The Quarterly Highlights of ZincX Resources Corp. (the "Company" or "ZincX") provide a summary of the activities, results of operations and financial condition of the Company as at and for the nine months ended March 31, 2021. The Quarterly Highlights have been prepared by management as of May 31, 2021 and should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto of the Company for the nine months ended March 31, 2021 and 2020, the audited consolidated financial statements and related notes thereto of the Company for the years ended June 30, 2020 and 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), and the annual Management Discussion and Analysis ("MD&A") for the years ended June 30, 2020 and 2019 of the Company.

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol ZNX. The Company has recently applied to have its common shares listed on trading on the OTCQB market, a U.S. trading platform that is operated by the OTC Markets Group in New York. The Company will continue to trade on the TSX-V under its existing symbol, in Frankfurt under its existing symbol "M9R" and in the US under its OTC Pink Market symbol "ZNCXF".

Exploration Programs

The Company operates in one business segment, that being the exploration and development of mineral properties in British Columbia, Canada.

The Company's flagship Akie Project is host to the Cardiac Creek deposit. The Company holds a 100% interest in the Akie Property, which is located approximately 260 kilometers north-northwest of the town of Mackenzie in northeastern British Columbia.

The Akie zinc-lead-silver property is situated within the Kechika Trough, the southernmost extension of the regionally extensive Paleozoic Selwyn Basin, one of the most prolific sedimentary basins in the world for the occurrence of sedimentary exhalative (SEDEX) zinc-lead-silver deposits and stratiform barite deposits. Drilling on the Akie property by the Company since 2005 has identified a significant body of barite rich zinc-lead-silver SEDEX mineralization known as the Cardiac Creek deposit. The deposit is hosted by siliceous, carbonaceous, fine-grained clastic rocks of the Middle to Late Devonian Gunsteel Formation.

The Company updated the estimate of mineral resources at Cardiac Creek in early 2018, which is presented below:

ESTIMATE OF MINERAL RESOURCES – CARDIAC CREEK DEPOSIT

5% zinc cut-off grade					Contained metal		
Category	**Tonnes (million)**	**Zn (%)**	**Pb (%)**	**Ag (g/t)**	**Zn (B lbs)**	**Pb (B lbs)**	**Ag (M oz)**
Indicated	22.7	8.32	1.61	14.1	4.162	0.804	10.3
Inferred	7.5	7.04	1.24	12.0	1.169	0.205	2.9

Note: Mineral resources are not mineral reserves because the economic viability has not been demonstrated.

The updated mineral resource estimate was prepared by Robert Sim, P.Geo with the assistance of Bruce Davis, FAusIMM. Mr. Sim is an independent Qualified Person within the meaning of NI 43-101 for the purposes of mineral resource estimates and was responsible for the 2008 maiden resource and the 2012 and the 2016 updated mineral resource estimates.

The updated mineral resource estimate and the results of a Preliminary Economic Assessment ("PEA") for the Cardiac Creek deposit were filed in a report entitled "*NI 43-101 Technical Report Akie Project British Columbia, Canada*" with an effective date of June 20, 2018 and report date of August 1, 2018. The report can be found under the Company's profile at www.sedar.com and on the Company's website, www.zincxresources.com.

The Kechika Regional Project consists of 11 properties including the Mt. Alcock, Bear & Spa, Pie, Yuen, and Cirque East properties that extend northwest from the Akie property for approximately 140 kilometres along the strike of the highly prospective Gunsteel Formation shale. The Gunsteel Formation shale is the main host rock for known SEDEX zinc-lead-silver deposits in the Kechika Trough of northeastern British Columbia.

The Pie, Yuen, Cirque East properties (known as the "Pie Properties") are the subject of a joint venture arrangement with Teck Resources Limited ("Teck") and its JV partner, Korea Zinc Co., Ltd. ("Korea Zinc") to jointly explore the Pie Properties on a 49%-51% joint venture basis, with Teck acting as the operator. Teck and Korea Zinc acquired 51% interest in the Pie Properties by incurring cumulative aggregate exploration expenditures of $3,500,000 by December 31, 2017.

Overall performance

2021 Exploration Program

2021 Akie Drilling Program

Planning for the Company's 2021 drill program on the Cardiac Creek Zn-Pb-Ag deposit has been initiated, and the Company has engaged a drill contractor for the upcoming 2021 summer drill program.

The 2021 drill program will consist of three holes totalling approximately 2,000 metres of drilling with a primary objective of acquiring mineralised drill core sample material for advanced metallurgical testing. The holes will target specific areas of the deposit to provide material representative of the deposit across its strike and width. This material will be used to further investigate the metallurgical response of the mineralisation with a focus on enhancing the recoveries and boosting concentrate grades for both zinc and lead; using state-of-the-art metallurgical testing facility owned by Tongling Non-Ferrous Metals of China (Tongling). The Company anticipates a late May to mid-June start up and the program, as currently planned, is expected to require 6 weeks to complete.

Kechika Trough Target Initiative Update

Detailed work has identified numerous Areas of Interest (AOIs) of which 19 have been classified as high-priority targets. These targets have been ranked and will be assessed in future focused field programs.

The Company has identified 19 high-priority targets from a pool of 95 AOIs across all its Kechika Trough tenure including key properties such as Akie, Pie, Mt. Alcock, and Bear/Spa. A set of district specific exploration criteria have been established from the study of past discoveries in the region (e.g. Cardiac Creek deposit, Cirque, Driftpile, etc.). Potential AOIs were assessed using these criteria and evaluated against the geological, geochemical, geophysical and geographical datasets present within the Kechika Trough Exploration Database to identify prospective AOIs. Work has been recommended representing early stage through to drill exploration targets. This evaluation also identified prospective areas on several properties that have had little to no exploration. The 19 ranked high-priority targets are located on almost every property within the district. Several target areas are classified as drill-ready while others require additional work to be upgraded. In some cases, these high-priority targets are associated with adjacent or proximal AOIs that pending exploration success could elevate their ranking.

One of the highest priority targets is the Mt. Alcock prospect located approximately 40 kilometres northwest of the Akie property and 20 kilometres northwest of Teck Resources/Korea Zinc's Cirque property. The Mt. Alcock prospect, discovered in the late 1970s, is defined by a prominent massive barite cap ("kill zone) which hosts abundant coarse-grained galena and sphalerite on surface. Limited and shallow drilling by previous operators intersected mineralisation with significant grade such as 9.30% combined Zn+Pb and 1.20 oz/t Ag over 8.8 metres in drill hole AK-89-3 including 14.20% combined Zn+Pb and 1.60 oz/t Ag over 3.6 metres hosted in Gunsteel formation shale. Facies models recently derived by the Company from close examination of the Cardiac Creek deposit can be applied to the Mt. Alcock prospect and greatly assist in vectoring future targeted drilling at depth and down dip of prospective lithology. The tenor and style of mineralization at Cardiac Creek is a close analog and serve as an exploration model going forward. Mineralization in the district, including Cirque, and Driftpile, along with historical drilling, geochemical data and geophysical EM trends all support the exploration model.

Other high-priority targets are present on the Saint and Thro properties located to the northwest of the Driftpile deposit. Targets on the Saint property are associated with a long continuous Pb soil anomaly with approximate dimensions of 3,500m x 500m with values consistently in excess of 100 ppm and localized areas where values can range up to 6,500 ppm. Historical operators recommended drilling for this target area, but it was never pursued. On the Thro property historical work outlined an approximate 600m x 600m Pb soil anomaly with values consistently in excess of 100 ppm and range up to 12,500 ppm. Rock chip samples in the vicinity were also elevated in lead and rock chips taken from a hand dug trench in 1978 returned highly anomalous Pb values in excess of 400 ppm and ranging up to 5,600 ppm. These anomalies represent some of the largest in the district and both remain untested by drilling. Almost all the known deposits in the district are associated with a distinct Pb soil signature making the targets on the Saint and Thro properties attractive drill targets.

2020 Exploration Program

2020 Akie Drilling & Field Exploration Programs

On June 25, 2020, the Company and strategic partner Tongling Non-Ferrous Metals of China (Tongling) agreed to defer the planned drilling and subsequent metallurgical testing program until the 2021 exploration season due to COVID19.

Kechika Trough Target Generation

Another core objective of the Company has been to unlock and maximise the value of its extensive Kechika Trough tenure holdings which stretch 140 strike-kilometres north of the Akie property. The Company previously completed a massive digital compilation program incorporating data from 35 years of mineral exploration conducted in the Kechika Trough. Currently, the database exceeds 155 GB in size and includes over 1,250 rock samples,1,775 silt samples, 24,000 soil samples, and 13,875 meters of drilling. Collectively this work represents in excess of $7.3 million dollars in historical exploration expenditures. The Company completed a district wide reinterpretation of the geology in 2020 incorporating both historical and recent geological mapping efforts combined with the high-resolution satellite imagery. This dataset coupled with the geophysical and imagery datasets will form the basis of the ongoing geological modelling. Detailed analysis has now commenced using the integrated database to interpret, model and ultimately prioritize areas of interest for further exploration. Work will continue to synthesize and evaluate the historical data in the context of modern geological, geo-structural and airborne surveys to aid in the definition of new exploration targets. Exploration planning is underway for targeted follow-up mapping, sampling, and drill testing of targets.

Permitting

The Company has been advised by the Ministry of Energy, Mines and Petroleum Resources that the four Kechika regional drill permits on the Pie, Yuen, Mt. Alcock, and Kechika North properties have been renewed for an additional 5-year period, until November 28, 2025. Drilling on these properties had previously been permitted with a renewal occurring in December 2015, extending the expiry date until December 31st 2019.

These drill permits cover high-priority drill-ready targets on the largest tenure holdings within the Kechika Trough and will allow additional drill testing to take place at a measured pace as new anomalies are identified and confirmed as drill targets.

2019 Akie Drilling program

The 2019 exploration program was designed to achieve several key objectives including: additional close spaced drill intersections within the current resource model, extend the high-grade core of the Cardiac Creek deposit, and collect geotechnical and structural data. To achieve these objectives, the Company completed 4 HQ diameter diamond drill holes totaling 2,347 metres. A summary of the 2019 drill program is provided below.

The 2019 drill program returned impressive results characteristic of the high-grade core. Hole **A-19-153** returned an intercept of 30.14 metres (true width) grading 13.78% Zn+Pb, and 19.7g/t Ag that includes a high-grade core interval of 22.99% Zn+Pb, and 30.1g/ Ag over a true width of 9.44 metres. Hole **A-19-154** returned 8.30% Zn+Pb and 13.3 g/t Ag over a true width of 19.50 metres including 10.25% Zn+Pb and 15.4 g/t Ag over a true width of 11.97 metres. Along the southeast edge of the high-grade core **A-19-151** returned 16.37 metres (true width) grading 9.77% Zn+Pb and 15.5 g/t Ag. Higher-grade intervals are present including 10.74% Zn+Pb and 16.74 g/t Ag over a true width of 14.24 metres. Significant results from the 2019 drill holes are tabulated below.

Geotechnical and structural data was collected from all the 2019 drill holes above, throughout and below the Cardiac Creek Zone. The data collected would be directly applicable to any future engineering studies or design as related to the proposed underground program.

On November 14, 2019, the Company received a new permit approving a geotechnical drill program on the Akie Project designed to provide critical site-specific engineering data to confirm site selection for mine infrastructure including the mill, powerplant/maintenance, camp, and tailings sites identified in the Company's 2018 independent Preliminary Economic Assessment ("PEA") report on the Cardiac Creek deposit. The drilling will collect lithological and soil data, hydraulic and conductivity data and provide samples for laboratory testing of material and strength characteristics and water quality samples to support ongoing baseline environmental programs.

This program could be completed over a 6 to 8 week period at the start of an exploration season and would run parallel with the Company's ongoing exploration drilling programs on the Cardiac Creek deposit. The new permit is valid until November of 2022.

Drill Hole	From (m)	To (m)	True Width (m)*	Zn (%)	Pb (%)	Ag (g/t)ⱡ	Zn+Pb (%)
A-19-150	480.75	537.14	38.18	6.14	1.15	10.8	7.29
CCZ	490.89	537.14	31.38	7.20	1.38	12.4	8.58
including	**502.31**	**537.14**	**23.68**	**8.40**	**1.64**	**14.0**	**10.04**
including	**502.31**	**518.45**	**10.94**	**10.85**	**2.23**	**16.9**	**13.08**
A-19-151	560.00	608.80	30.85	4.91	0.98	9.7	5.89
CCZ	568.42	594.40	16.37	8.10	1.67	15.5	9.77
including	**571.15**	**593.75**	**14.24**	**8.88**	**1.86**	**16.7**	**10.74**
including	**575.75**	**591.50**	**9.91**	**9.09**	**1.98**	**17.9**	**11.07**
FW	603.30	608.80	3.51	2.70	0.45	5.0	3.15
A-19-153	443.00	532.50	50.71	7.93	1.44	14.2	9.37
CCZ	**454.00**	**507.25**	**30.14**	**11.47**	**2.32**	**19.7**	**13.78**
including	**466.78**	**507.25**	**22.93**	**14.29**	**2.95**	**24.1**	**17.24**
including	**480.75**	**506.59**	**14.65**	**16.20**	**3.39**	**27.0**	**19.59**
including	**490.00**	**506.59**	**9.41**	**19.22**	**3.77**	**30.1**	**22.99**
FW	518.82	532.50	7.81	6.56	0.25	11.8	6.81
A-19-154	349.03	425.67	24.32	5.78	1.10	11.3	6.88
CCZ	349.03	410.50	19.50	6.96	1.34	13.3	8.30
including	**353.19**	**390.91**	**11.97**	**8.56**	**1.69**	**15.4**	**10.25**
including	**353.19**	**377.71**	**7.78**	**10.55**	**2.06**	**18.5**	**12.61**

(*) The true width in metres is calculated utilising the Geovia GEMS software package. The orientation of the mineralised horizon is estimated to have an azimuth of 130 degrees and a dip of -70 degrees. (CCZ) = Cardiac Creek Zone; (HW) = Hangingwall Zone; (FW) = Footwall Zone; (MS) = Massive Sulphide. (ⱡ) Ag values below detection were given a value half of the detection limit for the purposes of weighted averaging. Hole A-19-152 was abandoned due to excessive deviation and restarted as hole A-19-153.

Exploration Objectives

Akie Project:

- Continue definition drilling to expand the known extent of the Cardiac Creek deposit; update the current geological and resource models to NI 43-101 standards with all new drill results. Continue to examine trade-off studies to enhance the PEA including additional metallurgical lab testing and targeted geotechnical data acquisition to improve understanding of mine design parameters used in the PEA.
- Continue to evaluate outlying coincident geological/geophysical/geochemical targets for drill target definition.
- Continue to refine the design and costs of the planned underground exploration program. The underground exploration permit remains in good standing until December 2020. The underground exploration program was conceived to allow tightly spaced infill drilling from an underground decline in order to upgrade the current mineral resource to the Indicated and Measured levels of confidence. This would provide sufficient data for a pre-feasibility level of economic assessment of the ore body to be completed and investigate future viability of bulk sampling and mining. The Company is currently working on a new and updated underground permit application to extend the duration date of the existing permit to 2025.

- Continue environmental baseline sampling as required to maintain all related exploration permits in good standing.

Kechika Regional Project:

- Continue regional synthesis of all historical and modern exploration data to assist with gap analysis and drill target definition.
- Continue to evaluate high priority greenfield targets.
- Continue to refine target selection to identify drill targets.

Kechika Regional Project (Pie Option Properties):

- Continue to work closely with Teck to review and advise on plans for ongoing exploration on the properties.
- The next planned phase of exploration on the optioned properties is expected to include continued drill testing of the highest priority targets.

Summary of exploration expenditures incurred on various properties:

	Akie Property	Kechika Regional	Total
Acquisition Costs:			
Balance, June 30, and March 31, 2021	$ 24,165,241	$ 192,768	**$ 24,358,009**
Deferred exploration costs:			
Balance, June 30, 2019	$ 46,122,514	$ 4,368,025	**$ 50,490,539**
Camp equipment, depreciation	59,868	–	59,868
Drilling	761,950	–	761,950
Geology	108,948	–	108,948
Community consultants	151,848	–	151,848
Environmental studies and permit compliance	43,724	–	43,724
METC recoverable	(197,861)	–	(197,861)
Balance, June 30, 2020	47,050,991	4,368,025	**51,419,016**
Camp equipment, depreciation	30,808	–	30,808
Drilling	13,124	–	13,124
Geology	71,557	–	71,557
Environmental studies and permit compliance	13,585	–	13,585
METC recoverable	(65,402)	–	(65,402)
Balance, March 31, 2021	**$ 47,114,663**	**$ 4,368,025**	**$ 51,482,688**
Total, June 30, 2020	**$ 71,216,232**	**$ 4,560,793**	**$ 75,777,025**
Total, March 31, 2021	**$ 71,279,904**	**$ 4,560,793**	**$ 75,840,697**

Results of Operations

Nine Months Ended March 31, 2021 and 2020

During the nine months ended March 31, 2021, the Company reported a net and comprehensive loss of $526,576 or $0.003 per share compared to $751,768 or $0.004 per share during the same period last year, a decrease in net loss of $225,192. The overall decrease in net loss was primarily attributable to a decrease in stock-based compensation of $193,344 as no stock options were granted in the current period, and a decrease of $116,000 in management fee due to a reduction of management fees effective March 1, 2020. *See transactions with related parties*. The decrease of net loss was offset by a decrease in deferred income tax recovery of $238,894.

Overall administrative expenses decreased by $377,601 during the nine months ended March 31, 2021 as compared to the same period of the previous fiscal year. In addition to the decrease in management fees and share based compensation expense, the Company recorded decreases in office costs as the Company moved to a remote work set up, travel and promotion due to government imposed travel restrictions as part of its COVID19 safety measures, and decreased wages and benefits as a result of reduced staff salaries.

Offsetting the decrease in loss were increases in consulting expenses for services engaged to assist with the Company's listing application on the OTCQB market, and marketing and public relations for business development and shareholder awareness.

The Company also recognized an increase in income of $86,485 for the nine months ending March 31, 2021 which comprised of interest earned on the Company's cash deposits and short-term investments of $31,032 (2020 - $38,587), sale of marketable securities $56,133 (2020 - $Nil), sale of fixed asset $10,995 (2020 - $Nil) and other income and recoveries of $1,886 (2020 - $8,344 recovery of services during the 2019 summer drilling program) from a VAT recovery on travel expenses in Europe. In addition, the Company recognized an accounting gain on adjustment for change in fair value of marketable securities of $18,420 (2020 – loss of $14,950).

Three months ended March 31, 2021 and 2020

During the three months ended March 31, 2021, the Company reported a net loss of $172,225 or $0.001 per share compared to a loss of $456,716 or $0.003 per share during the same quarter in fiscal 2020, a decrease in net loss of $284,491. The decrease in net loss was primarily a result of a decrease in general and administration expenses of $230,410, and an increase in other income of $51,530 and deferred income tax recovery of $2,551.

The decrease in total general and administration expenses in the comparative quarters was primarily due to a decrease in stock-based compensation of $193,344, management fees of $29,000, office expenses of $8,201, travel and promotion of $20,097, and wages and benefits of $5,329. The decrease was offset by an increase in marketing and public relations expense of $21,995.

The increase in other income resulted primarily from a gain on sale of marketable securities of $43,853 (2020- $Nil) in the current period and no adjustment (2020- loss of $9,200) in fair value of marketable securities for the third quarter of fiscal 2021.

Liquidity and capital resources

The Company's working capital position remains strong with its cash deposit of $985,214 (June 30, 2020 - $208,938) and GIC investments of $1,120,735 (June 30, 2020 - $ 2,428,043) as of March 31, 2021. Management believes that the Company has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative overhead for the next twelve months.

At March 31, 2021, the Company reported working capital of $608,122 compared to $1,180,382 at June 30, 2020, representing a decrease in working capital of $572,260. The decrease in working capital was a result of general operating activities and exploration expenditures incurred during the period.

Net cash increased by $776,276 from $208,938 at June 30, 2020 to $985,214 at March 31, 2021 primarily due to redemption of investments.

During the nine months ended March 31, 2021, the Company generated or utilized its cash and cash equivalents as follows:

(a) the Company used $591,770 of its cash in operating activities compared to generating $811,153 of cash during the same period of the previous fiscal year;
(b) exploration expenditures during the period were $25,508 compared to $1,406,589 during the same period of the previous fiscal year, the decrease was a result of the Company postponing its exploration program due to COVID19 safety measures;
(c) the Company purchased equipment for $2,205 during the current period compared to $33,091 for the comparative period last year;
(d) the Company received proceeds of $15,051 (2020 - $Nil) from the sale of a fixed asset;
(e) the Company redeemed $1,312,000 (2020 - $1,491,767) of its GIC investments and received an aggregate interest of $23,218 (2020 - $41,876) on the redemption of the GICs;
(f) there was no private placement during the current reporting period as compared to 1,016,666 flow- through shares issued for net proceeds of $144,875 in the comparative period last year;
(g) aggregate of 40,100 stock options were exercised by employees and consultants of the Company for total gross proceeds of $4,812 (2020 - $Nil);
(h) paid $67,500 (2020 - $67,500) in lease payments for its corporate office; and
(i) the Company received proceeds of $108,178 (2020 - $Nil) from the sale of marketable securities.

The Company's current assets excluding cash consisted of the following:

	March 31, 2021	June 30, 2020
Government Sales Tax credits	$ 10,753	$ 8,348
Interest accrued on reclamation deposits	1,812	315
Prepaid expenses	22,628	35,670
Marketable securities at fair value	–	33,625
GIC investments	1,120,735	2,428,043

As of March 31, 2021, the Company held GIC investments totaling $1,100,000 (2020 - $1,012,000) with accrued interest of $20,735 (2020 - $5,193). The GIC investments yield an average fixed interest rates of 1.70% (2020 – 2.2%-2.38%) and are fully redeemable.

Current liabilities as of March 31, 2021 consisted of the following:

- trade payables and accrued liabilities of $47,083 (June 30, 2020 - $67,299);
- lease liability of $57,811 (June 30, 2020 - $36,580) recognized on the office lease in accordance to IFRS 16;
- due to related parties of $1,399,686 (June 30, 2020 - $1,399,686) funded by Tongling for the Akie Property's drill program and $2,000 (June 30, 2020 - $2,000) in consulting fees was due to a company controlled by a director; and

- flow-through premium liability of $27,440 (June 30, 2020 - $29,992) recorded in connection with the December 2019 flow-through private placement. The flow-through premium liability does not represent cash liability to the Company and will be fully amortized by December 2021 after the Company incurs qualifying flow-through exploration expenditures of $152,500.

Subsequent to March 31, 2021, the Company completed a flow-through private placement of 7,500,000 flow-through units at a price of $0.20 per FT unit for gross proceeds of $1,500,000. Each FT unit consists of one flow-through common share and one half of one common share purchase warrant. Each full warrant entitles the warrant holder to purchase one additional common share at a price of $0.40 per warrant for a period of 24 months expiring April 9, 2023. The Company paid cash finder's fee of $40,000 in connection with the private placement. All securities issued will be subject to a four-month hold period, expiring on August 10, 2021.

The other sources of funds potentially available to the Company are through the exercise of outstanding stock options. *See Other Requirements – Summary of Outstanding Share Data*. There can be no assurance, whatsoever, that any or all these outstanding exercisable securities will be exercised.

The Company has and may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's overall success will be affected by its current or future business activities. The Company is currently in the process of acquiring and exploring its interests in resource properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable. The continued operations of the Company and the recoverability of expenditures incurred in these resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank deposits of $985,214 (June 30, 2020 - $208,938) and short-term investments in GICs with the fair value of $1,120,735 (June 30, 2020 - $2,428,043). This risk is managed by using major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes and interest accrued on GIC investments.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents. As of March 31, 2021, the Company was holding combined cash and investments of $2,105,949 (June 30, 2020 - $2,636,981) to settle its current liabilities of $1,533,020 (June 30, 2020 - $1,534,557). Management believes it has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative costs for the next 12 months.

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. These fluctuations may be significant and the Company, has exposure to these risks.

a. Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to significant interest rate risk.

b. Currency Risk
The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

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

The Company also maintains investments in certain marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Transactions with related parties

Key management personnel includes persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and Vice President of Exploration.

The remuneration of the key management personnel during the nine months ended March 31, 2021 and 2020 were as follows:

December 31,		2021		2020
Consulting fees (ii)	$	6,000	$	9,500
Exploration and evaluation expenditures (geological consulting) (iii)		85,478		120,960
Management fees (i)		135,000		251,000
Other employment benefits (iv)		20,474		20,124
Total	$	246,952	$	401,584

Transactions with key management and other related party transactions:

(i) Pursuant to a management and administrative services agreement amended effective July 1, 2011 and May 1, 2014 with Varshney Capital Corp. ("VCC"), a company with two common directors, the Company agreed to pay monthly management and administrative fees of $29,500 and $5,000, respectively. Effective March 1, 2020, the management fees were reduced to $15,000 per month.

During the nine months ended March 31, 2021, the Company paid $135,000 (2020 – $251,000) for management fees and $45,000 (2020 – $45,000) for administrative fees to VCC;

(ii) the Company paid or accrued $6,000 (2020 - $9,500) for consulting fees to a company controlled by a director, and $2,000 (2020 - $2,000) was due to the related company as of March 31, 2021;

(iii) the Company paid or accrued exploration and evaluation costs of $85,478 (2020 - $120,960) for geological consulting fees to a company owned by VP of Exploration of the Company, of which $68,685 (2020 - $107,520) was capitalized as exploration and evaluation costs and $16,793 (2020 - $13,440) was expensed as consulting fees;

(iv) other employment benefits included life insurance and health benefits for the CEO and health benefits for the CFO of the Company; and

(v) the Company received an advance of $1,398,686 from a significant shareholder, Tongling Non-Ferrous Metals ("Tongling"), to fund a drill program on the Akie Property. The advance will be repaid in common shares of the Company to Tongling valued at a minimum of $0.30 per share, subject to TSX-V approval.

Changes in Accounting Policies Including Initial Adoption

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Summary of outstanding share data as at May 31, 2021:

Authorized: Unlimited common shares without par value

Issued and outstanding:	177,876,141
Share options:	9,019,900
Warrants:	3,750,000

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Peeyush Varshney"

Peeyush Varshney
Director, President & CEO