

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

**September 28, 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 consolidated financial statements and the accompanying notes for the period ended July 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 are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

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

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.

PLAN has a pilot plant which produces mineral powders for agriculture. PLAN is also developing mineral powders to replace Portland cement in concrete through an active product development program focused on developing technologies to lower the carbon footprint of all the powders we replace with new innovative products. Our flagship product, PozGlass SCM is a combination of natural pozzolan and post-consumer glass which is finely ground and treated using proprietary processes developed by PLAN.

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/)

In December 2018, Canada announced regulations to phase-out traditional coal-fired electricity by 2029. 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.

As referenced above, 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 and soft rock phosphate soil amendments. This plant recently began crushing ore into fine powders for third party customers under toll processing arrangements. Under these toll processing arrangements, PLAN has no inventory or shipping costs and receives a processing fee for each tonne of finished product produced.

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.

PLAN is allocating resources to development intellectual property with respect to sequestering CO<sub>2</sub> in PozGlass SCM and in cellular concrete to further reduce the carbon footprint of materials that can replace Portland cement. To accelerate these efforts, PLAN opened a research lab in Calgary and hired a VP of Research and Development, Dr. Roger Mah. PLAN is expanding the footprint of this lab during the current quarter to enable expansion of our efforts to lower the carbon footprint of cement materials.

As a 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.

## **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 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 conducted various research activities on natural pozzolan from the Z1 including the development of PozGlass SCM to complete with fly ash as a lower carbon footprint substitute for Portland cement. 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 April 2021, PLAN announced the successful completion of Phase One of a Two Phase test program for its PozGlass™ SCM product.

In June 2021, PLAN announced the positive accelerated-cure Resistance to Chloride Ion Penetration (RCP) test results for its PozGlass™ SCM product. The Company is focused on delivering economic and eco-friendly solutions for the cement and concrete industry.

Phase Two testing has commenced and is focused on testing concrete durability, including compressive strength, chloride permeability testing (RCP) and sulphate resistance. Final tests on PozGlass SCM relating to its ability to protect against sulphates will be completed by October 2021.

#### **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) 66,667 common shares on or before April 22, 2021 (issued with a value of \$26,667).
  - c) 66,667 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 (paid).
  - 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) 6,667 common shares on or before April 22, 2021(issued with a value of \$2,267).
  - c) 6,667 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.

PLAN has submitted a full application to drill this property including posting a required performance bond with the Ministry of Energy, Mines and Low Carbon Innovation and has notified First Nations in the area of our intentions. PLAN awaits receipt of a drilling permit from the Ministry.

### **Comminution Plant**

Through April 30, 2021 and the three month period ended July 31, 2021, PLAN spent over \$1,000,000 on building a comminution plant and equipment. 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, two ball mills, a pneumatic conveyance system, 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.

During the three-month period ended July 31, 2021, PLAN completed its first toll processing purchase order for Fertoz. Fertoz is the largest supplier of organic rock phosphate in North America, and recently announced

mining permits are in place to access large phosphate resources in Fernie, British Columbia. Fertoz's products promote good agricultural practices that earn farmers carbon credits that can be sold back to industry to offset emissions. PLAN has also received a follow up purchase order from Fertoz since completing the first purchase order.

The Comminution Plant is considered a pilot plant and has been the proving ground to test various types of processing equipment since 2018. Since the end of the current fiscal year, additional equipment has been purchased and tested with the most recent addition being pneumatic conveyance equipment which enables the transfer of powders within the plant and removes this task from human operators.

PLAN has commenced with designing a full-scale commercial comminution plant that is climate controlled (inside versus being in an open-air fabric structure) and hopes to find a permanent location for this new plant during the current fiscal year.

## **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**

*Period ended July 31, 2021 compared to the period ended July 31, 2020.*

### **Loss and comprehensive loss**

The Company recorded a net loss and comprehensive loss of \$498,036 for the three month period ended July 31, 2021, compared to \$539,769 in the comparative period.

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

- Depreciation increased to \$53,470 (2020 - \$23,238) due to additional equipment purchased to assist with the business operation during the current period.
- Interest expense increased to \$7,953 (2020 - \$1,487) due to the Company acquiring additional leased equipment and long-term debt between periods.
- Professional fees increased to \$102,402 (2020 - \$33,009) due to increased corporate and business development activities during the current period.
- Repairs and maintenance expense increased to \$21,382 (2020 - \$6,670) due to the addition of capital equipment and activity in the company's comminution operations.
- Research and development costs of \$47,256 (2020 - \$21,000) due to activities for the development of PozGlass SCM during the current period.
- Share-based compensation decreased to \$120,000 (2020 - \$346,000) as fewer stock options were granted during the current year.
- Travel and entertainment increased to \$15,413 (2020 - \$966) due to increased business development travel and meetings during the current period.
- Wages and salaries of \$167,284 (2020 - \$42,181) due to hiring additional employees to facility the increased business operations in the current period.
- Other income, which is primarily comprised of sales from the comminution operations, increased to \$120,947 (2020 - \$38,730) due to the Company acquiring additional customers and expanding its processing capacity in this aspect of its business.
- The realized gain on marketable securities of \$134,626 (2020 - \$Nil) was offset by the unrealized loss on marketable securities \$134,626 (2020 - \$Nil). Both amounts arose from the Company's sale of marketable securities in the current period, which had been revalued to their current fair market value in the prior year.

## SUMMARY OF QUARTERLY REPORTS

Results for the most recent quarters ending:

	For the Three Months Ended			
	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) and comprehensive income (loss)	(498,036)	(1,692,156)	24,587	(184,511)
Exploration and evaluation assets	1,578,630	1,544,612	1,429,981	1,311,969
Total assets	3,908,704	4,256,912	3,050,933	2,127,903
Basic and diluted income (loss) per share	(0.01)	(0.03)	0.00	(0.01)
	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Loss and comprehensive loss	(539,769)	(1,175,586)	(188,284)	(222,182)
Exploration and evaluation assets	1,221,872	1,181,863	2,136,383	2,123,806
Total assets	1,962,027	1,816,701	2,765,524	2,630,141
Basic and diluted loss per share	(0.02)	(0.04)	(0.01)	(0.01)

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 July 31, 2021, the Company's shareholders' equity was \$3,367,675.

The company had the following cash flows during the period ended July 31, 2021;

- i) Cash used in operating activities of \$493,439 (2020 - \$212,906) 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 generated through investing activities of \$78,730 (2020 - \$259,648) consisted primarily of the proceeds generated from the sale of marketable securities of \$282,000 (2020 - \$Nil) partially offset by the cash costs associated with the purchase of property and equipment of \$158,790 (2020 - \$212,141).
- iii) Cash provided by financing activities of \$158,338 (2020 - \$357,500) consisted primarily of proceeds from share issuances on the exercise of warrants.



During the period from May 1, 2021 to September 27, 2021, the Company

- i) issued 5,332,500 common shares upon exercise of warrants for gross proceeds of \$369,500.
- ii) issued 213,333 common shares upon exercise of stock options for gross proceeds of \$20,300.

#### **RELATED PARTY TRANSACTIONS**

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

- i) paid or accrued management fees of \$9,000 (2020 - \$9,000) to a corporation owned by the Company's CEO for his services as President and CEO.
- ii) paid or accrued fees of \$21,000 (2020 - \$21,000) to a corporation owned by the Company's CEO for services relating to research and development.
- iii) paid or accrued director fees of \$6,000 (2020 - \$6,000) to the directors of the Company.
- iv) paid or accrued professional fees of \$18,000 (2020 - \$Nil) to a corporation owned by the Company's CFO.
- v) paid or accrued professional fees of \$18,000 (2020 - \$18,000) to a partnership in which the Company's former Chief Financial Officer has an interest.
- vi) paid or accrued advertising and promotion consulting fees and wages of \$3,750 (2020 - \$Nil) to the CEO's spouse.
- vii) granted a total of 375,000 stock options (2020 - 700,000) to officers and directors of the Company, of which the fair market value was estimated at \$120,000 (2020 - \$19,232) and was included in share-based compensation expense.

As at July 31, 2021, \$25,150 (April 30, 2021- \$14,700) is included in accounts payable and accrued liabilities owed to directors, a corporation owned by the Company's CEO, and a corporation owned by the Company's CFO.

## 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 Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>As at July 31, 2021</i>				
Cash	\$ 1,082,212	\$ 1,082,212	\$ -	\$ -
Marketable securities	20,000	-	-	20,000
<i>As at April 30, 2021</i>				
Cash	\$ 1,338,583	\$ 1,338,583	\$ -	\$ -
Marketable securities	302,000	-	-	302,000

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

### OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

As of September 27, 2021, the Company had the following outstanding:

Common shares – 65,326,877 outstanding

Stock options:

Options Outstanding	Exercise Price	Expiry Date
60,000	0.06	3-Feb-22
50,000	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
125,000	0.41	1-Mar-23
175,000	0.395	17-Mar-23
375,000	0.43	6-May-23
500,000	0.10	23-Dec-23
3,000,000	0.39	25-Feb-24
400,000	0.36	09-Sep-24
100,000	0.34	20-Sep-24
<u>6,153,000</u>		

Warrants:

Warrants Outstanding	Exercise Price	Expiry Date
1,250,000	0.15	24-Dec-21
240,000	0.10	20-Jan-22
7,500,000	0.15	20-Jan-23
6,975,000	0.25	12-Feb-23
530,000	0.20	12-Feb-23
4,000,000	0.05	15-Jun-23
<u>20,495,000</u>		

### 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 May 13, 2021, the Company appointed Mr. Chris Halsey-Brandt, CPA, CA, CBV as CFO of the Company, replacing Mr. David Cross, CPA, CGA. Mr. Cross was retained in a consultancy role until August 31, 2021.