0.15	29-Apr-21
83,334	0.15	12-Aug-21
140,000	0.06	3-Feb-22
100,000	0.05	22-May-22
168,000	0.195	13-Jan-23
50,000	0.38	8-Feb-23
1,150,000	0.39	25-Feb-23
500,000	0.10	23-Dec-23
3,000,000	0.39	25-Feb-24
5,244,667		

Warrants:

Warrants Outstanding	Exercise Price	Expiry Date
1,250,000	\$0.05	12-May-21
2,000,000	0.05	15-Jun-21
1,375,000	0.10	25-Sep-21
120,000	0.10	25-Sep-21
625,000	0.10	25-Sep-21
1,250,000	0.15	24-Dec-21
277,500	0.10	20-Jan-22
7,500,000	0.15	20-Jan-23
7,000,000	0.25	12-Feb-23
530,000	0.20	12-Feb-23
4,000,000	0.05	15-Jun-23
25,927,500		

## PROPOSED TRANSACTIONS

The Company has no proposed transactions.

## OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Change in Management**

On February 22, 2021, the Company appointed Randy Gue and Chris Halsey-Brandt, CPA, CA, CBV to the company's Advisory Board.

On March 2, 2021, the Company appointed Dr. Greg Silverberg to its research team.