

Planet Ventures Inc.

Financial Statements

For the Three Months Ended June 30, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

PLANET VENTURES INC.
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For the Three Months Ended June 30, 2022 and 2021

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

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PLANET VENTURES INC.
Statements of Financial Position
As at June 30, 2022 and March 31, 2022
(Expressed in Canadian dollars)

	June 30, 2022	March 31, 2022
ASSETS	\$	\$
Current assets		
Cash and cash equivalents	3,342,820	3,848,075
Investments at fair value (notes 4 and 8)	2,303,212	2,395,541
Loans receivable (note 5)	457,000	457,000
Receivables (note 5)	61,476	56,239
Prepaid expenses	3,467	4,767
Total current assets	6,167,975	6,761,622
Office rental deposit	29,433	29,433
Investments at fair value (note 4)	8,007	8,007
Right-of-use asset (note 6)	351,024	369,744
Total assets	6,556,439	7,168,806
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	108,218	177,274
Deferred revenue	43,685	76,450
Current portion of lease liability (note 6)	59,324	58,033
Total current liabilities	211,227	311,757
Non-current portion of lease liability (note 6)	296,763	313,410
Total liabilities	507,990	625,167
EQUITY		
Share capital (note 7(a))	25,902,727	25,902,727
Contributed surplus (notes 7(c) and (d))	3,476,146	3,476,146
Deficit	(23,330,424)	(22,835,234)
Total equity	6,048,449	6,543,639
Total liabilities and equity	6,556,439	7,168,806

Approved and authorized by the Board of Directors on August 27, 2022:

"Chris Cooper"
Director

"Desmond Balakrishnan"
Director

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

PLANET VENTURES INC.
Statements of Operations and Comprehensive Loss
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	Three months ended June 30,	
	2022	2021
	\$	\$
Investment income		
Net realized gain (loss) on disposal of investments (note 4)	(32,511)	209,596
Net change in unrealized loss on investments (note 4)	(490,567)	990,983
Interest and dividends (notes 4 and 5)	37,479	3,242
Total investment income (loss)	<u>(485,599)</u>	<u>1,203,821</u>
Expenses		
Commissions	1,310	8,642
Consulting (note 8)	3,000	131,630
Depreciation (note 6)	18,720	18,428
Interest (note 6)	7,555	2,156
Management and directors' fees (note 8)	5,000	1,500
Office and administration (note 8)	15,635	30,702
Professional fees	5,177	31,691
Stock based compensation (note 7)	-	10,059
Transfer agent and filing fees	2,273	7,807
Total expenses	<u>(58,670)</u>	<u>(242,615)</u>
Other income (loss)		
Foreign exchange gain (loss)	1,040	-
Consulting income	32,764	222,581
Other income	15,275	29,052
Total other income	<u>49,079</u>	<u>251,633</u>
Net income (loss) and comprehensive loss	<u>(495,190)</u>	<u>1,212,839</u>
Basic and diluted income (loss) per common share	<u>(0.01)</u>	<u>0.02</u>
Weighted average number of common shares outstanding:		
Basic and diluted	<u>55,312,838</u>	<u>55,312,836</u>

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

PLANET VENTURES INC.
Statements of Changes in Equity
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	Share Capital		Share Subscriptions Received	Contributed Surplus	Deficit	Total
	Number of Shares	Amount				
Balance, March 31, 2021	51,257,838	24,985,365	67,500	3,460,557	(21,038,019)	7,475,403
Shares issued for cash net of share issue costs	4,050,000	966,112	-	1,196	-	967,308
Shares issued on exercise of warrants	75,000	18,750	-	-	-	18,750
Share subscriptions received	-	-	(67,500)	-	-	(67,500)
Stock based compensation	-	-	-	10,059	-	10,059
Comprehensive ncome for the year	-	-	-	-	1,212,839	1,212,839
Balance, June 30, 2021	55,382,838	25,970,227	-	3,471,812	(19,825,180)	9,616,859
Balance, March 31, 2022	55,312,838	25,902,727	-	3,476,146	(22,835,234)	6,543,639
Shares issued for cash net of share issue costs	-	-	-	-	-	-
Shares issued on exercise of warrants	-	-	-	-	-	-
Shares cancelled	-	-	-	-	-	-
Stock based compensation	-	-	-	-	-	-
Comprehensive loss for the year	-	-	-	-	(495,190)	(495,190)
Balance, June 30, 2022	55,312,838	25,902,727	-	3,476,146	(23,330,424)	6,048,449

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

PLANET VENTURES INC.
Statements of Cash Flows
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
	\$	\$
Cash flows from (used in):		
Operating activities		
Net income (loss) for the year	(495,189)	1,212,839
<i>Items not affecting operating cash:</i>		
Net realized loss (gain) on investments	-	(136,846)
Unrealized losses (gains) on investments	490,567	(990,983)
Stock based compensation	-	10,059
Depreciation of right-of-use asset	18,719	(18,428)
Interest expense for right-of-use asset	9,132	(1,255)
	<u>23,229</u>	<u>75,386</u>
<i>Adjustments for:</i>		
Proceeds on disposal of investments	100,450	1,065,457
Purchase of investments	(498,688)	(800,330)
Change in loan principal	-	11,853
Change in receivables	(5,237)	32,549
Change in prepaid expenses	1,300	108,208
Change in accounts payable and accrued liabilities	(69,056)	(79,548)
Change in deferred revenue	(32,764)	(127,053)
Net cash provided by (used in) operating activities	<u>(480,766)</u>	<u>286,522</u>
Investing activities		
Office lease payments received	(24,489)	10,469
Net cash provided by (used in) investing activities	<u>(24,489)</u>	<u>10,469</u>
Financing activities		
Shares issued for cash net of cash share issue costs	-	899,808
Cash received on exercise of warrants	-	18,750
Net cash provided by financing activities	<u>-</u>	<u>918,558</u>
Change in cash and cash equivalents	(505,255)	1,215,549
Cash and cash equivalents, beginning of year	<u>3,848,075</u>	<u>3,078,825</u>
Cash and cash equivalents, end of year	<u>3,342,820</u>	<u>4,294,374</u>
Supplemental Cash Flow Information:		
Interest paid	-	-
Income taxes paid	-	-

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

PLANET VENTURES INC.
Notes to the Financial Statements
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Planet Ventures Inc. (the “Company”) was incorporated in Canada on January 29, 1996 under the Alberta Business Corporations Act and continues under the British Columbia Business Corporations Act. On June 28, 2017, the Company changed its name to Planet Ventures Inc. from Planet Mining Exploration Inc. The Company’s registered office and its principal place of business are located at Suite 303, 750 West Pender Street, Vancouver, BC Canada V6C 2T7. The Company’s shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol “PXI”.

From its inception up to October 2, 2014, the Company was in the business of acquiring, exploring and developing gold, copper, silver and other resource properties, both directly and through joint ventures in Canada. In October 2014, the Company changed its business from a “junior mineral exploration company” to an “investment issuer”.

The principal business of the Company is investing in a portfolio of common shares and other securities of publicly-listed and private companies to achieve capital appreciation of the portfolio.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak has continued to spread resulting in adverse public health developments. It has adversely affected global workforces, economies, and financial markets, triggering economic upheavals. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its future impacts on the Company’s business or operations.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standard Board (“IASB”).

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company meets the definition of an investment entity under IFRS 10 *Consolidated Financial Statements* and measures its investment in relevant subsidiaries at fair value through profit or loss (see note 4).

The presentation and functional currency of the Company is the Canadian dollar.

2. BASIS OF PREPARATION (continued)

(c) Significant accounting judgements and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and expenses during the reporting period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of the revision and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to determination of the fair value of financial instruments (note 4(b)).

In preparing the financial statements, management makes judgments regarding the application of IFRS for the Company's accounting policies. Significant judgments relate to the following areas:

(i) Going concern assumption

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operations.

(ii) Income taxes

Judgements are made by management at the end of the reporting period to determine the likelihood that deferred income tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws. While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

(iii) Investment entity status

Determining if the Company meets the investment entity status under IFRS 10 requires significant judgment.

PLANET VENTURES INC.
Notes to the Financial Statements
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(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies have been applied on a basis consistent with those applied in the most recent audited annual financial statements. The policies applied in these condensed interim financial statements are based on IFRS issued and effective as of the date the Board of Directors approved and authorized to issue these condensed interim financial statements..

New accounting standards

No new accounting standards were adopted in this quarter which had a significant impact on the financial statements.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. The Company has not identified any new standards, interpretations or amendments to existing standards that are expected to have a material impact on the Company's financial statements.

4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	June 30, 2022		March 31, 2022	
	Level 1	Level 2	Level 1	Level 2
Cash and cash equivalents	\$ 3,342,820	\$ -	\$ 3,848,075	\$ -
Investments at fair value:				
Equity investments in public companies (a)	2,303,212	-	2,395,541	-
Equity investments in private companies (b)	-	8,007	-	8,007

4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY (continued)

The methods of measuring each of these financial assets have not changed during the past year. The fair values of financial instruments measured at amortized cost approximate their carrying amounts.

(a) Equity investments in public companies

The Company's equity investments are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of investment securities is calculated as the closing market price of the investment equity security multiplied by the quantity of shares held by the Company. Some of the equity investments are subject to a four-month statutory hold period. Stock options and warrants held that are not traded on an active market are remeasured using a valuation technique based on data inputs that are supported by observable current market conditions and are therefore classified within Level 2 of the fair value hierarchy.

(b) Equity investments in private companies

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below.

The determination of fair value of the Company's privately-held investments at other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. Valuation techniques which use management-derived unobservable data specific to the investee are considered to be measured at fair value using Level 3 inputs. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

PLANET VENTURES INC.
Notes to the Financial Statements
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

**4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS
HIERARCHY (continued)**

(b) Equity investments in private companies (continued)

The absence of the occurrence of any events, such as a significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed. The fair value of a privately-held investment may be adjusted if there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

(c) Fair market value and original cost of investments

Investments at original cost and fair value consist of the following:

	June 30, 2022		March 31, 2022	
	Cost	Fair market value	Cost	Fair market value
	\$	\$	\$	\$
Shares in public companies	4,522,218	2,303,212	3,744,562	2,395,541
Warrants	-	-	-	-
Shares in private companies	7,698,968	8,007	7,842,102	8,007
Total	12,189,808	2,311,219	11,586,664	2,403,548

	June 30, 2022	June 30, 2021
	\$	\$
Realized (losses) gains on investments – public companies	(32,511)	209,596
Total	(32,511)	209,596

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Notes to the Financial Statements
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS
HIERARCHY (continued)

(c) Fair market value and original cost of investments (continued)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	\$	\$
Unrealized losses on investments – public companies	(490,567)	990,983
Total	(490,567)	990,983

During the year ended March 31, 2021, the Company acquired 100% of outstanding common shares of Cucu Sports Limited, a private company, for a consideration totaling \$480,000 which is comprised of 2,400,000 common shares with a fair value of \$480,000 based on the closing share price of the Company's shares at the date of the transaction. During the year ended March 31, 2021 the investment was written down to \$1, total unrealized loss of \$479,999 was recorded which is included in the total amount presented as unrealized losses on investments.

There were no additions during the three months ended June 30, 2022.

5. LOANS RECEIVABLE

In July 2018 the Company entered into an agreement with VIP Entertainment Group Inc. ("VIP") (formerly VIP Bets Inc.) to purchase a \$250,000 secured convertible debenture. The debenture bore an interest of 12% and was repayable in 24 months. During the year ended March 31, 2021, the Company agreed to have the principal of the debenture plus interest of \$34,000 repaid in \$5,000 monthly payments starting from November 2020.

During the year ended March 31, 2022, the Company entered into a settlement agreement that in consideration of the sum of \$240,000 to be settled through the issuance of 960,000 VIP units. Each unit consists of one common share of VIP and one half of one share purchase warrant, each whole warrant can be exchanged for one additional share of VIP at any time in the following 24 months for a price of \$0.50. At June 30, 2022, the Company has yet to receive VIP units.

PLANET VENTURES INC.
Notes to the Financial Statements
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

5. LOANS RECEIVABLE (continued)

On October 29, 2020 the Company entered into an agreement to loan up to \$300,000 with a private company. As at June 30, 2022, the loan balance is \$250,000 (June 30, 2021 - \$250,000). The loan bears interest of 6% per annum. The loan is secured by a mortgage in the principal amount of \$300,000 against the sub-lease between the borrower as tenant and a landlord. The maturity date of the loan was August 3, 2021. The loan was extended to August 31, 2022 and the Company received a loan extension fee of \$33,000 to be recognized as income over the loan extension period. As at June 30, 2022 the Company's interest receivable on this loan was \$24,986 (March 31, 2022 - \$21,287). During the three months ended June 30, 2022, the Company recorded \$3,699 (2021 - \$3,740) in interest revenue.

On August 23, 2019 the Company entered into an agreement to loan \$175,000 with an interest of 18% per annum. The loan can be repaid in part or in full before maturity date. The loan is secured by a share pledge of common shares registered and beneficially owned by the borrower. During the year ended March 31, 2022, the Company recorded \$15,793 in interest revenue and received \$23,625 in cash payment. The loan balance of \$175,000 and remaining accrued interest was settled in exchange for investments (note 4) resulting in a gain of \$37,307.

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On April 1, 2016, the Company entered into an office lease agreement for a term ended on February 28, 2022. On March 1, 2022, the lease was extended to February 28, 2027. Interest was calculated based on estimated annual rate of 10%.

As at June 30, 2022, the lease liability is as follows:

Balance as at March 31, 2021	77,625
Addition	376,010
Interest expense	5,967
Lease payments	(88,159)
Balance as at March 31, 2022	371,443
Addition	-
Interest expense	13,780
Lease payments	(29,136)
Balance as at June 30, 2022	356,087
Current portion of the lease liability	59,324
Non-current portion of a lease liability	296,763

PLANET VENTURES INC.
Notes to the Financial Statements
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)

As at June 30, 2022 the balance of the right-of-use asset is as follows:

Balance as at March 31, 2021	67,571
Addition	376,010
Depreciation	(73,837)
Balance as at March 31, 2022	369,744
Addition	-
Depreciation	(18,720)
Balance as at June 30, 2022	351,024

7. SHARE CAPITAL

(a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value. The holder of common shares is entitled to receive any dividend declared by the Company on such shares.

Effective as of October 28, 2020 common shares of the Company were consolidated on the basis of one (1) post-consolidation common share for every five (5) pre-consolidation common shares. All share figures presented in the statement of Changes in Equity and disclosed in the Notes to the Financial Statements have been retroactively adjusted to reflect the share consolidation.

Shares issued during the three months ended June 30, 2022

No additional shares were issued during the three months ended June 30, 2022.

Shares issued during the year ended March 31, 2022

During the year ended March 31, 2022, the Company closed a private placement with the sale of 4,050,000 units at \$0.225 per unit for gross proceeds of \$911,250. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for \$0.30 per share for a three-year period. The Company paid \$11,442 in cash share issue costs and issued 7,000 finders warrants with fair value of a \$1,196.

During the year ended March 31, 2022, the Company issued 75,000 shares on exercise of warrants at \$0.25 per warrant.

7. SHARE CAPITAL (continued)

(b) Preferred shares

The Company is authorized to issue an unlimited number of first preferred shares and second preferred shares issuable in series with the issue price to be fixed by the directors. The holders of first preferred shares are entitled to preference over the common shares and the second preferred shares with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

No preferred shares were issued or were outstanding as at June 30, 2022 and March 31, 2022.

(c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

In January 2021, the Company granted 400,000 stock options exercisable at \$0.35 per share directors, officers, employees, and consultants of the Company. The options vest on the date of issuance. The fair value of the stock options of \$100,769 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.35; exercise price – \$0.35; expected life – three years; volatility – 124%; com yield – \$nil; and risk-free rate – 0.20%. In February 2021, 400,000 stock options were exercised at \$0.35. The previously recognized stock-based compensation representing the fair value of stock options of \$100,769 was deducted from Contributed Surplus.

In November 2020 the Company granted 2,535,000 stock options exercisable at \$0.50 per share directors, officers, employees, and consultants of the Company. The options vest on the date of issuance. The fair value of the stock options of \$1,084,727 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.47; exercise price – \$0.50; expected life – five years; volatility – 153%; dividend yield – \$nil; and risk-free rate – 0.46%.

On September 29, 2020 the Company granted 440,000 stock options exercisable at \$0.50 per share. The stock options vest 120,000 on December 29, 2020, 120,000 on March 29, 2021, 100,000 on June 29, 2021 and 100,000 on September 29, 2021. The fair value of the stock options of \$76,703 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.20; exercise price – \$0.50; expected life – five years; volatility – 155%; dividend yield – \$nil; and risk-free rate – 0.34%.

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Notes to the Financial Statements
For the Three Months Ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(c) Stock options (continued)

A continuity schedule of the Company's outstanding options is as follows:

	Number of options	Weighted average exercise price
Balance, March 31, 2022	3,875,000	\$ 0.51
Granted	-	-
Exercised	-	-
Balance, June 30, 2022	3,875,000	0.51

As at June 30, 2022, the Company had the following stock options outstanding and exercisable:

Expiry date	Exercise price	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (in years)
October 23, 2022	\$ 0.50	200,000	200,000	0.31
August 1, 2023	\$ 0.75	200,000	200,000	1.09
February 1, 2024	\$ 0.50	400,000	400,000	1.59
February 6, 2025	\$ 0.50	100,000	100,000	2.61
September 29, 2025	\$ 0.50	440,000	440,000	3.25
November 16, 2025	\$ 0.50	2,535,000	2,535,000	3.38

(d) Share purchase warrants

There were no additional share purchase warrants during the three months ended June 30, 2022.

During the year ended March 31, 2022 the Company closed a private placement of units. As part of the units in the private placement the Company issued 4,050,000 warrants exercisable at \$0.30 per warrant for a period of three years. In addition, the Company issued 7,000 finders warrants with fair value of \$1,196. The fair value was calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.25; exercise price – \$0.30; expected life – three years; volatility – 130%; dividend yield – \$nil; and risk-free rate – 0.52%.

In April 2021, 75,000 warrants were exercised at \$0.25 per warrant.

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7. SHARE CAPITAL (continued)

(d) Share purchase warrants (continued)

A continuity schedule of the Company's outstanding warrants is as follows:

	Number of warrants	Weighted average exercise price
		\$
Balance as at March 31, 2021	14,302,350	0.41
Granted	4,057,000	0.30
Expired	(75,000)	0.25
Exercised	(9,421,000)	0.50
Balance as at March 31, 2022	8,863,350	0.27
Granted	-	-
Exercised	-	-
Expired	-	-
Balance as at June 30, 2022	8,863,350	0.27

As at June 30, 2022, the Company had the following share purchase warrants outstanding:

Expiry date	Exercise price	Number of warrants outstanding	Weighted average remaining contractual life (in years)
	\$		
November 16, 2023	0.25	4,806,350	1.38
April 22, 2024	0.30	4,057,000	1.81

**8. KEY MANAGEMENT COMPENSATION AND RELATED PARTY
TRANSACTIONS**

(a) Key management compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

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Notes to the Financial Statements
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8. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS (continued)

(a) Key management compensation (continued)

Amounts paid and accrued for key management compensation are as follows:

	June 30, 2022	June 30, 2021
	\$	\$
Management and other fees	5,000	30,000
Directors' fees	3,000	1,500
Total	8,000	31,500

Included in accounts payable and accrued liabilities at June 30, 2022 was \$Nil (March 31, 2022 - \$3,100) due to companies controlled by directors of the Company for unpaid directors' fees.

(b) Related party transactions

In the normal course of operations, the Company transacts with companies related to its directors or officers. Related party transactions are measured at the exchange amounts as agreed upon by transacting parties.

Related party transactions not disclosed elsewhere in these financial statements are as follows:

- During the year ended March 31, 2022, the Company incurred \$Nil (2021 - \$Nil) in legal expenses from a law firm of which a director and officer of the Company is a partner. As at June 30, 2022, \$36,073 (March 31, 2022 - \$84,191) is included in accounts payable for this law firm.
- The Company has investments in shares of public companies with directors and officers in common. As at June 30, 2022, fair market value of these investments was \$1,438,137 (March 31, 2022 - \$1,361,075) and cost \$1,840,184 (March 31, 2022 - \$1,533,760).
- The Company's office lease payments are reimbursed monthly by a company of which an officer of the Company is an employee. As a result, during the three months ended June 30, 2022, income of \$15,275 (2021 - \$21,961), was recognized in the statement of operations and comprehensive loss. As at June 30, 2022, \$nil (March 31, 2022 - \$nil) was receivable from this company.
- During the three months ended June 30, 2022 the Company recorded an expense related to stock options granted to directors and officers of the Company with a fair value of \$Nil (2021 - \$10,059).

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, fair value risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise. The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, the sale of assets, debt, or return of capital to shareholders. As at June 30, 2022, the Company did not have any debt, other than accounts payable and accrued liabilities, and was not subject to externally imposed capital requirements.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalent balances to meet current working capital requirements.

(c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and receivables.

The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents, and other assets with high-credit quality financial institutions, and obtains security from creditors on receivables when possible.

The majority of the Company's cash and cash equivalents are held with major Canadian-based financial institutions. As at June 30, 2022 the Company estimates the credit risk associated with receivables as \$493,139 (March 31, 2022 - \$489,441) as it relates to two loans receivable and interest accrued on those loans (note 5).

9. FINANCIAL AND CAPITAL RISK MANAGEMENT(continued)

(d) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and commodity prices.

Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's profit and losses. The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and reclamation bond. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders.

The Company is exposed to significant interest rate risk as the Company's has fixed interest-bearing debt. Management closely monitors the market to determined the appropriate course of action to be taken by the Company.

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

Price risk

The Company is exposed to price risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

In accordance with IFRS 9, the Company is required to remeasure its investments at fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position.

The result of sensitivity analysis shows an increase or decrease of 5% in the market prices, with all other variables held constant, could have decreased or increased the Company's net loss by approximately \$115,028 as at June 30, 2022 (June 30, 2021 - \$242,021).

Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT(continued)

- (e) Concentration risk in the Company's investment portfolio

Concentration risk is the risk that any single investment or group of investments will have the potential to materially affect the operating results of the Company.

Subject to board approval for investments in excess of a pre-determined threshold, there are no restrictions on the proportion of Company's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. Accordingly, the Company's investment activities may be highly concentrated in a limited number of investments or industry sectors and the Company's financial results may be substantially adversely affected by the unfavourable performance in those investments or industry sectors.

As at June 30, 2022, the Company's top two investments had a fair value of \$1,793,566 in publicly traded companies, representing 78% of the fair value of the Company's publicly traded companies portfolio (March 31, 2022 – \$1,683,575 or 73%).

10. SUBSEQUENT EVENTS

Subsequent to the three months ended June 30, 2022, there were no significant events.