

OrganiMax Nutrient Corp.
(An Exploration Stage Enterprise)

**Condensed Consolidated Interim Financial Statements
For the Nine Months Ended March 31, 2021 and 2020**

(Expressed in Canadian Dollars)

Responsibility for Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of 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 condensed consolidated interim financial statements in accordance with standards established by Chartered Professional Accountants of Canada for the review of interim financial statements by an entity's auditor.

OrganiMax Nutrient Corp.

(An Exploration Stage Enterprise)

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

As at	March 31, 2021	June 30, 2020
	\$	\$
ASSETS		
Current		
Cash	1,155,057	63,791
Amounts receivable	31,527	32,466
Prepaid expenses	18,610	-
	1,205,194	96,257
Equipment (Note 4)	6,031	7,783
Exploration and evaluation assets (Note 5)	2,242,249	3,637,402
	3,453,474	3,741,442
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	146,748	1,606,112
	146,748	1,606,112
Loan payable (Note 6)	40,000	40,000
	186,748	1,646,112
Shareholders' equity		
Share capital (Note 7)	6,850,930	5,412,680
Reserves	8,745,201	8,205,701
Deficit	(12,329,405)	(11,523,051)
	3,266,726	2,095,330
	3,453,474	3,741,442

Nature of operations and going concern (Note 1)

These consolidated financial statements were authorized for issued by the Board of Directors on May 31, 2021. They are signed on the Company's behalf by:

"Timothy Mosey"

Director

"Brandon Rook"

Director

OrganiMax Nutrient Corp.

(An Exploration Stage Enterprise)

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

For the three and nine months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

	Three months ended March 31,		Nine months ended March 31	
	2021	2020	2021	2020
	\$	\$	\$	\$
EXPENSES				
Advertising and promotion	483	2,095	4,042	13,778
Consulting fees (Note 8)	2,109	10,000	2,109	62,600
Depreciation (Note 4)	406	580	1,218	1,740
General administrative	30,934	30,017	52,683	83,330
Professional fees (Note 8)	13,501	21,393	85,618	72,752
Salaries and wages (Note 8)	32,251	32,193	92,251	88,280
Share-based payments (Notes 7 and 8)	539,500	-	539,500	-
LOSS BEFORE OTHER ITEMS	(619,184)	(96,278)	(777,421)	(322,480)
OTHER ITEMS				
Foreign exchange gain (loss)	1,504	229,793	(28,933)	219,413
Interest and other income	-	711	-	4,420
Write-off of accounts payable	-	64,738	-	64,738
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	(617,680)	198,964	(806,354)	(33,909)
Income (Loss) and comprehensive income (loss) per share, basic and diluted	(0.02)	0.01	(0.04)	(0.00)
Weighted average number of common shares outstanding, basic and diluted	25,578,785	18,684,785	22,426,610	16,933,803

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Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the nine months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

	Common Shares		Subscriptions	Reserves	Deficit	Total
	Number	Amount	Received			Shareholders'
	of Shares	\$	in Advance	\$	\$	Equity
	(Note 7)					\$
Balance, June 30, 2019	9,424,785	4,954,680	60,000	8,205,701	(11,386,296)	1,834,085
Private placement	9,260,000	463,000	(60,000)	-	-	403,000
Loss and comprehensive loss	-	-	-	-	(33,909)	(33,909)
Balance, March 31, 2020	18,684,785	5,417,680	-	8,205,701	(11,420,205)	2,203,176
Balance, June 30, 2020	18,684,785	5,412,680	-	8,205,701	(11,523,051)	2,095,330
Private placement	9,900,000	1,320,000	-	-	-	1,320,000
Shares issued for warrants exercised	1,460,000	124,500	-	-	-	124,500
Share issue costs	-	(6,250)	-	-	-	(6,250)
Share-based payments	-	-	-	539,500	-	539,500
Loss and comprehensive loss	-	-	-	-	(806,354)	(806,354)
Balance, March 31, 2021	30,044,785	6,850,930	-	8,745,201	(12,329,405)	3,266,726

The accompanying notes are an integral part of these condensed consolidated interim financial statements

OrganiMax Nutrient Corp.

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Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

	2021	2020
	\$	\$
CASH USED IN:		
OPERATING ACTIVITIES		
Loss and comprehensive loss	(806,354)	(33,909)
Items not involving cash:		
Depreciation	1,218	1,740
Share-based payments	539,500	-
Write-off of accounts payable	-	(64,738)
Changes in non-cash working capital items:		
Amounts receivable	939	60,156
Prepaid expenses	(18,610)	31,542
Accounts payable and accrued liabilities	(29,560)	(393,934)
	(312,867)	(399,143)
FINANCING ACTIVITIES		
Proceeds from share issuance, net of issue costs	1,313,750	403,000
Proceeds from warrants exercised	124,500	-
	1,438,250	403,000
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(34,117)	(2,599)
Purchase of equipment	-	(874)
	(34,117)	(3,473)
INCREASE IN CASH AND CASH EQUIVALENTS	1,091,266	384
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	63,791	60,141
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	1,155,057	60,525
Supplemental Cash Flow Information:		
Income tax paid	-	-
Interest paid	-	-
Non-cash financing and investing activities:		
Non-cash exploration and evaluation assets expenditures	-	1,018,386

ORGANIMAX NUTRIENT CORP.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Nine Months Ended March 31, 2021 and 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

OrganiMax Nutrient Corp. (the “Company”) was incorporated on July 10, 2003 under the laws of British Columbia. On April 28, 2016, the Company changed its name from Benton Capital Corp. to Alset Energy Corp. On May 3, 2017, the Company further changed its name to Alset Minerals Corp., and retained the same ticker symbol “ION” on the TSX Venture Exchange. On August 28, 2018, the Company further changed its name to OrganiMax Nutrient Corp. and ticker symbol to “KMAX” on the TSX Venture Exchange. The Company is an exploration stage company which engages in the business of acquisition, exploration and development of mineral properties in North America. The Company’s head office is located at Suite 1400 – 1040 West Georgia Street, Vancouver, B.C., V6E 4H8. The Company began trading on the TSX Venture Exchange in April 2005.

The Company had a working capital of \$1,058,446 (June 30, 2020 – working capital deficiency of \$1,509,855) and a deficit of \$12,329,405 (June 30, 2020 - \$11,523,051) as at March 31, 2021, which has been funded mainly by the issuance of equity. The accompanying consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company’s ability to generate future profitable operations and/or generate continued financial support in the form of equity financings. These material uncertainties may cast significant doubt regarding the Company’s ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and the financial position classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as Covid-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant effects on the world’s equity markets and the movement of people and goods has become restricted. As the Company does not have production activities, the ability to fund ongoing exploration is affected by the availability of financing. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding. The impact of these factors on the Company is not yet determinable; however, they may have a material impact on the Company’s financial position, results of operations and cash flows in future periods. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of the condensed consolidated interim financial statements. The accounting policies followed in these consolidated financial statements are the same as those applied in the audited annual consolidated financial statements for the Company for the year ended June 30, 2020.

These condensed consolidated interim financial statements of the Company for the nine months ended March 31, 2021 were reviewed, approved and authorized for issue by the Board of Directors on May 31, 2021.

Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs except for certain financial instruments, which are measured at fair value. The consolidated financial statements are presented in Canadian dollars which is also the functional currency of the Company and its subsidiary.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Nine Months Ended March 31, 2021 and 2020

2. BASIS OF PREPARATION (continued)

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Grupo Minero Alset, S.A. de. C.V. (“Grupo”) in Mexico. Grupo was incorporated on June 7, 2016. All inter-company balances and transactions have been eliminated on consolidation.

Use of Accounting Judgments, Estimates and Assumptions

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss 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.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

a) Exploration and Evaluation Expenditures

The application of the Company’s accounting policy for exploration and evaluation expenditure 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 made 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 written off in the profit or loss in the period the new information becomes available.

b) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, 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) Going Concern

The assessment of the Company’s ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company’s ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Nine Months Ended March 31, 2021 and 2020**3. SIGNIFICANT ACCOUNTING POLICIES****Adoption of New Pronouncements**

There were no new accounting standards, amendments and updates that would either be applicable or have a material effect upon adoption.

4. EQUIPMENT

	Computer Hardware and Software	Drilling and Exploration Equipment	Total
	\$	\$	\$
COST			
Balance at June 30, 2019	16,571	4,313	20,884
Additions	-	874	874
Balance at June 30, 2020 and March 31, 2021	16,571	5,187	21,758
DEPRECIATION			
Balance at June 30, 2019	8,837	1,995	10,832
Depreciation	2,320	823	3,143
Balance at June 30, 2020	11,157	2,818	13,975
Depreciation	1,218	534	1,752
Balance at March 31, 2021	12,375	3,352	15,727
NET CARRYING AMOUNT AS AT			
June 30, 2020	5,414	2,369	7,783
March 31, 2021	4,196	1,835	6,031

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)****For the Nine Months Ended March 31, 2021 and 2020****5. EXPLORATION AND EVALUATION ASSETS**

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the nine months ended March 31, 2021 and the year ended June 30, 2020 are summarized in the tables below:

	Lithium Salars	Silver Valley	Total
	\$	\$	\$
Acquisition costs			
Balance, June 30, 2020	1,656,217	-	1,656,217
Acquisition	-	26,864	26,864
Total, March 31, 2021	1,656,217	26,864	1,683,081
Exploration and evaluation costs			
Balance, June 30, 2020	1,981,185	-	1,981,185
Depreciation	534	-	534
Environmental	-	7,253	7,253
Taxes and duties	306,258	-	306,258
Cost recovery	(1,736,062)	-	(1,736,062)
Total, March 31, 2021	551,915	7,253	559,168
Total, March 31, 2021	2,208,132	34,117	2,242,249

	Lithium Salars
	\$
Acquisition costs	
Balance, June 30, 2019	1,656,217
Acquisition	-
Total, June 30, 2020	1,656,217
Exploration and evaluation costs	
Balance, June 30, 2019	1,126,231
Depreciation	823
Field supplies and miscellaneous	2,055
Permitting and prospecting	544
Taxes and duties	851,532
Total, June 30, 2020	1,981,185
Total, June 30, 2020	3,637,402

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Nine Months Ended March 31, 2021 and 2020

5. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Lithium Salars, Mexico

Pursuant to an agreement dated July 28, 2016 and amended on April 7, 2017 with MKG Mining Mexico, S.A. de C. V. (“MKG”), the Company acquired a 100% interest in lithium, potassium, boron soils, and brine salar assets located in Zacatecas and San Luis Potosi, Mexico, which includes four large concessions containing seven top priority salars namely, Caligüey, La Doncella, Colorada, La Salada, Santa Clara, Saldivar and Chapala. As consideration for the properties, the Company agreed to pay the outstanding mining taxes on the four concessions of \$143,870 (paid) and US\$210,000 to MKG. During the year ended June 30, 2017, the Company paid US\$20,000 in cash and issued 700,505 common shares of the Company as payment of the remaining US\$190,000 balance.

The Company also paid \$44,587 as finder’s fee to an individual who became a director of the Company in March 2017.

The property is subject to a 2% net smelter royalty (“NSR”) of which 1% can be purchased by the Company for US\$250,000. The property is also subject to a 0.25% NSR in favour of the finder mentioned above.

Pursuant to an agreement dated June 15, 2017, the Company entered into an assignment of mining rights and obligations agreement with Hot Spring Mining, S.A. de C.V. (“Hot Spring Mining”) to acquire two concessions located in Zacatecas and San Luis Potosi, Mexico. The Company agreed to issue 444,444 common shares to Hot Spring Mining as consideration for the properties (issued in August 2017). The Company also agreed to pay the outstanding mining taxes on the two concessions totaling \$180,998. The properties are subject to a 2.5% NSR of which the Company has the right to purchase up to 1.5% for \$1,500,000.

In November 2017, the Company completed the staking and filing of additional mineral claims for this property.

During the year ended June 30, 2019, the Company incurred acquisitions costs of \$155,839 which consist of annual mining fees on the mining claims that make-up the property.

During the nine months ended March 31, 2021, the Company has been successful in challenging the Mexican Mining Authority in the Federal Court of Administrative Justice to reduce its land position significantly focusing on its three primary salar assets and in so doing eliminating the past 3 years of back dated taxes charged by the government to the Company on its total land package. The judgment in favour has resulted in the Company’s accounts payable having been decreased by \$1,736,062.

(b) Silver Valley, USA

In February 2021, the Company entered into a binding letter of intent with Blackhawk Exploration LLC (“Blackhawk”) providing the Company with the option to acquire a 100% interest in the past producing Government Gulch Silver project in the Silver Valley, Coeur d’Alene Mining District, Idaho USA (the “Option”) (Note 12). The Company may exercise the Option by paying US\$650,000 and incurring US\$3,000,000 of exploration expenditures on the property to earn a 75% interest in the property as follows:

- Pay a non-refundable deposit of US\$20,000 upon execution of the binding letter of intent (paid)
- Pay US\$130,000 upon approval of the Option by the TSX Venture Exchange
- Pay US\$250,000 and completing a minimum of US\$600,000 of expenditures on the property by the first anniversary of the option date
- Pay an additional US\$250,000 and completing an additional minimum of US\$600,000 of expenditures on the property by the second anniversary of the option date

5. EXPLORATION AND EVALUATION ASSETS (continued)

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Nine Months Ended March 31, 2021 and 2020

(b) Silver Valley, USA (continued)

- Completing an additional minimum of US\$1,200,000 of expenditures on the property by the third anniversary of the option date
- Completing an additional \$600,000 of expenditures on the property by the fourth anniversary of the option date

Upon the Company acquiring a 75% interest in the property, the Company shall have the right to either:

- Cause the parties to form a joint venture with terms consistent with the usual industry practice including a provision for a participant's interest to be converted to a 2% NSR if its interest is diluted to less than a 10% interest. The Company has the right, at any time after the NSR takes effect to purchase one half of the NSR by making a payment of US\$1,000,000 and has the right of first refusal to purchase the remainder of the NSR; or
- Purchase Blackhawk's 25% interest at a price to be negotiated between Blackhawk and the Company with both parties acting diligently and in good faith to arrive at a mutually acceptable purchase price. If the parties do not come to agreement on the purchase price, the Company, at its option, can either pay US\$2,000,000 or issue US\$2,000,000 worth of shares of the Company to Blackhawk priced at the 20 day volume weighted average price following the date that the Company acquires the 75% interest.

6. LOAN PAYABLE

On April 28, 2020, the Company received \$40,000 under the Canada Emergency Business Account ("CEBA"). The loan is non-interest bearing and no principal repayments are required up to December 31, 2022. If the principal balance of \$30,000 is repaid by December 31, 2022, then the remaining \$10,000 of the principal balance will be forgiven. Any remaining balance after January 1, 2023 will be converted into a 3 year term loan with a fixed interest of 5% per annum, monthly interest-only payments and the outstanding balance must be repaid in full by December 31, 2025.

7. SHARE CAPITAL

Authorized:

Class A common - unlimited
Class B common - unlimited
Common shares - unlimited

Issued:

Class A common - Nil
Class B common - Nil
Common shares – 30,044,785 shares

Effective May 6, 2019, the Company completed a share consolidation on the basis of 3 pre-consolidation common shares for 1 post-consolidation common share. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)****For the Nine Months Ended March 31, 2021 and 2020****7. SHARE CAPITAL (continued)****(a) Shares issued**

On August 21, 2019, the Company received approval from the TSX Venture Exchange for a non-brokered \$0.05 unit private placement financing. The Company issued 9,260,000 units for gross proceeds of \$463,000, each unit consisting one common share and one common share purchase warrant. \$60,000 of these gross proceeds were received in the year ended June 30, 2019. Each warrant entitles the holder to purchase one common share at a price of \$0.075 per share at any time within two years of the date of issuance.

On September 30, 2020 the Company closed a private placement through the issuance of 4,400,000 units at \$0.05 per unit for gross proceeds of \$220,000. Each unit consists of one common share and one share purchase warrant. Each full warrant entitles the holder to purchase an additional common share at \$0.15 for 24 months from the date of closing of the private placement.

On March 1, 2021, the Company received approval from the TSX Venture Exchange for a non-brokered \$0.20 unit private placement financing. The Company issued 5,500,000 units for gross proceeds of \$1,100,000, each unit consisting one common share and one half of a common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.30 per share at any time within two years of the date of issuance.

During the nine months ended March 31, 2021, the Company issued a total of 1,460,000 common shares pursuant to the exercise of 1,460,000 warrants at an exercise price of between \$0.075 and \$0.15 per share for total proceeds of \$124,500.

(b) Stock options

The Company has adopted an incentive stock option plan for granting options to directors, employees and consultants. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. Options granted may not exceed a term of five years. All options vest upon grant unless otherwise specified by the Board of Directors.

Details of stock option transactions for the nine months ended March 31, 2021 and the year ended June 30, 2020 are detailed below.

	Number of Options	Weighted Average Exercise Price
		\$
Balance, June 30, 2019	208,332	1.21
Expired and forfeited	(83,333)	0.99
Balance, June 30, 2020	124,999	1.35
Granted	2,150,000	0.20
Expired	(25,000)	0.63
Balance, March 31, 2021	2,249,999	0.26

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)****For the Nine Months Ended March 31, 2021 and 2020****7. SHARE CAPITAL (continued)****(b) Stock options (continued)**

As at March 31, 2021, the following stock options were outstanding:

Expiry Date	Exercise Price	Number of Options	Options Exercisable
	\$		
July 27, 2021	3.51	11,111	11,111
December 12, 2021	1.17	33,333	33,333
May 10, 2022	1.35	55,555	55,555
February 10, 2026	0.20	2,150,000	2,150,000
		2,249,999	2,249,999

The weighted average life of the options outstanding and exercisable at March 31, 2021 is 4.69 years (June 30, 2020 – 1.47 years).

The fair value of the stock options granted was calculated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	2021	2020
Risk-free interest rate	0.50%	-
Expected dividend yield	0%	-
Expected forfeiture rate	0%	-
Expected stock price volatility	155%	-
Expected life in years	5.00	-

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option and warrant grants.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)****For the Nine Months Ended March 31, 2021 and 2020****7. SHARE CAPITAL (continued)****(c) Warrants**

The changes in warrants during the nine months ended March 31, 2021 and the year ended June 30, 2020 were as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, June 30, 2019	1,908,626	0.510
Issued	9,260,000	0.075
Expired	(296,825)	0.900
Balance, June 30, 2020	10,871,801	0.130
Issued	7,150,000	0.210
Exercised	(1,460,000)	0.085
Balance, March 31, 2021	16,561,801	0.170

Warrants outstanding at March 31, 2021 were as follows:

Expiry Date	Number of Warrants	Exercise Price
		\$
April 13, 2021	1,378,361	0.450
April 13, 2021	233,440	0.360
August 21, 2021	8,000,000	0.075
September 30, 2022	4,200,000	0.150
March 1, 2023	2,750,000	0.300
	16,561,801	

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)****For the Nine Months Ended March 31, 2021 and 2020****8. RELATED PARTY TRANSACTIONS**

The Company accrued the following amounts to related parties during the nine months ended March 31, 2021 and 2020:

Payee	Description of Relationship	Nature of Transaction	2021	2020
			\$	\$
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, officer and former director	Legal fees and consulting fees	-	15,211
Gilberto Zapata Casteneda	Former Director, and former CFO	Consulting fees	3,599	30,880
Bradonon Rook	CEO and director	Consulting fees and salaries and wages	90,000	92,308
Golden Tree Capital Corp.	Company controlled by Dong Shim, CFO	Accounting fees	27,000	27,000
SHIM & Associates LLP	Company controlled by Dong Shim, CFO	Accounting fees	9,000	13,000

The services provided by and fees charged by the related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due to related parties as at March 31, 2021 and June 30, 2020 were as follows:

Payee	Description of Relationship	March 31, 2021	June 30, 2020
		\$	\$
Gilberto Zapata Casteneda	Former Director, and former CFO	922	9,280
Albert Wu & Associates Ltd.	Company controlled by Alberta Wu, former CFO	4,620	4,620
Allan Laboucan	Former president, former CEO, and a former director	36	36
Golden Tree Capital Corp.	Company controlled by Dong Shim, CFO	34,650	12,600
SHIM & Associates LLP	Company controlled by Dong Shim, CFO	8,500	8,500

The amounts due to related parties are included in accounts payable and are non-interest bearing, unsecured, and have repayment terms similar to other non-related party trade payables.

During the year ended June 30, 2020, the Company wrote-off accounts payable to Mr. Timothy Mosey and Golden Tree Capital Corp. in the amount of \$21,500 and \$7,950, respectively.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)****For the Nine Months Ended March 31, 2021 and 2020****8. RELATED PARTY TRANSACTIONS (continued)**

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-terms benefits and termination benefits were made during the nine months ended March 31, 2021 and 2020.

Short-term key management compensation consists of the following for the nine months ended March 31, 2021 and 2020:

	2021	2020
	\$	\$
Professional fees	36,000	55,211
Consulting fees	3,599	40,880
Salaries and wages	90,000	82,308
Share-based payments	460,457	-
	590,056	178,399

9. CAPITAL DISCLOSURES

The Company's objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern;
- To raise sufficient capital to finance its exploration activities on its mineral exploration properties;
- To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short-term working capital requirements, and its planned exploration and development program expenditure requirement. The capital structure of the Company is composed of working capital (deficiency) and shareholders' equity. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the current period. In order to maintain or adjust the capital structure, the Company considers the following;

- i) incremental investment and acquisition opportunities;
- ii) equity and debt capital available from capital markets;
- iii) equity and debt credit;
- iv) sale of assets;
- vi) limiting the size of the investment program; and
- vi) new share issuances if available on favorable terms.

Except as otherwise disclosed, the Company is not subject to any external financial covenants at March 31, 2021 and June 30, 2020.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)****For the Nine Months Ended March 31, 2021 and 2020****10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

IFRS establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash, which is classified as Level 1.

Assets measured at fair value on a recurring basis were presented on the Company's consolidated statements of financial position as at March 31, 2021 and June 30, 2020 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Cash and cash equivalents				
March 31, 2021	1,155,057	-	-	1,155,057
June 30, 2020	63,791	-	-	63,791

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at March 31, 2021 and June 30, 2020 because of the demand nature or short-term maturity of these instruments.

The following table summarizes the carrying value of the Company's financial instruments:

	March 31, 2021	June 30, 2020
	\$	\$
Fair value through profit and loss (i)	1,155,057	63,791
Amortized cost (ii)	186,748	1,646,112

- (i) Cash
- (ii) Accounts payable and loan payable

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Nine Months Ended March 31, 2021 and 2020

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

The Company's financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk, currency risk and market risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company's cash are held through a large Canadian financial institution. Management believes the risk of loss to be remote.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In management's opinion, the Company is not exposed to significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. At March 31, 2021, the Company had cash on hand of \$1,155,057 (June 30, 2020 - \$63,791) available to settle current liabilities of \$146,748 (June 30, 2020 - \$1,606,112). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Currency risk

The Company's functional currency is the Canadian dollar. The Company is primarily exposed to currency fluctuations related to accounts payable and accrued liabilities and payment obligations for exploration and evaluation that are denominated in Mexican Pesos. As at March 31, 2021, the Company had net current liabilities of \$56,675 (June 30, 2020 - net current liabilities of \$1,452,864) denominated in Mexican Pesos which was translated at 0.06148 pesos to \$1 (June 30, 2020 - 0.05905). The Company does not actively manage this risk.

(e) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. In management's opinion, the Company is not exposed to significant market risk.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)****For the Nine Months Ended March 31, 2021 and 2020****11. SEGMENTED INFORMATION**

The Company currently operates in three geographical operating segments, the exploration of mineral properties in Canada, USA and Mexico. Management of the Company makes decisions about allocating resources based on the operating segments. A geographic summary of identifiable assets and liabilities by country is as follows:

As at March 31, 2021				
	Canada	USA	Mexico	Total
	\$	\$	\$	\$
Equipment	4,196	-	1,835	6,031
Exploration and evaluation assets	-	34,117	2,208,132	2,242,249

As at June 30, 2020				
	Canada	USA	Mexico	Total
	\$	\$	\$	\$
Equipment	5,414	-	2,369	7,783
Exploration and evaluation assets	-	-	3,637,402	3,637,402

12. SUBSEQUENT EVENTS

On April 6, 2021, the Company granted 300,000 stock options to a director of the Company with an exercise price of \$0.25 per share for a term of five years.

On April 22, 2021, the Company granted 200,000 stock options to a member of management of the Company with an exercise price of \$0.25 per share for a term of five years.

In February 2021, the Company entered into a binding letter of intent with Blackhawk Exploration LLC (“Blackhawk”) providing the Company with the option to acquire a 100% interest in the past producing Government Gulch Silver project in the Silver Valley, Coeur d’Alene Mining District, Idaho USA (the “Option”). The Company may exercise the Option by paying US\$650,000 and incurring US\$3,000,000 of exploration expenditures on the property to earn a 75% interest in the property.