



**Consolidated Financial Statements of**

**American CuMo Mining  
Corporation**

**March 31, 2021**

**UNAUDITED**

**Notice of No Auditor Review of  
Unaudited Condensed Consolidated Interim Financial Statements  
for the three and nine months ended March 31, 2021**

The accompanying unaudited condensed consolidated interim financial statements of American CuMo Mining Corporation (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor. The Financial Statements are stated in Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Accounting Standards 34 ("IAS 34") and International Financial Reporting Standards ("IFRS").

American CuMo Mining Corporation			
Consolidated Statements of Financial Position Amended and restated			
(Expressed in Canadian dollars)			
			Statement 1
		<b>March 31</b>	<b>30-Jun</b>
<b>ASSETS</b>	Note	<b>2021</b>	<b>2020</b>
<b>Current</b>		\$	\$
Cash and cash equivalents		141,197	4,597
Trade and other receivables	5	4,099	924
Prepaid expenses		90,433	80,000
Investments	4	8,140	12,295
		<b>243,869</b>	<b>97,816</b>
<b>Non-current assets</b>			
Reclamation bonds	12	49,443	51,799
Non-current deposit	11	130,870	130,870
Property, plant and equipment	7	1,101,235	1,218,145
Unproven mineral right interests	8	22,211,960	23,622,427
Total Non-Current Assets		23,493,507	25,023,241
Total Assets		<b>23,737,377</b>	<b>25,121,057</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables	6&18	2,067,813	2,590,283
Convertible Debentures	11	3,864,494	3,275,643
Notes Payable	9	2,759,731	2,758,373
		<b>8,692,038</b>	<b>8,624,299</b>
<b>Non-current liabilities</b>			
Promissory notes	10	3,911,514	4,239,055
Secured loans		-	71,680
Reclamation provision	12	173,514	177,854
Deferred income tax liability		1,711,482	1,711,482
		<b>14,488,548</b>	<b>14,824,370</b>
<b>EQUITY</b>			
Equity component of convertible notes & debentures	9 & 11	415,678	343,154
Share capital	14	60,167,058	59,181,460
Equity reserve		12,629,391	12,592,520
Deficit		(62,170,680)	(61,248,488)
Accumulated other comprehensive loss		(1,792,618)	(571,959)
Total Equity		9,248,829	10,296,687
Total Liabilities and Equity		<b>23,737,377</b>	<b>25,121,057</b>
Nature of Operations	1		
Subsequent event	20		
Commitments	17		
Contingencies	9 & 18		
Approved on Behalf of the Board of Directors		Trevor Burns	Shaun Dykes

See accompanying notes to the consolidated financial statements.

American CuMo Mining Corporation					
Condensed consolidated interim statements of financial position - Unaudited					
(Expressed in Canadian dollars)					
					Statement 2
		Three months ended March 31		Nine months ended March 31	
	Note	2021	2020	2021	2020
		\$	\$	\$	\$
<b>Expenses</b>					
Interest expense and bank charges		1,762	18,817	6,029	128,851
Convertible note expense	9	90,169	-	235,516	83,845
Foreign exchange loss		-	727,471	(5,981)	727,471
Salaries and management fees	13	75,176	21,077	234,821	49,477
Office and miscellaneous		22,360	15,090	42,925	37,049
Consulting and professional fees		51,516	22,283	96,306	61,765
Rent		5,755	32,301	15,245	84,083
Shareholder comm. and regulatory		68,075	14,625	229,435	72,478
Share-based expense	14	61,871	-	61,871	-
Travel and business development		2,270	356	6,024	12,502
Loss before other items		<b>(378,955)</b>	<b>(852,020)</b>	<b>(922,192)</b>	<b>1,257,521</b>
<b>Other items</b>					
Gain on sale of unproven mineral right interests	8	-	-	-	6,696
Impairment of unproven mineral right interests		-	(48)	-	-
Other income		-	-	-	17
Net loss from continuing operations		(378,955)	(852,068)	(922,192)	(1,251,370)
Discontinued operations, net of tax				-	
<b>Net loss</b>		<b>(378,955)</b>	<b>(852,068)</b>	<b>(922,192)</b>	<b>(1,251,370)</b>
<b>Other comprehensive loss, net of tax</b>					
Unrealized gain (loss) on investments	4	-	(2,168)	(4,155)	(2,168)
cumulative Foreign Exchange adjustment intercompany		91,770	-	220,371	-
Cumulative translation adjustment		(239,238)	683,822	(1,216,504)	1,790,553
Sub total		(147,468)	681,654	(1,000,288)	1,788,385
<b>Comprehensive loss</b>		<b>(526,422)</b>	<b>(170,414)</b>	<b>(1,922,480)</b>	<b>537,016</b>
Loss per common share:		(0.003)	(0.001)	(0.009)	0.003
Weighted average number of common shares outstanding		205,674,575	178,987,155	205,674,575	178,987,155

See accompanying notes to the consolidated financial statements.

American CuMo Mining Corporation			
Consolidated Statements of Cash Flows Amended and restated			
(Expressed in Canadian dollars)			Statement 3
		Nine months ended March 31,	
	Notes	2021	2020
<b>OPERATING ACTIVITIES</b>		\$	\$
<b>Items not involving cash:</b>			
Net loss after tax		(922,192)	(1,251,370)
Interest expense on promissory note		6,029	211,844
Interest accrued on convertible debentures		71,344	-
Consulting fees write-off		-	(28,436)
Gain on sale of unproven mineral right interests		-	(6,696)
<b>Changes in non-cash working capital items:</b>			
(Increase) decrease in trade and other receivables		3,175	4,140
(Increase) decrease in prepaid expenses		10,433	-
Increase (decrease) in trade and other payables		(522,470)	-
		<b>(1,353,679)</b>	<b>(1,070,518)</b>
<b>INVESTING ACTIVITIES</b>			
Expenditures on unproven mineral right interests		227,696	345,099
		<b>227,696</b>	<b>345,099</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of secured loans		-	362,054
Payment of interest on Convertible debt		-	(56,257)
		<b>0</b>	<b>305,797</b>
Net change in cash and cash equivalents		(1,125,983)	(419,622)
Effect of exchange rate changes on cash		1,262,583	264,419
Cash and cash equivalents, beginning of the period		4,597	160,271
Cash and cash equivalents, end of the period		141,197	5,068

See accompanying notes to the consolidated financial statements.

American CuMo Mining Corporation  
Consolidated Statement of Changes in Equity Amended and restated

Statement 4

	Share Capital		Convertible Note Equity	Equity Reserve	Deficit	Comprehensive (Loss) Income	Total Equity
	Number of Shares	Amount					
		\$	\$	\$	\$	\$	\$
<b>Balance at June 30, 2019</b>	<b>178,987,155</b>	<b>59,181,458</b>	<b>289,819</b>	<b>12,592,520</b>	<b>(60,000,265)</b>	<b>(534,068)</b>	<b>11,529,464</b>
Net loss after tax	-	-	-	-	(1,248,223)	-	(1,248,223)
Issuance of convertible	-	-	53,335	-	-	-	53,335
Cumulative translation adjustment	-	-	-	-	-	1,788,385	1,788,385
<b>Balance at June 30, 2020</b>	<b>178,987,155</b>	<b>59,181,458</b>	<b>343,154</b>	<b>12,592,520</b>	<b>(61,248,488)</b>	<b>(571,958)</b>	<b>10,296,686</b>
Net loss	-	-	-	-	(922,192)	-	(922,192)
Options / warrants Exercised	1,400,000	105,000	-	-	-	-	105,000
Debentures converted	9,451,215	880,600	72,524	36,871	-	-	989,995
Unrealized gain on investments	-	-	-	-	-	(4,155)	(4,155)
Cumulative translation adjustment	-	-	-	-	-	(1,216,505)	(1,216,505)
<b>Balance on March 31, 2021</b>	<b>189,838,370</b>	<b>60,167,058</b>	<b>415,678</b>	<b>12,629,391</b>	<b>(62,170,680)</b>	<b>(1,792,618)</b>	<b>9,248,829</b>

See accompanying notes to the consolidated financial statements.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### 1. Nature of operations

American CuMo Mining Corporation (“CuMoCo”) is an exploration and development company with mineral right interests in the United States of America and Canada. CuMoCo was incorporated under the laws of British Columbia in 1971.

These consolidated financial statements include the accounts of CuMoCo and its subsidiaries (collectively, the “Company”): Idaho CuMo Mining Corporation (“Idaho CuMo”, formerly Mosquito Mining Corp.), MSQ Operations Inc. (inactive) and 1156207 Ontario Ltd (inactive). The consolidated financial statements also include the accounts of Poly Resources LLC (“Poly Resources”), in which CuMoCo has a 95% ownership interest. The remaining 5% interest is owned by ACEPAC Holdings Ltd. (“ACEPAC”).

The Company is in the process of exploring its mineral right interests in the United States and Austria and at the date of these consolidated financial statements, has not yet determined whether any of its mineral properties contain economically recoverable mineral reserves. Accordingly, the carrying amount of mineral right interests represents cumulative expenditures incurred to date and does not necessarily reflect present or future values. The recovery of these costs is dependent upon the discovery of economically recoverable mineral reserves and the ability of CuMoCo to obtain the necessary financing to complete their exploration and development and to resolve any environmental, regulatory, or other constraints. Uncertainty also exists with respect to the recoverability of the carrying value of certain mineral right interests. The ability of the Company to realize on its investment in resource properties is contingent upon resolution of the uncertainties and confirmation of the Company’s title to the mineral properties.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company does not generate material cash flows from operations and accordingly, CuMoCo will need to raise additional funds through future issuance of securities. Although CuMoCo has been successful in raising funds in the past, there can be no assurance CuMoCo will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. The Company has not determined whether any of its properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations. Since inception, the Company has incurred cumulative losses of \$62,170,680 (June 30, 2020: \$61,248,488) and as at March 31, 2021 had a working capital deficiency of \$8,448,168 (June 20, 2020: working capital deficiency of \$8,526,483), which may cast significant doubt regarding CuMoCo’s ability to continue as a going concern. Should CuMoCo be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statement of financial position.

CuMoCo’s common shares are listed on the TSX Venture Exchange (“TSX-V”), under the trading symbol “MLY”. and on the OTC Pink Sheets in the United States, under the trading symbol “MLYCF”. CuMoCo’s share options and warrants are not listed.

The head office and principal address of the Company is 638 Millbank, Vancouver, British Columbia, Canada V5Z 4B7.

These consolidated financial statements were authorized for issue by the Board of Directors on May 19, 2021 and have been prepared in accordance with and in full compliance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### 2. Basis of presentation.

#### a) Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with IFRS and on an historical cost basis, except for financial instruments which have been measured at fair value. The consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

#### b) Adoption of new and revised standards and interpretations

##### Accounting standards recently adopted

##### IFRS 9 – Financial Instruments

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, 'Financial Instruments: Recognition and Measurement'. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise, it is measured at fair value with changes in fair value through profit or loss. In addition, this new standard has been updated to include guidance on financial liabilities and de-recognition of financial instruments and to include guidance on hedge accounting and allowing entities to early adopt the requirement to recognize changes in fair value attributable to changes in an entity's own credit risk, from financial liabilities designated under the fair value option, in other comprehensive income.

Effective July 1, 2018, the Company adopted IFRS 9. As a result of the adoption, the Company reclassified \$43,176 from Accumulated Other Comprehensive Loss to Deficit on July 1, 2018 related to the reclassification of previously recognized assets-held-for-sale investments to fair value through profit or loss.

The Company also completed an assessment of its financial instruments as at July 1, 2018 and the only change in classification identified from the original classification under IAS 39 to IFRS 9 is that of investments which were originally classified as fair value through other comprehensive income and are now classified as fair value through profit or loss. The Company does not have any available-for-sale marketable securities classified as strategic investments.

##### Accounting standards issued but not yet effective

Effective for annual periods beginning on or after January 1, 2019:

##### IFRS 16 – Leases

The Company has not early adopted this new standard to existing standards and does not expect the impact of this standard on the Company's consolidated financial statements to be material.

### 3. Summary of significant accounting policies

#### Basis of consolidation

The consolidated financial statements include the financial statements of CuMoCo and its controlled subsidiaries (see Note 1). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intercompany transactions, balances, income and expenses are eliminated on consolidation.



# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### 3. Summary of significant accounting policies (cont'd)

#### Basis of consolidation (cont'd)

Where the Company's interest is less than 100%, the interest attributable to outside shareholders is reflected in non-controlling interest. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Non-controlling interests consist of the amount of those interests at the date the interest was given up and the non-controlling interests' share of changes in equity since that date.

The current non-controlling interest represents a 5% interest in Poly Resources. The Company has not recorded a non-controlling interest on the statement of financial position as Poly Resources has net liabilities.

#### Significant accounting judgments and estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

- Judgments

- a) Unproven mineral right interests

The application of the Company's accounting policy for unproven mineral right interests requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is impaired with a corresponding charge to profit or loss in the period in which the new information becomes available.

- b) Title to unproven mineral right interests

Although the Company has taken steps to verify title to its unproven mineral right interests, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

- c) Convertible debentures

The Company presents convertible debentures separately in its debt and equity components on the consolidated statement of financial position. The fair value of a compound instrument at issuance is assigned to its respective debt and equity components. The fair value of the debt component is established first with the equity component being determined by the residual amount.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### 3. Summary of significant accounting policies (cont'd)

#### d) Going concern

Critical judgement and estimates are applied for the determination that the Company will continue as a going concern for the next year.

- Estimates

#### a) Share-based payments:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date in which they are granted. Estimating fair values for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The 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. The model and assumptions used by the Company to estimate the fair value of share-based payments are disclosed in Note 14.

#### b) Income taxes:

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense.

#### Foreign currency translation

The Canadian dollar is considered to be the functional currency and the presentation currency of the Company and all of its subsidiaries, with the exception of Idaho CuMo and Poly Resources.

The functional currencies of Idaho CuMo and Poly Resources are the United States ("US") dollar. These subsidiaries have been translated into the Canadian dollar in accordance with IAS 21, *Effects of Changes in Foreign Exchange Rates ("IAS 21")*. These guidelines require that assets and liabilities be translated using the exchange rate at period end, and income and expenses items are translated using the exchange rate at the dates of the transactions. All resulting exchange differences are recognized in other comprehensive loss.

For CuMoCo and its subsidiaries (with the exception of Idaho CuMo and Poly Resources) transactions denominated in currencies other than the Canadian Dollar are translated using the exchange rate in effect on the transaction date or at an average rate. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the balance sheet date. Non-monetary items are translated at historical rates. Exchange gains and losses arising from translation are recorded in the consolidated statements of loss and comprehensive loss.

#### Investments

Investments in which the Company exerts significant influence are accounted for using the equity method whereby the original cost of the investment is adjusted for the Company's share of earnings, losses and dividends. Investments in which the Company does not exert significant influence are classified as fair value through profit or loss and are measured at fair market value with unrealized gains or losses recorded in net loss before taxes.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### Property, plant and equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation, and are depreciated as following:

- Office equipment and furniture: 30% declining balance method.

Property consists of land holdings at CuMo, Idaho (Boise Property) and Spruce Mtn In Nevada.

### Unproven mineral right interests

The Company capitalizes into intangible assets all costs, net of any recoveries, of acquiring, exploring and evaluating an unproven mineral right interest, until the rights to which they relate are placed into production, at which time these deferred costs will be amortized over the estimated useful life of the rights upon commissioning the property, or written-off if the rights are disposed of, impaired or abandoned.

Management reviews the carrying amounts of mineral rights annually or when there are indicators of impairment and will recognize impairment based upon current exploration results and upon assessment of the probability of profitable exploitation of the rights. An indication of impairment includes but is not limited to expiration of the right to explore, substantive expenditure in the specific area is neither budgeted nor planned, and if the entity has decided to discontinue exploration activity in a specific area. Management's assessment of the mineral right's fair value is also based upon a review of other mineral right transactions that have occurred in the same geographic area as that of the rights under review.

Costs include the cash consideration and the fair value of shares issued on the acquisition of mineral rights. Rights acquired under option or joint venture agreements, whereby payments are made at the sole discretion of the Company, are not accrued and are only recorded in the accounts when the payments are made. Proceeds from property option payments received by the Company are netted against the deferred costs of the related mineral rights, with any excess being included in operations.

There may be material uncertainties associated with the Company's title and ownership of its unproven mineral right interests. Ordinarily the Company does not own the land upon which an interest is located, and title may be subject to unregistered prior agreements or transfers or other undetected defects.

### Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### Impairment of non-financial assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

### Reclamation provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to passage of time is recognized as interest expense.

### Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

### Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued for goods or services, the share-based payment is measured at the fair value of the goods and services received. Where the consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### Impairment of non-financial assets (cont'd)

which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

### Income tax

Income tax expense represents the sum of tax currently payable and deferred tax.

- Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

- Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### 3. Summary of significant accounting policies (cont'd)

#### Income tax (cont'd)

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets for unused tax losses, tax credits and deductible temporary differences are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity or Other Comprehensive Income "OCI" is recognized in equity or OCI and not in the statement of loss and comprehensive loss.

#### Income (loss) per share

Basic earnings (loss) per share are computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and conversion of notes, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

#### Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount, which is determined on a cost recovery basis.

#### Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### 3. Summary of significant accounting policies (cont'd)

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss and comprehensive loss.

The Company's financial instruments are classified and subsequently measured as follows:

<u>Account</u>	<u>Classification</u>
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Investments	FVTPL
Trade and other payables	Amortized cost
Convertible debentures	Amortized cost
Notes payable	Amortized cost
Secured loans	Amortized cost
Deposits	Amortized cost

#### Impairment of financial instruments

The Company recognizes an allowance using the Expected Credit Loss ("ECL") model on financial assets classified as amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss.

#### Assets measured at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and brokerage firms. There were no cash equivalents at March 31, 2021 and 2020.

### Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings using the effective interest method.

Fees paid to establish loan facilities are recognized as transaction costs of the loan and are deferred and recognized as an adjustment to the effective interest rate on the loan once drawn.

Compound financial instruments issued by the Company include convertible debentures that can be converted at a fixed conversion rate to share capital at the option of the holder. The liability component of convertible debentures is recognized initially at fair value of a similar liability that does not have an equity conversion option. The conversion component is initially valued at fair value based on generally accepted valuation techniques.

If convertible debentures are denominated in a currency that is different from the borrower's functional currency, both the liability and conversion components are carried as borrowings. Subsequent to initial recognition, the liability component of a convertible debenture is measured at amortized cost using the effective interest method. The conversion component of the convertible debenture is re-measured to fair value at each reporting period using the period end foreign exchange rate and changes in value are recognized as a component of finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability, or a portion of the liability, for at least 12 months after the reporting date.

## 4. Investments

	31-Mar	June 30
	2021	2020
Beginning of year	12,295	17,812
Dispositions	-	(13,891)
Additions	-	9,519
Changes in fair Value	(4,155)	(1,145)
	<b>8,140</b>	<b>12,295</b>

Investments include the following:

	31-Mar	June 30
	2021	2020
Golden Cariboo Resources Inc	20	237
Barkerville Gold Mines Ltd.	0	6
Yamana Gold	0	0
Belmont resources	3,006	2,312
Lucky Minerals	5,113	9,740
	<b>8,140</b>	<b>12,295</b>



# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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- a) The Company holds 4,300 shares of Golden Cariboo Inc.
- b) The Company held 18 shares of Barkerville Gold Mines Ltd.
- c) The Company now holds 46,250 shares of Belmont Resources.
- d) The Company holds 48,699 shares of Lucky Minerals

### 5. Trade and other receivables

Trade and other receivables are comprised of the following:

	March 31	June 30
	2021	2020
	\$	\$
Trade Receivables	286	286
Taxes Receivable	3,814	638
	4,099	924

### 6. Trade and other payables

Trade and other payables are comprised of the following:

	March 31	June 30
	2021	2020
	\$	\$
Trade Payables	2,067,813	2,323,725
Payables due to related parties (note 12)	-	266,558
	2,067,813	2,590,283

- (a) On February 25, 2017, the Company entered a strategic financial relationship with Millennia Minerals (Singapore) ("Millennia") through a binding Memorandum of Understanding ("MOU") to be further consummated by the execution of a definitive agreement. As at March 31, 2021, Acepac Holdings on behalf of Millennia had advanced US\$1,000,000 to Poly Resources, thus funds were spent to drill the Calida Gold Project. As no definitive agreement has been finalized, this advance has been included in trade payables (CDN \$1,273,200) as it has not been called for payment at March 31, 2021.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

### 7. Property and equipment

	Office equipment		
	and furniture	Land	Total
Cost:	\$	\$	\$
<b>Balance at June 30, 2019</b>	175,562	1,218,145	1,393,707
Additions	-	-	-
<b>Balance at June 30, 2020</b>	175,562	1,218,145	1,393,707
Additions	-	-	-
<b>Balance at March 31, 2021</b>		1,168,141	1,168,141
Accumulated depreciation:			
<b>Balance at June 30, 2019</b>	174,423	-	174,423
Depreciation	1,139	-	1,139
<b>Balance at June 30, 2020</b>	175,562	-	175,562
Depreciation	1,139	-	1,139
<b>Balance at March 31, 2021</b>	<b>174,423</b>	-	174,423
<b>Carrying amount:</b>			
At June 30, 2020	-	1,218,145	1,218,145
<b>at March 31, 2021</b>		1,101,235	1,101,235

(a) The Boise and Spruce Mtn Properties are actual land and thus property assets, it has been adjusted from unproven mineral rights to property as the land is considered real estate.

The status of these properties changed during the fiscal year ending June 20, 2020 as a result of the following:

**Boise property:** The Company successfully applied to the Idaho District court for what is termed "Quiet Title" to the property, this process takes several months and was approved by the court giving clean and clear title to the property to American CuMo's subsidiary Idaho CuMo Mining Corp. This title was then registered with the county office in Idaho.

**Spruce Mtn property:** The title to the property was also cleaned up to ensure the title was registered in the name of Idaho CuMo Mining Corp with the filing in the county of record of quit claim transfer deeds. These deeds were recorded with the county during fiscal year ending June 30, 2020.

#### **BOISE PROPERTY (United States)**

On July 8, 2010, the Company entered into an option agreement, amended on July 5, 2011, to purchase certain mineral claims that included surface rights located in Boise County, Idaho. These patent mineral claims are contiguous to and provide access to the CuMo project. In order to maintain the option in good standing, the Company was required to make option payments of US\$ 1,200,000. These payments have been completed and the Company has obtained title to the Boise property, which becomes part of the overall CuMo Project. The land is included as property as it consists of physical land instead of unproven mineral rights (see Note 7(a) above)

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

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### 8. Unproven mineral right interests

The Company's flagship project is the CuMo molybdenum project, located in Idaho, in the United States. The Company's Boise property, also located in Idaho, is contiguous to and provides access to the CuMo project.

December 1, 2020 the Company signed a purchase agreement with Bleiberg Mining LLC to purchase 116 concession comprising the Bleiberg Property located in Austria.

The Company also has other unproven mineral right interests in the United States and in Canada, which have been optioned to other exploration companies.

#### **CUMO PROJECT (United States)**

##### ***CuMo Property***

The CuMo Project is situated in the mountains of south-central Idaho, approximately 15 miles northeast of the town of Idaho City. It consists of 161 unpatented mineral claims.

The project was optioned to the Company by CuMo Molybdenum Mining Inc. in 2004. The terms of the option agreement called for 300,000 CuMoCo shares (issued) and a combination of advance royalty payments and work requirements outlined below.

#### 1. Advance royalty payments:

- US\$10,000 upon signing (completed);
- US\$10,000 after 60 days (completed);
- US\$5,000 after 6 months (completed);
- US\$20,000 1st year anniversary (completed);
- US\$20,000 2nd year anniversary (completed);
- US\$15,000 3rd year anniversary (completed);
- US\$15,000 every 6 months thereafter (up-to-date).

These payments are to be credited against a 1.5% net smelter return ("NSR") which reduces to 0.5% NSR after cumulative payments of US\$3,000,000.

#### 2. Work requirements:

- US\$25,000 during the first year (completed);
- At least US\$50,000 each year thereafter (up-to-date).

##### ***Adair Property***

On February 5, 2017, the Company completed an agreement to acquire from a group of local prospectors twenty (20) unpatented mining claims adjacent to the CuMo property. The consideration payable for the claims was a one-time payment of the issuance of Idaho CuMo's 7-year term silver convertible debenture valued at US\$ 250,000 (issued), one million common shares of CuMoCo (issued), and the sum of US\$ 10,625 (paid) representing an advance on the initial 6-month interest payment on the convertible debenture.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

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### ***GeoResources Property***

On April 21, 2017, the Company entered into an option agreement to acquire from GeoResources Inc. a total of thirty-five (35) patented mining claims, covering an area of approximately 640 acres adjacent to the CuMo Project.

During the year ended June 30, 2019, the option agreement went into default. The Company wrote off the previously capitalized acquisition costs associated with the option agreement, resulting in an impairment loss of \$1,917,931.

The CuMo Units issued per the terms of the GeoResources option agreement remain outstanding. These units have the same terms as those disclosed in Note 10. The only difference is the security, with the CuMo Units issued per the GeoResources agreement being secured by the 35 patented claims making up this option agreement.

### **CALIDA GOLD (United States)**

On October 31, 2016, the Company entered into an option agreement to purchase certain mineral claims located in Lemhi County, Idaho. The property consists of eight unpatented mineral claims covering several significant mineralized gold, silver, and copper veins.

Subsequent to entering into the option agreement, Poly Resources staked an additional 45 claims at this property.

During the year ended June 30, 2019, the Company stopped making the option payments and wrote the property down to \$1. As a result, the Company incurred an impairment loss of \$1,838,123.

### **OTHER PROPERTIES (United States)**

Spruce Mountain property consists of patented claims covering 740 acres located south of Wells.

### **BRETT PROPERTY (Canada)**

In 2003 the Company completed an agreement to acquire a 100% interest in the Brett #1 and Brett #2 mineral claims located in the Vernon Mining District of British Columbia for a consideration of 500,000 shares of the Company.

In 2004, Running Fox Resource Corp. ("Running Fox") and the Company entered into an option agreement on the Brett property whereby Running Fox earned a 50% interest in the property in 2004.

In 2011, the Company entered into a subsequent agreement with Running Fox whereby the Company sold to Running Fox the remaining 50% interest, subject to a sliding scale NSR on the property based on the price of gold as follows:

- Gold price up to \$500 per ounce: 2% NSR;
- Gold price between \$501 and \$1,000 per ounce: 3% NSR;
- Gold price between \$1001 and \$1,500 per ounce: 5% NSR;
- Gold price between \$1501 and \$2,000 per ounce: 6% NSR; and
- Gold price over \$2,001 per ounce: 8% NSR.

On March 20, 2013, and subsequently amended on February 14, 2017 April 5, 2017 and March 4, 2018, the Company entered into an agreement (the "Agreement") whereby Ximen Mining Corp. ("Ximen") acquired the Company's above NSR interest.

The terms of the amended agreement were as follows:

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

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- \$50,000 upon signing, in stock or cash at purchaser's discretion (the Company received 628,900 Ximen shares);
- \$420,000 on April 5, 2018, in stock (the Company received 1,325,780 Ximen shares);
- \$60,000 upon the first anniversary, in stock or cash at purchaser's discretion (the Company received 227,120 Ximen shares); and
- \$720,000 in stock as a final purchase price (the Company received 2,400,000 Ximen shares).

During the year, the Company received 2,400,000 shares valued at \$744,000 (2018 - 1,552,900 shares valued at \$283,966), per the amended agreements.

### **BLEIBERG PROPERTY AUSTRIA**

December 1st, 2020, The Company and Idaho Cumo Mining Corporation entered into an arms-length agreement to purchase the Bleiberg Zinc-Germanium-Lead-Cadmium-Fluorite mining project located in southern Austria. The agreement is subject to TSX Venture Exchange approval.

The terms of the agreement are as follows:

The issuance of 20 million common shares of International CuMo Mining Corporation (ICMC) (formerly Idaho CuMo Mining Corporation), a U.S. based private company, representing not less than 19% of all fully diluted and outstanding stock of ICMC at the time of the signing of this agreement.

The issuance of 10 million common shares of American CuMo Mining Corporation at a deemed price of CAD\$0.04 per share, the closing share price on December 1, 2020.

and

The payment of 235,000 Euros in expenses to the property vendors within ten business days of ICMC receiving initial funding of a minimum of US\$2 million.

In addition, ICMC shall list its stock for trading on a United States public stock market, such as the OTCQB or OTCQX, within one year from the receipt of a minimum US\$ 2 million in funding. Should the public trading on a United States public stock market have not been accomplished within the one-year time frame, an additional six million shares of CuMoCo would be issued to the property vendors to continue with the agreement.

During the third quarter the deal was approved by the TSX venture exchange and the 20 million shares of ICMC and the 10 million shares of American CuMo mining Corporation were issued to the property vendors and ownership of the 115 concession that comprise the property was signed over to ICMC.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

March 31, 2021 (Expressed in Canadian dollars)

### 8. Unproven mineral right interests (cont'd)

	CuMo	Bleiberg	Calida	Total
	\$	\$	\$	\$
<b>Balance. June 30, 2019</b>	<b>23,160,238</b>	<b>0</b>	<b>1</b>	<b>23,160,239</b>
Exploration expenditures				
Engineering	181,255	-	-	181,255
Environmental studies	30,569	-	-	30,569
Other exploration costs	11,366	-	-	11,366
Other items:				
Acquisition costs and payments	64,060	-	-	64,060
Exchange rate change	174,938	-	-	174,938
<b>Balance. June 30, 2020</b>	<b>23,622,426</b>	<b>-</b>	<b>1</b>	<b>23,622,427</b>
Exploration expenditures				
Engineering	111,834	-	-	111,834
Environmental studies	49,627	-	-	49,627
	<b>23,783,887</b>	<b>-</b>	<b>1</b>	<b>23,783,888</b>
Other items:				
Acquisition costs and payments	59,387	3,472	3,377	66,236
Exchange rate change	(1,638,164)	-	-	(1,638,164)
<b>Balance. March 31, 2021</b>	<b>22,205,110</b>	<b>-</b>	<b>3,378</b>	<b>22,211,960</b>

- (a) Boise Property is physical land and thus considered real estate and an asset rather than unproven mineral rights.

### 9. Notes payable

In order to finance the ongoing development of the CuMo Project the Company borrowed from International Energy & Mineral Resources Investment (Hong Kong) Company Limited ("IEMR HK") the principal amount of \$1,500,000 and US\$1,500,000, and issued secured convertible notes (the "Notes") in respect of such indebtedness to IEMR HK (the "Financing"). These Notes matured in October and November 2017, respectively (the "Maturity Dates").

At the Maturity Dates, the Company made principal repayments of \$500,000 and US\$500,000 against the respective Notes.

On February 5, 2018, IEMR HK submitted a claim for judgement against the Company in the British Columbia Supreme Court for the outstanding \$1,000,000 and US\$1,000,000 principal amounts, plus interest and court costs. On March 2, 2018, the Company submitted a counterclaim against IEMR HK and other related entities for \$2,106,472 and US\$80,000, plus interest and other court costs.

Per the terms of the Financing, the Notes are no longer convertible into shares of the Company as the Maturity Dates have passed. As the conversion feature is no longer available to IEMR HK, the Notes were reclassified into Notes Payable as at June 30, 2018. At the Maturity Date the equity conversion feature of \$294,147 was transferred into Equity reserve.

The Notes Payable continue to accrue interest at a rate of 6.5% per annum, calculated and accrued annually.

# American CuMo Mining Corporation

## Notes to the Consolidated Financial Statements

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The carrying values of the Notes Payable contain the following components:

	March 31	June 30
	2021	2020
	\$	\$
Principal	2,362,800	2,362,800
Accrued Interest	396,931	395,573
	2,759,731	2,758,373

This note is secured by all the assets of the parent company, CuMoCo.

### 10. Promissory notes

Idaho CuMo has entered into four different promissory note agreements with separate third-party lenders as follows:

	March 31, 2021	June 30, 2020
a) Promissory notes comprised of the sale of Idaho CuMo Units ("CuMo Unit") for total proceeds of US\$1,250,000. Each CuMo Unit costs US\$250,000, consists of a promissory note which accrues annual interest at 8.5%, matures 7 years from the date of issuance and includes an option to enter into a Silver Purchase Agreement Right with the Company. Upon notice that the triggering event has occurred (the decision by the Company to go into production), the CuMo Unit holder has 30 days to enter into the Silver Purchase Agreement Right. The Silver Purchase Agreement Right allows the holder to purchase up to 375,000 ounces of refined silver from the Company at price of US\$5.00/ounce, plus make an upfront payment of US\$250,000. The Silver Purchase Agreement Right expires if: <ul style="list-style-type: none"> <li>a. it is not entered into within 30 days of the triggering event; or</li> <li>b. if the principle amount of the loan is prepaid in whole or in part prior to maturity (this prepayment requires the consent of the lender); or</li> <li>c. the maturity date is reached.</li> </ul> <p>These notes are secured by all the assets of Idaho CuMo, except for the six patented claims that make up the Boise Property.</p>	\$ 1,591,500	\$ 1,703,500
b) Promissory note comprised of total proceeds of US\$500,000. This loan accrues annual interest at 8.5% and was amended on January 29, 2016 to extend the maturity date to December 31, 2025. This loan also includes an option to enter into a Silver Purchase Agreement Right (same terms as noted above in a)) with the Company. <p>This note is secured by the six patented claims which make up the Boise Property owned by Idaho CuMo.</p>	636,600	681,400
c) Promissory note comprised of total proceeds of US\$500,000, issued pursuant to an option agreement that has since gone into default. This	636,600	681,400

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## Notes to the Consolidated Financial Statements

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note has the same terms as those disclosed in Note 10 a), except this note is unsecured.

- d) Promissory notes comprised of loans totalling US\$20,000. These loans accrue annual interest at 8.5%, paid semi-annually, and mature seven years from the grant dates. The loans also contain a Silver Purchase Agreement Right that allows the holders to purchase up to 1 ounce of silver for every \$1 of promissory note principal, at a price of US\$5.00/ounce.

These notes are secured by all the assets of Idaho CuMo, except for the six patented claims that make up the Boise Property.

	25,464	27,256
<hr/>		
Total principal outstanding	2,890,164	3,093,556
Accrued interest	1,021,350	1,145,499
<b>Total</b>	<b>\$ 3,911,514</b>	<b>\$ 4,239,055</b>

As of March 31, 2021, the Company had total promissory notes issued and outstanding in the amount of US\$2,270,000 (June 30, 2020: US\$2,270,000).

The Company had accrued interest of CDN\$1,021,350 as at March 31, 2021 (June 30, 2020: \$1,145,499) in respect of these promissory notes.

On February 24, 2021 the Company announced that it has finalized the terms of its proposed US\$12,500,000 financing (the "ICMC Silver Financing") involving the sale of up to 12,500 units ("ICMC Silver Units") by its majority owned subsidiary, International CuMo Mining Corporation ("ICMC") at a price of US\$1,000 per ICMC Silver Unit, with each ICMC Silver Unit consisting of a non-transferable promissory note in the principal amount of US\$1,000 (a "Note") and a right (the "Silver Purchase Right") to enter into a silver purchase and sale agreement (a "Silver Purchase Agreement") with ICMC. The Notes would be secured against certain assets of ICMC; bear interest at a rate of 7.5% per annum payable or accruable semi-annually on June 30 and December 31; and have a term of 7 years. With the consent of the holder of the Note, ICMC could prepay all or any portion of the principal amount outstanding under such Note at any time, provided that any prepayment in whole or in part of the Note would cause the Silver Purchase Right to immediately expire.

The Silver Purchase Right would be exercisable by the holder within 30 days of a decision by the Company to place its CuMo Project located in Idaho into commercial production provided that the Note had not been repaid in full or in part by the Company. Each Silver Purchase Right would, if exercised, require the purchaser to purchase and ICMC to sell to the purchaser refined silver in an amount equal to 1,000 ounces of refined silver pursuant to a Silver Purchase Agreement.

If all ICMC Units under the ICMC Financing are issued and all Silver Purchase Rights were exercised, ICMC would be required to sell up to a maximum of 12,500,000 ounces of refined silver, which silver would be deliverable from the silver produced from the CuMo Project. Upon exercise of the Silver Purchase Right, the purchaser would pay an upfront cash payment of US\$1,000 (the "Deposit") per Silver Purchase Right exercised upon execution of the Silver Purchase Agreement, which payment would be made by way of a set off against repayment of the principal amount of loans owing by ICMC to the purchaser. The Deposit would be unsecured.

The purchase price for each ounce of refined silver purchased would be comprised of (a) an ongoing cash payment ("Ongoing Payment"), being the lesser of (i) the London silver spot price and (ii) US\$5/oz, subject to an inflationary adjustment; and (b) a deposit reduction amount, being the amount by which the silver spot price exceeds the Ongoing Payment, paid as a reduction to the Deposit and payable until such time as the Deposit is reduced to zero.



# American CuMo Mining Corporation

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The term of the Silver Purchase Agreements would continue until the earlier of (i) the date on which the total silver ounces have been delivered to the purchaser; and (ii) 40 years (subject to automatic 10-year renewals if the CuMo Project is in operation). Any uncredited balance of the Deposit at the end of a Silver Purchase Agreement's term would be refunded to the purchaser.

The transaction was conditionally approved on April 9, 2021 by the TSX Venture Exchange and will be closed with TSX Venture Exchange approval in a series of tranches.

### 11. Convertible debentures

As at March 31, 2021, the Company has borrowed \$2,426,500 and US\$36,000 from multiple lenders in exchange for issuing convertible debentures (the "Debentures"). The Debentures have a duration of five years, and pay interest at 8.75% per annum, payable on a quarterly basis. The Debentures are automatically renewed on an annual basis at the discretion of the lender. In the event that the lender does not renew the Debenture, the Company has 90 days to repay the outstanding principal, plus any accrued interest.

The Series 1 Debentures are convertible into units of the Company at \$0.075 per unit until one year after the issue date, and then \$0.10 per unit thereafter. Each unit consists of one common share of the Company, and one warrant. The warrants are exercisable at \$0.1125 per share and expire five years from the grant date. The Debentures can be converted into common shares any time after four months and one day from the issuance of the Debenture.

Changes in the balances of the Debentures are comprised of the following:

Series 1	Outstanding Debentures	Equity component of convertible Debentures	Accrued interest	Total
<b>30-Jun-19</b>	<b>\$2,472,952</b>	<b>(\$289,819)</b>	<b>\$378,418</b>	<b>\$2,561,551</b>
Issuance of debentures (cash)	\$185,250	(\$21,703)	-	\$163,547
Issuance of debentures (transfer from secured notes, see Note 12)	\$270,000	(\$31,632)	-	\$238,368
Accrued interest	-	-	\$310,200	\$310,200
Foreign exchange loss	\$1,977	-	-	\$1,977
<b>30-Jun-20</b>	<b>\$2,930,179</b>	<b>(\$343,154)</b>	<b>\$688,618</b>	<b>\$3,275,643</b>
				\$0
Conversion of debentures	(\$787,956)	(\$46,700)	(\$29,747)	(\$864,403)
Accrued interest	-	-	\$71,344	\$71,344
Foreign exchange loss				\$0
<b>31-Mar-21</b>	<b>\$2,142,223</b>	<b>(\$389,854)</b>	<b>\$730,215</b>	<b>\$2,482,584</b>

The aggregate total of \$71,344 is reported as a portion of the convertible debenture expense (June 30, 2020: \$310,200) in the Company's statement of loss and comprehensive loss.

The Series 2 Debentures reported December 31, 2020 were converted into shares and warrant units through shares for debt transactions in February 2021.

# American CuMo Mining Corporation

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The Series 3 Debentures are convertible into units of the Company at \$0.05 per unit until one year after the issue date, and then \$0.10 per unit thereafter. Each unit consists of one common share of the Company, and one warrant. The warrants are exercisable at \$0.075 per share and expire five years from the grant date. The Debentures can be converted into common shares any time after four months and one day from the issuance of the Debenture.

Note: Series 3 debentures closed January 19, 2021 upon receipt of approval by the TSX Venture exchange.

<b>Series 3</b>				
	<b>30-Jun-20</b>	<b>0</b>	<b>0</b>	<b>0</b>
Issuance of debentures	988,599	(25,824)	3,457	966,232
	<b>31-Mar-21</b>	<b>988,599</b>	<b>(25,824)</b>	<b>3,457</b>
				<b>966,232</b>

The Debentures are secured by all the assets of Idaho CuMo, except for the six patented claims that make up the Boise Property.

	Outstanding Debentures	Equity component of convertible Debentures	Accrued interest	Total
<b>Series 1 Total</b>	<b>2,142,223</b>	<b>(389,854)</b>	<b>730,215</b>	<b>2,482,584</b>
Series 3 Total	<b>988,599</b>	<b>(25,824)</b>	<b>3,457</b>	<b>966,232</b>
	<b>31-Mar-21</b>	<b>3,130,822</b>	<b>(415,678)</b>	<b>733,672</b>
				<b>3,448,816</b>

## 12. Reclamation bonds and provisions

The Company's reclamation bonds relate to the following Company properties:

	March 31, 2021	June 30 2020
	\$	\$
Pine Tree	47,764	48,050
Cariboo	-	500
General reclamation costs	1,679	3,249
	<b>49,443</b>	<b>51,799</b>

These bonds are expected to be refunded to the Company once the government agencies are satisfied that the Company has performed all necessary reclamation activities.

\*\* During fiscal year 2016 the CuMo project cash bond was refunded to the Company and replaced with a surety from a third party. In exchange for the third party agreeing to guarantee to fund the required Bureau of Land Management reclamation bond - currently US\$278,000, the Company was required to pay a security deposit of US\$100,000 and make ongoing annual payments of US\$8,340.

The surety deposit is refundable when the Company completes the required reclamation clean-up costs.

The Company's estimated reclamation provisions relate to the following Company properties:

# American CuMo Mining Corporation

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	March 31,	June 30
	2021	2020
	\$	\$
CuMo	125,750	130,090
Pine Tree	47,764	47,764
Balance at the end of the year	<b>173,514</b>	<b>177,854</b>

Although the Company does not anticipate being required to perform significant reclamation activities, to be conservative, it has recorded provisions for estimated reclamation costs based on the assumption that the amounts of the reclamation bonds posted with government authorities and the amount of the non-current deposit (surety deposit), approximate the best estimate of the net present value of expected future reclamation costs that may need to be incurred by the Company.

The estimated reclamation provision is comprised of deposits to the Bureau of Land Management, the United States Forest Service, the third-party provider of the surety, and other agencies for the above properties.

### 13. Related party transactions

Details of the transactions between the Company and other related parties are disclosed below.

#### (a) Trading transactions

The Company's related parties consist of companies owned by or associated with executive officers and directors as follows:

	<u>Nature of transactions</u>
Dykes Geologic Systems Ltd.	Exploration and administration fees
Chief Financial Officer – Trevor Burns	Management fees

Dykes Geologic Systems Ltd. (Geologic Systems) is 50% owned by Shaun Dykes, President and CEO and 50% owned by his spouse.

Note: Dykes Geologic Systems Ltd. Is the full legal name. Company is also known as Geologic Systems Ltd. which is a trade name

	31-Mar	31-Mar
	2021	2020
	\$	\$
Salaries and management fees - Geologic	155,654	41,325
Exploration fees - Geologic	49,167	102,300
Salaries and management fees - Trevor Burns	30,000	24,000
	<b>234,821</b>	<b>167,625</b>

During the 9 months ended March 31, 2021 and 2020 the Company incurred the following fees in the normal course of operations in connection with companies owned by key management and directors. Fees have been measured at the exchange amount which is determined on a cost recovery basis.

# American CuMo Mining Corporation

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Amounts due to related parties are unsecured, non-interest bearing and due on demand. Trade and other payables at March 31, 2021 was nil (June 30, 2020: \$266,558), which were due to officers, directors and private companies controlled by directors and officers of the Company.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period March 31, 2021 and 2020 were as follows:

	Note	31-Mar 2021	31-Mar 2020
		\$	\$
Salaries and fees	(i)	234,821	167,625
Share-based payment	(ii)	61,871	-
		<b>296,692</b>	<b>167,625</b>

(i) Salaries and fees include salaries and management fees disclosed in Note 13(a).

(ii) Share-based payments are the fair-value of options granted to key management personnel.

#### 14. Capital and equity reserve

(a) *Capital*

At March 31, 2021, the Company's authorized share capital consisted of an unlimited number of common shares without par value.

During the nine months ending March 31, 2021 the Company issued 9,451,215 shares as part of conversion of convertible debentures.

##### Fiscal 2020

The Company did not issue any common shares during the year.

##### Fiscal 2019

On August 17, 2018, the Company completed a private placement of 6,510,000 units for gross proceeds of \$651,000. Each unit was comprised of one common share, and one common share purchase warrant, with each warrant being exercisable at \$0.15 per share, and expiring two years from the grant date. The Company issued 175,000 common shares as finder's fees. The finder's shares were valued at \$17,500.

On January 7, 2019, the Company completed a private placement of 10,000,000 units for gross proceeds of \$500,617. Each unit was comprised of one common share, and one common share purchase warrant, with each warrant being exercisable at \$0.075 per share, and expiring two years from the grant date. The Company issued 750,000 finder's warrants as finder's fees. The finder's warrants have the same terms as the unit warrants. The finder's warrants were valued at \$29,250.

Additional amount of \$4,780 was transferred from equity reserve to share capital on the exercise of these options.

(a) *Equity reserve*

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### Share Options

Equity reserve consists of the accumulated fair value of common share options and share purchase warrants recognized as share-based payments.

The Company has an incentive share option plan under which directors, officers, consultants and employees of the Company are eligible to receive stock options. The maximum number of shares reserved for issuance upon exercise of all options granted under the plan is equal to 10% of the then issued and outstanding common shares. No more than 5% of the issued shares may be issued to any eligible person other than a consultant in any 12-month period unless disinterested shareholder approval has been obtained. No more than 2% of the issued shares may be issued to any one consultant in any 12-month period. No more than 2% of the issued shares may be issued to all employees in the aggregate conducting investor relations activities in any 12-month period.

The exercise price of share options is determined by the Board of Directors at the time of grant and may not be less than the discounted market price as calculated and defined in accordance with the policies of the TSX-V. Options granted must be exercised no later than 10 years commencing from the later of the date of grant or such lesser period as determined by the Board. Options shall terminate automatically or 90 days after optionees no longer act as officers, directors or consultants of the Company 90 days may be extended at the Boards discretion. In the case of death, options shall terminate within one year from the event.

Once approved, all options are considered vested and are exercisable at any time, except where other vesting periods are determined by the Board.

Share options outstanding during the period ended March 31, 2021 were as follows:

	Nine month ended March 31, 2021		Year ended June 30, 2020	
	number of options	wt avg exercise price	number of options	wt avg exercise price
Balance , beginning of year	10,675,000	0.18	15,350,000	0.18
Options granted	10,600,000	0.065		
Options exercised				
Options expired	-2,250,000	0.15	-4,675,000	0.18
Options forfeited				
Balance, March 31 21	19,025,000	0.11	10,675,000	0.18

The following table summarizes information about stock options outstanding and exercisable at March 31, 2021:

	Options outstanding			options exercisable		
	Options	wt. avg. exercise price	wt. avg. remaining contractual life(years)	Options outstanding and exercisable	wt. avg. exercise price	wt. avg. remaining contractual life(years)
0.065	10,600,000	0.07	4.83	10,600,000	0.07	4.83
0.15	6,925,000	0.15	1.55	6,925,000	0.15	1.55
0.30	1,500,000	0.30	0.92	1,500,000	0.30	0.92
	19,025,000	0.11	3.33	19,025,000	0.11	3.33

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### Warrants

At March 31, 2021, the Company had 60,071,320 warrants outstanding as a result of the Debenture conversions private placements and rights offerings.

The following table summarizes information about warrants outstanding and exercisable at March 31, 2021:

	Warrants Outstanding			Warrants exercisable		
		wt. avg. exercise price	wt. avg. remaining contractual life(years)	Warrants outstanding and exercisable	wt. avg. exercise price	wt. avg. remaining contractual life(years)
Exercise Price	Warrants outstanding	\$			\$	
0.075	25,765,595	0.075	3.61	25,765,595	0.075	3.61
0.1125	4,849,360	0.1125	2.26	4,849,360	0.1125	2.26
0.125	18,502,365	0.125	1.93	18,502,365	0.125	1.93
0.15	10,954,000	0.15	0.36	10,954,000	0.15	0.36
	60,071,320	0.10	2.56	60,071,320	0.10	2.56

The warrants outstanding as at March 31, 2021 have a weighted-average remaining life of 2.56 years (June 30,2020: 1.63 years).

### 15. Segmented information

The Company operates in two geographical areas, being Canada and the United States. The following is an analysis of the Company's assets by geographical area and reconciled to the Company's consolidated financial statements:

	March 31, 2021	June 30 2021
	\$	\$
Assets by geographic segment, at cost		
Canada		
Current assets	<b>242,963</b>	17,014
Reclamation bonds	<b>3,749</b>	3,749
	<b>246,712</b>	20,763
United States		
Current assets	<b>906</b>	80,802
Reclamation bonds	<b>45,694</b>	48,050
Non-current deposits	-	130,870
Property, plant and equipment	<b>1,101,235</b>	1,218,145
Unproven Mineral right interests	<b>22,342,830</b>	23,622,427
sub total	<b>23,490,665</b>	25,100,294
Total	<b>23,737,377</b>	25,121,057

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## Notes to the Consolidated Financial Statements

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### 16. Financial and capital risk management – Financial instruments

#### Financial risk management

The Company's activities expose it to a variety of financial risks, which include liquidity risk, interest rate risk, currency risk and credit risk.

#### a) 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 manages liquidity risk through close controls on cash requirements and regular updates to short-term cash flow projections, and by raising additional capital as required from time to time.

The Company's financial liabilities fall due as indicated in the following table:

- 1) includes \$1,273,200 in a loan that is currently classified trade payable as 5% ownership in a subsidiary has been issued to cover the loan and is subject to a court case.
- 2) These notes auto renew year to year for 5 years unless called and if called the Company has 90 days to repay.

#### b) Currency risk

The Company faces foreign exchange risk exposures arising from transactions denominated in foreign currencies. The Company's main foreign exchange risks arise with respect to the United States dollar. The Company has elected not to actively manage this exposure at this time.

at June 30, 2020	Total	Less than 1 year	between 1 and 2 years	between 2 and 5 years	over 5 years
Trade and other payables	2,590,283	2,590,283	-	-	-
Promissory Note	4,239,055	-	992,228	2,216,426	1,030,401
Convertible notes	3,275,643	3,275,643	-	-	-
Notes Payable	2,758,373	2,758,373	-	-	-
Secured Loans	71,680	-	-	71,680	-
	<b>12,935,034</b>	<b>8,624,299</b>	<b>992,228</b>	<b>2,288,106</b>	<b>1,030,401</b>
at March 31 2021	Total	Less than 1 year	between 2 and 2 years	between 2 and 5 years	over 5 years
Trade and other payables	2,067,813	2,067,813	-	-	-
Promissory Note	3,911,514	-	861,567	2,153,918	896,029
Convertible notes	3,864,494	3,864,494	-	-	-
Notes Payable	2,759,731	2,759,731	-	-	-
	<b>12,603,552</b>	<b>8,692,038</b>	<b>861,567</b>	<b>2,153,918</b>	-

#### c) Interest Rate Risk

Included in the results of operations of the Company are interest income on U.S. dollar and Canadian dollar cash. The Company also has two outstanding promissory notes, denominated in Canadian and U.S. dollars, respectively. The Company's interest rate risk mainly arises from the interest rate impact on the promissory notes outstanding. The interest rate risk is minimal as the promissory notes are at fixed interest rates. The Company receives interest on cash based on market interest rates.

# American CuMo Mining Corporation

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### d) Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. Cash is maintained with financial institutions in Canada and the United States and is redeemable on demand. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk. In 2019, the Company's accounts receivable is due from a government agency and other miscellaneous amounts. The Company does not consider it has any significant credit risk exposure on this receivable.

### Capital Risk Management

The Company's capital structure is comprised of working capital (current assets minus current liabilities) and equity. The Company's objectives when managing its capital structure is to maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations. The Company's corporate office is responsible for capital management. In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets.

As of March 31, 2021, the Company is managing its existing working capital to ensure that it will be able to meet current commitments. The Company will need to raise additional capital during fiscal 2020 to continue development of the CuMo Project and fund ongoing operations.

Capital management is undertaken to ensure a secure, cost-effective supply of funds to ensure the Company's corporate and project requirements are met.

### Financial Instruments by Category

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables (excluding sales tax), investments, trade and other payables, convertible debentures, notes payable, secured loans and deposits. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

The fair value of cash and cash equivalents, trade and other receivables (excluding sales tax), trade and other payables, convertible debentures, notes payable, secured loans and deposits approximate their carrying values due to the short-term maturities of these financial instruments. Investments consist of financial instruments traded in active markets and their fair value is based on quoted market prices at the statement of financial position date.

The Company is required to make disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

As at March 31, 2021, the Company's financial instruments measured at fair value on a recurring basis were investments, which were classified as "Level 1".

The Company has made the following classifications for its financial instruments:



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	March 31 2021	June 30, 2020
	\$	\$
<b>Financial Assets</b>		
Subsequently measured at amortized cost:		
Cash and cash equivalents	141,197	4,597
Trade and other receivables	94,533	80,924
	235,730	85,521
Fair value through profit or loss:		
Investments	8,140	12,295
	243,869	97,816
<b>Financial Liabilities</b>		
Subsequently measured at amortized cost:		
Trade and other payables	2,067,813	2,590,283
Convertible debentures	3,864,494	3,275,643
Notes payable	2,759,731	2,758,373
Secured loans	-	71,680
	8,692,038	8,695,979

### 17. Commitments

- a) During 2016 the Company entered into a surety agreement that guarantees the reclamation bond on the CuMo Property (see Note 12). In order to maintain the good standing of this surety, the Company is required to make an annual payment of US\$8,340.

### 18. Contingencies

- a) During the year ended June 30, 2013, the Company received an invoice for \$77,705 from Multi-Power Products Ltd., a supplier of drill supplies, and disputed this invoice. The drill supplies were shipped directly by the supplier to a Mexican company owned by a former director and officer of the Company. During the year ended June 30, 2014, Kirkness Diamond Drilling (a former subsidiary of the Company) and the Company were served with a Notice of Civil Claim by the supplier. This action has been inactive since June 30, 2016.
- b) On April 1, 2016, the Company was notified of an action by a former officer of the Company regarding unpaid fees. This action has been inactive since April 21, 2016. The Company believes this claim is without merit.
- c) On February 5, 2018, IEMR HK submitted a claim for judgement against the Company (see Note 9).
- d) On March 22, 2019, the Company was served with a notice of claim filed by ACEPAC. ACEPAC seeks a claim for judgement against CuMoCo in the amount of US\$1,000,000, plus interest, as well as damages for breach of contract and breach of trust and special costs. The claim relates to the US\$1,000,000 payment received by Poly Resources, in connection with the MOU between CuMoCo, Poly Resources and Millennia.

Under the MOU, upon Millennia having satisfactorily completed due diligence, and the parties having successfully negotiated and entered into the Definitive Agreement on or before March 10, 2017, Millennia is to directly invest, partner and/or arrange new capital of up to US\$200 million for

# American CuMo Mining Corporation

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Poly in return for up to a 63.77% interest in Poly. The financing is to occur in three direct private placements into Poly as follows:

**First Private Placement:** Millennia is to directly invest, partner and/or arrange US\$10 million for Poly no later than April 28, 2017 in consideration of 50% of the shares in Poly, on a pari passu fully diluting basis, subject to the parties having first entered into the Definitive Agreement. This First Private Placement is to be paid in two instalments:

- a. A first instalment of US\$1 million to be paid to Poly within 48 hours of the execution of the Definitive Agreement in exchange for an option to acquire 50% of the shares of Poly upon the payment to Poly of a further US\$9 million (the "Second Instalment"). If the initial US\$1 million payment is not made when due, Millennia will lose its right to earn an interest in Poly; and
- b. The second instalment of US\$9 million to be paid to Poly no later than April 28, 2017 unless otherwise mutually agreed in writing by the parties. If the second instalment of US\$9 million is not made when due, Millennia will lose its right to earn an interest in Poly.

**Second Private Placement:** Millennia is to directly invest, partner and/or arrange a further US\$55 million for Poly within 90 days of the later of the date it has satisfactorily completed geological and legal due diligence and Poly having completing a technical report containing an initial National Instrument 43-101 compliant mineral resource estimate on the Calida project that is acceptable to Millennia and its advisers, in return for additional shares of Poly representing 15% of the then outstanding shares of Poly (which would result in Millennia holding 56.52% of Poly's shares). Upon completion of the Second Private Placement, Millennia is to be granted share purchase warrants to acquire up to 1% of the Company's issued and outstanding shares at an exercise price equal to the closing price of the Company's common shares on the day after the date of the Company's news release announcing the execution of the Definitive Agreement. If closing of the Second Private Placement does not occur, the Company shall be entitled to purchase from Millennia the shares of Poly issued to Millennia upon closing of the First Private Placement at a price equal to US\$12 million.

**Third Private Placement:** Upon completion of the Second Private Placement, Millennia would have the right to directly invest, partner and/or arrange a further US\$135 million for Poly within 360 days of the date of closing of the Second Private Placement in return for additional shares of Poly representing 20% of the outstanding shares of Poly (which would result in Millennia holding 63.77% of Poly's shares).

Under the MOU, Poly is to commit to spending the following on the Calida project: (a) US\$4.5 million of the initial US\$10 million to be raised from the First Private Placement; (b) US\$30.5 million of the US\$55 million to be raised from the Second Private Placement; and (c) US\$65 million of the US\$135 million to be raised from the third private placement. Poly is to advance the remainder of the gross proceeds from the private placements to Idaho CuMo (which holds the CuMo Project), and Poly's payments to Idaho CuMo will be treated as subscription payments for Idaho CuMo shares. Upon Poly's payment to Idaho CuMo of US\$5.5 million from the US\$10 million to be raised from the First Private Placement, Poly would be issued shares of Idaho CuMo to cause Poly to hold a 1.1% interest in Idaho CuMo. Upon Poly's payment to Idaho CuMo of US\$24.5 million from the US\$55 million to be raised from the Second Private Placement, Poly would be issued additional shares of Idaho CuMo to cause Poly to acquire an additional 4.9% interest in Idaho CuMo, resulting in Poly holding a 6% interest in Idaho CuMo. Upon Poly's payment to Idaho CuMo of US\$70 million from the US\$135 million to be raised from the Third Private Placement, Poly would be issued additional shares of Idaho CuMo to cause Poly to acquire an additional 14% interest in Idaho CuMo, resulting in Poly holding a 20% interest in Idaho CuMo.

Upon completion of the First Private Placement, Millennia is to be granted the right to nominate 3 of 6 members of the Board of Directors of Poly (with the Chairman of Poly holding the casting vote). Upon completion of the Second Private Placement, Millennia is to be granted the right to nominate 4 of 6 members of the Board of Directors of Poly. Upon completion of the Third Private

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Placement, Millennia is to be granted the right to nominate one member of the Board of Directors of Idaho CuMo, as well as one member to the Board of Directors of the Company.

The MOU also provides that the parties will establish a management committee for the Calida Gold Project, with Millennia obtaining control over such management committee upon completion of the Second Private Placement.

If and when a total of US\$200 million in private placement financing has raised for Poly, Millennia and its investment banking advisers are to facilitate the raising of additional capital of up to US\$2 billion for CuMoCo (subject to regulatory approval) at reasonable commercial terms for the further development and the commercial feasibility and operational establishment of the two Idaho projects.

It should be noted that Millennia has advised that it is a Singapore and Jakarta based private lead syndicate investor that applies its own capital and its strategic investor partners' capital into development stage natural resource projects. There is no other relationship between American CuMo, its subsidiaries and Millennia and its partners.

In March 2017, the Company received from Acepac Holdings a US\$1 million advance to pay for the drilling to be performed at Calida. The advance was made on behalf of Millennia as per the terms of the MOU. Acepac Holdings being a Strategic Investor partner of Millennia. The funds were to be held in escrow until a definitive agreement was signed or release authorized. In return for the US\$1 million a 5% interest in Poly Resources was to be assigned to Millennia.

In April, the Company announced that the initial US\$500,000 of the US \$1 million had been released by Millennia for work on the Calida project. The Second US\$500,000 was released by Millennia in June of 2017. At this time, a 5% ownership interest in Poly Resources was set aside for Millennia, who instructed the Company to issue the 5% ownership interest to Acepac Holdings to cover the US\$1 million. A total of US\$1.3 million was spent drilling Calida in 2017.

In January 2018, the Company and its subsidiaries signed a Heads of Agreement with Millennia Minerals with the parties agreeing to the following in order to keep then original MOU moving forward:

a. Millennia will make a US\$2,500,000 contribution to the Poly Resources Capital Account to be apportioned to the CuMo entities as follows:

i. US\$500,000 to be transferred to American CuMo Corporation for the issue of stock at Canadian Dollars \$0.10 per share in the listed entity American CuMo Corporation. This entitlement is a Private Placement whose exercise and rights are contained in Schedule 1 to this Agreement.

ii. US\$1,500,000 is to be utilized as further deposit to allow time for completion of the final Due Diligence Period.

iii. US\$500,000 is to be held in the Capital Account of Poly Resources bank account and is to be held as Loan from Millennia (USA) LLC. All Parties acknowledge and agree that this deposit will be transferred to a lawyer's or bank approved escrow account at the absolute discretion of Millennia.

b. The CuMo entities hereby warrant and represent that on the receipt of funds into the Poly Resources Capital Account the following:

i. Automatic issue of shares and warrants to Millennia Minerals Pte Ltd Singapore as contemplated in Schedule 1 for Article 2.a.i.

ii. To provide an exclusive 6-week period to finalize the Due Diligence items referred to in Article 3 ("Due Diligence Period"). The period is to commence from 1 February 2018, after the completion of the visit of Millennia officers and technical advisor, and is an entitlement for the

# American CuMo Mining Corporation

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additional deposit as per Article 2a.ii. iii. The amount referred to in 2.a.iii. is to be used and directed at the absolute discretion of Millennia, but it is acknowledged that this is for the benefit and continuation of the funding requirements as anticipated under the MOU Letter.

As of the release of these financials the Company still awaits the first payment under the heads of Agreement.

Regarding the lawsuit filed by Acepac Holdings pertaining to the US\$1 million, an agreement has been reached to settle the suit by issuing US\$1 million in the new ICMC Silver Units. The agreement is currently awaiting finalization of the Silver Unit documentation before closing.

### **19. Supplemental non-cash disclosures**

Nine months ended March 31, 2021 – No significant transactions.

### **20. Subsequent events**

On May 6, 2021, the Company received approval to list the ICMC Silver Units for trading on the MTF division of the Vienna Stock Exchange with trading to start May 17, 2021