Form 51-102-F1

IMINING TECHNOLOGIES INC.
(formerly IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.)

MANAGEMENT'S DISCUSSION & ANALYSIS

For the period ended August 31, 2021

Directors and Officers as at October 29, 2021

Directors:

Gary Arca
Tanya Lutzke
Saleem Moosa
Carlton Griffith
Khurram Shroff

Officers:

President and CEO – Khurram Shroff
CFO & Corporate Secretary – Gary Arca

Contact Name:	Gary Arca
Contact telephone:	604-602-4935
Contact e-mail:	garca@imining.com
TSX Venture Exchange Symbol:	IMIN-V

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IMINING TECHNOLOGIES INC.
(formerly IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.)

MANAGEMENT'S DISCUSSION & ANALYSIS
For the period ended August 31, 2021

1.1 Date of This Report

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated condensed interim consolidated financial statements of iMining Technologies Inc. (formerly iMining Blockchain and Cryptocurrency Inc.) (the "Company" or "iMining") for the period ended August 31, 2021 and 2020. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Directors' Audit Committee meets with management quarterly to review the consolidated financial statements and the MD&A and to discuss other financial, operating and internal control matters. The reader is encouraged to review the Company's statutory filings on www.sedar.com.

This MD&A is prepared as of October 29, 2021.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices of cryptocurrencies, operational successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

The Company does not undertake to update or revise any forward-looking statement, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

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, have 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.

1.2 <u>Description of Business</u>

The Company was incorporated in the Province of British Columbia on June 1, 2007 under the Business Corporations Act of British Columbia. The Company completed a change of business transaction on the TSX Venture Exchange (the "Exchange") (see Section 1.4.1 *iMining Operations* below) on April 17, 2018 and changed its name from Parlane Resource Corp. to iMining Blockchain and Cryptocurrency Inc. The Company changed its name from iMining Blockchain and Cryptocurrency Inc. to iMining Technologies Inc. on August 3, 2021. The Company is listed on the Exchange, having the symbol IMIN-V as a Tier 2 issuer and is a blockchain and cryptocurrency company. *See 1.4.1 – iMining Operations* - for further description of Business.

1.3 <u>Selected Annual Information</u>

The highlights of financial data for the Company's three most recently completed year-ends are as follows:

	May 31, 2021	May 31, 2020	May 31, 2019
(a) Revenues	$ -	$ -	$ 304,420
(b) Total other losses	-	(708,062)	(896,536)
(c) Total expenses	(3,555,413)	(153,919)	(337,021)
(d) Net loss	(2,385,413)	(861,981)	(3,985,447)
(e) Income (loss) per share			
– basic and diluted	(0.05)	(0.03)	(0.14)
(f) Total assets	16,467,623	16,012	806,180
(g) Total long-term liabilities	Nil	Nil	Nil
(h) Cash dividends declared per share	Nil	Nil	Nil

1.4 <u>Results of Operations</u>

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the August 31, 2021 unaudited condensed interim consolidated financial statements of the Company and notes attached thereto.

1.4.1 <u>iMining Operations</u>

A. <u>Acquisitions</u>

CanETH - Ethereum 2.0's Proof-of-Stake mining

On March 22, 2021, the Company completed a transaction to purchase a 100% interest in CanETH by issuing 28,000,000 shares to the Shareholders of CanETH, at a market value of $0.49 per iMining share, valued at $13,720,000.

CanETH is a Canadian-based company offering a staking solution for Ethereum 2.0 through a proprietary staking process which provides clients the ability to participate in the Ether 2.0 Proof of Stake movement. In addition, CanETH has employed Ether 2.0 Proof of Stake Validators, which directly earn Ethereum token rewards and also provides the platform for customers to stake their Ethereum and Cardano ("ADA") tokens. CanETH charges a staking fee to the customers which is paid as a percentage of cryptocurrency rewards earned by the customer. All cryptocurrency rewards earned within Validators are currently locked up until the Proof of Stake is complete and the Validators are unlocked, which is expected to occur in the next year.

Since CanETH meets the definition of a business under IFRS 3, Business Combinations, the acquisition was accounted for as a business combination with the purchase price allocated to identifiable assets of the subsidiary as shown in the table below.

Acquisition of BitBit Financial – Development of a Digital Exchange

On June 7, 2021, the Company completed a transaction to acquire all of the issued and outstanding shares of BitBit Financial for consideration of 10,000,000 shares of the Company. BitBit Financial is a FINTRAC-licensed Canadian Bitcoin ATM Network operator and is developing a digital asset exchange trading platform. The parties acknowledge that upon completion of the acquisition, all of the iMining Shares issued to acquire BitBit Financial will be subject to voluntary escrow provisions whereby the shares will become free-trading as to 25% on closing, and an additional 25% every three months thereafter.

The Company believes that the acquisition of BitBit Financial will open the door to massive opportunities such as lending, and the regulated exchange of digital currencies. BitBit Financial is a key piece in connecting the digital asset industry to the traditional finance sector. BitBit Financial is a private company which sells digital goods and services. BitBit Financial is registered with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) as a money service business dealing in virtual currencies with registration number M21068159. BitBit Financial has a virtual currency ATM Network, that is currently not employed, and is working on developing a digital asset exchange trading platform which will provide users the easiest and safest way to buy and sell virtual currencies.

The acquisition was accounted for as a business acquisition in accordance with IFRS 3 whereby the value of the shares issued to the BitBit Financial shareholders were based on the fair value at June 7, 2021, the date the share exchange agreement was finalized, at a closing market value of $0.26 per share, or $2,600,000. The preliminary purchase price allocation to identifiable assets of the subsidiary is shown in the table below.

For more information on BitBit Financial please visit https://bitbitfinancial.com/ or email at info@bitbitfinancial.com.

. **Acquisition of Additional Validators**

On August 23, 2021, the Company acquired three validators securing the Ether 2.0 Proof of Stake blockchain. These three ETH 2.0 validators, which included 102.184 Ethereum tokens, were acquired in consideration of issuing 2,500,000 common shares of the Company. The validators are cloud-based and are fully operational.

The acquisition of the three validators was considered a “related party transaction” in that the seller is controlled by the Company’s President & CEO. The issued shares are subject to a four-month hold period, at the end of which period the shares will be released as to 25% every quarter.

The acquisition was accounted for as a business acquisition under the Company’s accounting policy on treatment of Validators and accounted for in accordance with IFRS 3 whereby the value of the shares issued to the seller were based on the closing fair market value at August 23, 2021, of $0.185 per share, or $462,500. The preliminary purchase price allocation to identifiable assets of the subsidiary is shown in the table below.

	CanETH	BitBit Financial	Validators	Total
Fair value of consideration:				
Shares issued	28,000,000	10,000,000	2,500,000	40,500,000
Fair value of share at closing per share	$0.49	$0.26	$0.185	
Transaction value	$ 13,720,000	$ 2,600,000	$ 462,500	$ 16,782,500
Net assets acquired:				
Working capital – receivables	$ -	$ 40,000	$ -	$ 40,000
Digital currencies	-	230,000	-	230,000
Digital assets – staked	340,000	-	427,500	767,500
Data centre equipment	420,000	150,000	-	570,000
Digital intangible assets:				
Trade name and customer relationships	375,000	325,000	-	700,000
Non-compete agreements	290,000	215,000	-	505,000
Validator staking solution network	8,018,000	-	-	8,018,000
License	-	1,050,000	-	1,050,000
Goodwill	5,447,000	590,000	35,000	6,072,000
Deferred income tax liability	(1,170,000)	-	-	(1,170,000)
	$ 13,720,000	$ 2,600,000	$ 462,500	$ 16,782,500

B. Operations and Services

iMining launches fractional staking to enable retail investors to participate in Ether 2.0's proof-of-stake mining

In April 2021, CanETH has launched its fractional staking pool product. This Fractional Staking Pool enables more retail investors to partake in ETH 2.0 staking, opening up the market to those looking to invest smaller amounts with CanETH's proprietary Staking Services.

CanETH has simplified the Fractional Staking Pool process by taking control of the complex technical aspects of the setup and management for its users and ensuring maximum uptime and returns. Participants can join the pool with a minimum of 1 ETH and may earn a return of their investment in the form of staking rewards. To date, ETH 2.0 Staking rewards have been performing at 5-8%. To participate, investors can register at https://caneth.com/stake-with-us

CanETH's validators are maintaining 99% efficiency and a 0% slashing rate as a result of their best-in-class technology. By adding infrastructure and developing the product suite, CanETH continues to give more users access, allowing them to benefit from the growth and returns in ETH 2.0. CanETH's Platform 2.0 was released in Q2, with more upcoming developments to make ETH staking easier for all investors.

iMining Launches CARDANO Staking

In May 2021, the Company announced that, after extensive research and testing, it is set to launch a proprietary staking service for another digital asset, Cardano (“ADA”). By adding ADA staking to its host of services. iMining seeks to bolster its presence as a leading staking service in the crypto world. ADA, commonly referred to as the third generation of blockchain, seeks to address known issues of sustainability, interoperability, and scalability, which are apparent in the older cryptocurrencies. The ADA blockchain relies heavily on staking pools, whereas other blockchains like Ethereum depend on individual staking nodes. With ADA, iMining will launch a staking pool helping ADA token holders to participate through a secure and reliable infrastructure.

iMining Enters into a Colocation Agreement with Fibre Centre

In July, 2021, the Company announced that it has entered into a colocation agreement with Fibre Centre Facilities Ltd. ("Fibre Centre"). Fibre Centre is a private corporation headquartered in Moncton, New Brunswick that operates a telecommunications facility as one of Canada's main carrier for hotels and data centres hosting major global, national and regional carrier networks in a Tier III grade facilities. Fibre Centre is strategically positioned between major markets in North America and Europe, with direct fibre routes to London, Paris, Frankfurt, Boston, New York, Toronto and other major cities.

With the colocation agreement with Fibre Centre, iMining will take advantage of the mission critical colocation space, competitive power and direct access to core Internet backbones such as the largest global carrier's carrier ISP - Hurricane Electric, positioning iMining at the forefront of blockchain and AI technology growth as a dedicated physical infrastructure and cloud platform provider. iMining is deploying its own global fibre based private network, not accessible from the public Internet, which will be the first in the market to offer unprecedented security and stability to the digital currencies' transactions between major global markets and private cloud customers.

1.5 Results of Operations

The expenses relating to the loss for the period ending August 31, 2021 of $393,193 and for the loss for the comparative period ended August 31, 2020 of $36,504 are as follows:

For the period ended August 31,	**2021**	2020	Variance
Revenue:			
Validator staking revenue	**$ 16,840**	-	$ 16,840
Validator staking fees	**9,100**	-	9,100
Gross revenue	**25,940**	-	25,940
Revaluation of digital currencies	**90,000**	-	90,000
Expenses:			
Accounting and audit fees	**(807)**	(1,500)	693
Amortization	**(97,500)**	-	(97,500)
Foreign exchange loss	**(291)**	(47)	(244)
Legal and corporate services	**(70,007)**	(5,130)	(64,877)
Finance cost	**(491)**	(155)	(336)
Management services	**(22,794)**	(15,266)	(7,528)
Consulting fees	**(183,850)**	(765)	(183,085)
Office, rent and administration	**(96,082)**	(3,655)	(92,427)
Shareholder communications	**(15,024)**	(5,363)	(9,661)
Transfer agent and filing fees	**(22,287)**	(4,623)	(17,664)
Total Expenses	**(509,133)**	(36,504)	(472,629)
Net loss for the period	**$ (393,193)**	$ (36,504)	$ (356,689)

During the current year, the Company incurred much higher corporate overhead expenses, compared to the comparative year, due to the significant increase in activity from the acquisitions of operating businesses in CanETH and BitBit Financial as described above in *Section 1.4.1 – iMining Operations*. The most significant increases were in legal and consulting fees and in office, rent and administration due almost entirely to the added operations of CanETH and the acquisition of BitBit Financial. The increase in amortization results directly from the acquisition of depreciable assets from these entities. The Company has also recognized staking and staking fee revenue from the operation of Ether 2.0 Validators, as described in *Section 1.4.1 – iMining Operations*. Also, pursuant to the acquisition of BitBit Financial, the Company acquired 17,240 ADA tokens and 60 Ethereum tokens which were not staked at the period end. The tokens are recorded on the consolidated statement of financial position, as digital currencies, at their fair value and re-measured at each reporting date, resulting in the revaluation gain of $90,000 shown above.

Financings, Principal Purposes & Milestones

During the period ended August 31, 2021, 300,000 warrants were exercised at $0.10 for proceeds of $30,000. Of these, 200,000 warrants were exercised on June 7, 2021, with a closing trading share price of $0.26 and 100,000 warrants were exercised on June 30, 2021, with a closing trading share price of $0.175.

On March 22, 2021, pursuant to the closing of the CanETH acquisition, the Company issued 17,240,000 subscription receipts at $0.125 per receipt for proceeds of $2,155,000, which were held in trust pursuant to the completion of the acquisition. Upon closing, the subscription receipts automatically converted into an equivalent number of units ("Unit"), with each Unit being comprised of one common share and one-half of one common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to purchase one common share of the Company for $0.245 for a period of two years following the closing date of the receipt of funds, provided that, if the closing price of iMining's Shares is equal to or greater than $0.45 per Share for 20 consecutive trading days, the Company may, by notice to the Warrant holders, reduce the remaining exercise period of the Warrants to not less than 30 days following the date of such notice. Aggregate compensations of $135,188 and 1,081,500 finders' warrants (having the same general terms as the Warrants forming part of the Units) were paid by the Company as finders' fees and commissions for that portion of the Financing attributable to their efforts. The finders' warrants were valued at $476,000 using the Black Scholes option pricing model. Finders' warrants have the same exercise terms as the unit warrants.

On August 17 and August 20, 2020, the Company completed two tranches of a non-brokered private placement. The Company issued an aggregate of 9,372,000 units at $0.05 per unit for gross proceeds of $468,600. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant ("unit warrant") entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of 2 years. The Company incurred finders' fees in connection with the non-brokered private placement. The Company paid $35,088 and issued 350,880 finders' warrants, which were valued at $19,000 using the Black Scholes option pricing model. Finders' warrants have the same exercise terms as the unit warrants.

During the year ended May 31, 2021, 738,000 warrants were exercised for proceeds of $153,800.

Investor Relations Activities

During the period ended August 31, 2021, the Company responded directly to investor inquiries.

1.6 Summary of Quarterly Results

The following is a summary of the Company's financial results for the most recent eight quarterly periods:

		Q1 31-Aug-21		Q4 31-May-21		Q3 28-Feb-21		Q2 30-Nov-20
Net Loss:								
Total	$	(393,193)	$	(2,155,430)	$	(141,181)	$	(52,298)
Per share – basic and fully diluted	$	(0.00)	$	(0.05)	$	(0.00)	$	(0.00)

		Q1 31-Aug-20		Q4 31-May-20		Q3 29-Feb-20		Q2 30-Nov-19
Net Loss:								
Total	$	(36,504)	$	(739,706)	$	(30,948)	$	(46,333)
Per share – basic and fully diluted	$	(0.00)	$	(0.03)	$	(0.00)	$	(0.00)

Discussion

For the discussion of results for the period ended August 31, 2021, see Section 1.5 *Results of Operations.*

1.7 Liquidity and Capital Resources

In management's view, given the nature of the operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can start its cryptocurrency staking operations. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

As at August 31, 2021, the Company had $1,101,428 in cash and a working capital of $1,333,506. While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, if management believes that additional funds are required, there is no assurance it will be able to raise funds in this manner in the future.

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed or to which the Company is a party.

1.9 Transactions with Related Parties

The following is a summary of charges incurred by the Company with related parties:

For the period ended August 31,		**2021**		2020
Accounting fees	**$**	**-**	**$**	**1,500**
Management services and consulting		**88,500**		**15,000**
Shareholder communications		**6,000**		**-**
Office, rent and administration		**8,250**		**3,000**
Total	**$**	**102,750**	**$**	**19,500**

During the period ended August 31, 2021, the Company incurred cash fees of $102,750 (2020 - $19,500) to companies controlled by controlled by key management personnel including the CEO, CFO and board of directors of the Company.

Included in accounts payable at August 31, 2021 is $50,850 (May 31, 2021 - $49,384) due to officers and directors of the Company and to a company controlled by key management personnel. These balances are in respect of management activities and reimbursable expenses.

During the year ended May 31, 2021, an officer and director forgave fees of $17,500, which amounts have been net against Management services.

1.10 <u>Critical Accounting Estimates</u>

Business combinations and goodwill

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the presentation made on and after acquisition.

Acquisitions of businesses are accounted for as business combinations under IFRS 3, "Business Combinations". At the acquisition date the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 –Income Taxes. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. The measurement period is the period between the date of the acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the profit or loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques and these valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to the assets acquired and the liabilities assumed.

In certain situations, goodwill or a bargain purchase gain may result from a business combination. Goodwill is measured as the excess of the consideration transferred over the net amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is measured at historical cost and is evaluated for impairment annually or more often if events or circumstances indicate there may be impairment. Impairment is determined for goodwill by assessing if the carrying value of a cash generating unit ("CGU"), including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell and the value in use. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGU. Any goodwill impairment is recorded in income in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed. Acquisition related costs are recognized in profit or loss as incurred.

Classification and Valuation of Digital Assets and Digital Intangible Assets

The Company accounts for digital assets consisting of Ether as an intangible asset in accordance with IAS 38. Upon acquisition the Ether is recorded at cost. On an ongoing basis the revaluation method will be used to measure the value of the Ether. The revaluation method has been applied as an active market exist for the Ether. Under the revaluation model, revaluation decreases will be recognized in profit or loss, and revaluation increases are recognized in other comprehensive income (loss) and accumulated in the revaluation surplus within equity except to the extent that they reverse a revaluation decrease previously recognized in profit or loss.

For Staked Ether, an active market does not currently exist and, accordingly, the revaluation method cannot be applied. Staked Ether is therefore carried at cost less any accumulated impairment losses.

Revenue Recognition

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the staking of Ether or the mining and strategic selling of digital currencies and management has exercised significant judgement in determining the appropriate accounting treatment for the recognition of revenue from staking and mining of digital currencies. Management has examined various factors surrounding the substance of the Company's operations, including the stage of completion being the completion and addition of a block to a blockchain and the reliability of the measurement of the digital currency received. When the IASB enacts guidance for cryptocurrencies, the Company may be required to change its policies which could result in a significant impact to the Company's consolidated financial statements.

Valuation of acquired assets

The Company has made estimates with respect to the acquisition date fair values of the intellectual property rights. The valuation of intangible assets requires management to use valuation techniques to assess the fair values of assets and liabilities acquired at acquisition date, and each subsequent reporting period end date. The Company used its judgment to select methods and makes assumptions that reflected market conditions as at these dates.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees, and some with non-employees, by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

1.11 <u>Changes in Accounting Policies and upcoming policies not yet effective</u>

The Company continues to evaluate new and amended standards but currently no material impact is expected as a result of adoptions of new and amended standards. See the Consolidated Financial Statements for the year ended May 31, 2021 (audited) - Note 3 Summary of Significant Accounting Policies for a detailed review of applicable accounting policies of the Company including those adopted for the year ended May 31, 2021 pursuant to the acquisition and business operations discussed in *Section 1.5.1 – iMining Operations*.

1.12 First Quarter

The first quarter ending August 31, 2021, included the acquisition of BitBit and Validators differs significantly from the previous and comparative quarters. See Review discussion in *Section 1.4.1 – iMining Operations.*and *1.5 – Results of Operations.*

1.13 Financial and Other Instruments

a) Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's financial instruments are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's financial instruments, the Company is exposed to interest rate price risk. The Company's exposure to interest rate fluctuations is minimal.

The Company's cash earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair values as of August 31, 2021. Future cash flows from interest income on cash will be affected by interest rate fluctuations.

b) 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 is exposed to credit risk with respect to its cash, the balance of which at August 31, 2021 is $1,101,428. Cash is held at a chartered Canadian financial institution, accordingly management believes credit risk is minimal.

c) Liquidity Risk

Liquidity risk arises from 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. As at August 31, 2021 the Company was holding cash of $1,101,428. The Company's trade and other payables are due in the short term. As at August 31, 2021, the Company had a working capital of $1,333,506. The Company may not have sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting year.

1.14 Disclosure of Outstanding Share Capital as at October 29, 2021:

	Number		Book Value
Common Shares	97,236,265	$	27,095,863

The Company has the following outstanding warrants exercisable to purchase one common share for each warrant held:

Number of Warrants	Exercise Price	Expiry Date
120,000	$0.30	December 7, 2021
4,248,880	$0.10	August 17, 2022
150,000	$0.10	August 20, 2022
8,620,000	$0.245	March 4, 2023
1,081,500	$0.25	March 22, 2023
14,220,380		

During the year ended May 31, 2021, the Company has granted incentive stock options to directors, officers and consultants in the aggregate amount of 8,000,000 stock options at an exercise price of $0.43 per share. The options were valued at $2,554,720 using the Black Scholes method. The options are exercisable for a period of five years, ending on April 12, 2026.

On June 7, 2021, and June 30, 2021, 200,000 and 100,000 warrants were exercised, respectively, for proceeds of $30,000 in total.

1.15 Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and forms.

1.16 Approval

The Board of Directors has approved the disclosure contained in this MD&A.