



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - Prepared by Management

Expressed in Canadian dollars

January 31, 2021

Metalex Ventures Ltd.

January 31, 2021

Table of contents

Notice to Reader	1
Condensed Consolidated Interim Statements of Financial Position	2
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss	3
Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency	4
Condensed Consolidated Interim Statements of Cash Flows	5
Notes to the Condensed Consolidated Interim Financial Statements	6 - 19

NOTICE TO READER

These condensed consolidated interim financial statements of Metalex Ventures Ltd. ("the Company") for the nine month periods ended January 31, 2021 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 International Financial Reporting Standards for a review of interim financial statements by an entity's auditor.

Metalex Ventures Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Prepared by Management)

(Expressed in Canadian Dollars)

	Note	January 31, 2021	April 30, 2020
ASSETS			
Current assets			
Cash		\$ 2,926,827	\$ 275,853
Receivables	4, 10	12,386	5,081
Prepaid expenses		26,102	18,722
		2,965,315	299,656
Non-current assets			
Reclamation deposit	6	1,132,071	1,133,801
Investment in private company	5	1,042,500	1,390,000
Exploration and evaluation assets	6	288,500	275,362
Long-term deposit		5,000	5,000
Equipment	8	3,032	2,542
Total Assets		\$ 5,436,418	\$ 3,106,361
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9, 10	\$ 2,038,372	\$ 4,034,425
SHAREHOLDERS' DEFICIENCY			
Share capital	11	96,154,370	90,588,989
Reserves	11	9,094,111	9,261,879
Deficit		(101,850,435)	(100,778,932)
		3,398,046	(928,064)
Total Liabilities and Shareholders' Deficiency		\$ 5,436,418	\$ 3,106,361

Nature and continuance of operations (Note 1)

Approved by the Board of Directors:

"Chad Ulansky"
Chad Ulansky

"Lorie Waisberg"
Lorie Waisberg

See accompanying notes to condensed consolidated interim financial statements.

Metalex Ventures Ltd.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

(Unaudited - Prepared by Management)

(Expressed in Canadian Dollars)

	Note	Three Month Periods Ended		Nine month periods ended	
		January 31,		January 31,	
		2021	2020	2021	2020
EXPENSES					
Depreciation	8	\$ 319	\$ 318	\$ 953	\$ 953
Directors fees	10	389,794	15,000	419,794	45,000
Exploration expenditures, net of recoveries	7, 10	116,344	253,815	417,067	276,762
Foreign exchange loss (gain)		253	(238)	869	1,170
Office and administrative		44,118	30,961	94,552	82,838
Professional fees		13,553	8,981	48,075	36,094
Transfer agent and filing fees		11,570	5,069	15,221	11,407
Travel and promotion		1,177	963	2,551	1,469
		(577,128)	(314,869)	(999,082)	(455,693)
Unrealized gain (loss) on investment in private company	5	-	2,224,000	(347,500)	2,224,000
Interest income (adjustment)		(6,944)	6,369	(512)	19,815
Sale of mineral claims	6	-	-	-	278,000
		(6,944)	2,230,369	(348,012)	2,521,815
Net income (loss) and comprehensive income (loss) for the year		\$ (584,072)	\$ 1,915,500	\$ (1,347,094)	\$ 2,066,122
Basic and diluted loss per share		\$ (0.00)	\$ 0.02	\$ (0.01)	\$ 0.02
Weighted average number of shares outstanding - basic	12	119,707,375	112,957,165	118,657,923	112,957,165
Weighted average number of shares outstanding - diluted	12	119,707,375	119,378,600	118,657,923	125,404,907

See accompanying notes to condensed consolidated interim financial statements.

Metalex Ventures Ltd.

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency

(Unaudited - Prepared by Management)

(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Reserves	Deficit	Total
Balance at April 30, 2019		112,957,165	\$ 90,588,989	\$ 9,487,666	\$ (101,889,339)	\$ (1,812,684)
Reserves transferred on expired warrants		-	-	(225,787)	225,787	-
Loss for the period		-	-	-	2,066,122	2,066,122
Balance at January 31, 2020		112,957,165	\$ 90,588,989	\$ 9,261,879	\$ (99,597,430)	\$ 253,438
Balance at April 30, 2020		112,957,165	\$ 90,588,989	\$ 9,261,879	\$ (100,778,932)	\$ (928,064)
Share issuance	11(b)	72,938,753	5,878,460	-	-	5,878,460
Share issuance costs	11(b)	-	(313,079)	107,823	-	(205,256)
Reserves transferred on expired options		-	-	(275,591)	275,591	-
Loss for the period		-	-	-	(1,347,094)	(1,347,094)
Balance at January 31, 2021		185,895,918	\$ 96,154,370	\$ 9,094,111	\$ (101,850,435)	\$ 3,398,046

See accompanying notes to condensed consolidated interim financial statements.

Metalex Ventures Ltd.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Nine month periods ended	
	January 31,	
	2021	2020
OPERATING ACTIVITIES		
Income (loss) for the year	\$ (1,347,094)	\$ 2,066,122
Items not affecting cash:		
Depreciation	953	953
Interest accrued on reclamation deposit	1,730	(13,107)
Unrealized gain on investment in private company	347,500	(2,224,000)
Sale of mineral claims	-	(278,000)
	(996,911)	(448,032)
Net changes in non-cash working capital items:		
Decrease (increase) in receivables	(7,305)	3,203
(Increase) decrease in prepaid expenses	(7,380)	(2,003)
Increase in accounts payable and accrued liabilities	753,947	389,633
Net cash used for operating activities	(257,649)	(57,199)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(13,138)	-
Equipment	(1,443)	-
Net cash used for investing activities	(14,581)	-
FINANCING ACTIVITIES		
Issuance of share capital	3,128,460	-
Issuance cost	(205,256)	-
Net cash provided by financing activities	2,923,204	-
Net decrease in cash	2,650,974	(57,199)
Cash, beginning of year	275,853	406,261
Cash, end of year	\$ 2,926,827	\$ 349,062
Cash paid for interest during the year	\$ -	\$ -
Cash paid for taxes during the year	\$ -	\$ -
Supplemental disclosure:		
Settlement of related party debt for shares	\$ 2,750,000	\$ -
Transfer of reserves on the expiration of stock options	\$ 275,591	\$ -
Sale of mineral claims in exchange for shares of private company	\$ -	\$ 278,000

See accompanying notes to condensed consolidated interim financial statements.

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Metalex Ventures Ltd. (the “Company” or “Metalex”) is incorporated under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to its mineral properties. To date, the Company has not generated significant revenues from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company’s common shares are listed on the TSX Venture Exchange under the trading symbol “MTX”. The Company’s head office and location of books and records is 203-1634 Harvey Avenue, Kelowna, British Columbia, Canada, V1Y 6G2.

The recoverability of the amounts comprised in mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Continued operations of the Company are dependent on its ability to develop its mineral properties, receive continued financial support, complete equity financings, or generate profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company is not generating operating cash flows and will require additional funding in order to maintain its activities for the coming year. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company’s. This outbreak could decrease spending, adversely affect demand for the Company’s product and harm the Company’s business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements (the “Financial Statements”), including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). As a result, they do not conform in all respects with the disclosure requirements for annual financial statements under IFRS and should be read in conjunction with the Company’s audited consolidated financial statements for the fiscal year ended April 30, 2020. The accounting policies and methods of application are consistent with those used in the Company’s consolidated financial statements for the year ended April 30, 2020.

These Financial Statements were approved for issue by the Audit Committee on March 8, 2021.

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION *(continued)*

Basis of Consolidation and Presentation

These Financial Statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These Financial Statements incorporate the financial statements of the Company and its wholly-owned subsidiary (Note 10). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of these condensed consolidated interim 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 at the date of the 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 materially and adversely from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on acquisition costs incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The valuation of the investment in private company. Upon receipt of the shares of a private company, the Company considered the proposed plan for the private company to determine whether the Company had significant influence over the private company, as well as any available market information. As the shares are privately held and not traded on an open market, there may not be readily available information regarding the value of the shares. Management has obtained information about recent share transactions entered into as at April 30, 2020 and January 31, 2021 in regards to the private company and revalued the investment based on the most recently available share price paid.
- iii) The inputs used in calculating the fair value for share-based compensation expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based compensation expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.
- iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign Exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 - The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

New Standards Adopted

IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” – This new standard was adopted as of May 1, 2020. IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Change in accounting and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally account for on a prospective basis. At present, the Company has one asset that has been valued using estimates; this asset is re-evaluation each quarter end and changes valuation are recorded in the Statement of Operations and Comprehensive Income (loss). As such, there was no impact to the Financial Statements from the adoption of this standard.

4. RECEIVABLES

The Company’s receivables are as follows:

	January 31, 2021	April 30, 2020
Related party receivables (Note 10)	\$ 3,308	\$ 3,846
GST receivable	9,078	1,235
Total	\$ 12,386	\$ 5,081

5. INVESTMENT IN PRIVATE COMPANY

On October 25, 2019, the Company signed an agreement to sell the Company’s 62.5% interest in certain mineral claims in the Ring of Fire region of the James Bay Lowlands, Ontario (Note 6) for 2,780,000 common shares (valued at \$278,000).

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

5. INVESTMENT IN PRIVATE COMPANY *(continued)*

As at January 31, 2021, the Company owns 7.2% of the private entity (April 30, 2020 – 11.5%). Using the private placement information from the private entity's most recent fundraising as well as information regarding private sale offers for the shares, the valuation of the Company's investment has been estimated at \$1,042,500 (April 30, 2020 – \$1,390,000), resulting in an unrealized loss on investment value of \$347,500 for the nine month period ended January 31, 2021 (nine month period ended January 31, 2020 – unrealized gain of \$2,224,000).

6. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

The carrying values of the Company's exploration and evaluation assets are as follows:

	Wemindji			
	James Bay, Quebec	Kyle Lake, Ontario	South Africa	Total
Balances as at January 21 and April 30, 2020	\$ 10,500	\$ 264,862	\$ -	\$ 275,362
Additions	-	-	13,138	13,138
Balances as at January 31, 2021	\$ 10,500	\$ 264,862	\$ 13,138	\$ 288,500

The Company's one reportable operating segment is the acquisition and exploration of mineral properties; the Company's non-current assets are located in Canada and South Africa.

Wemindji James Bay Property, Quebec

As at January 31, 2021, the Company has a 77.58% (April 30, 2020 – 76.97%) contributing interest in various mineral claims located in the Wemindji James Bay region of Quebec for the exploration of diamonds and owns 100% of the non-diamond project.

Kyle Lake Project, Ontario

As at January 31, 2021, the Company has a 100% earned interest in certain mineral claims located in the Kyle Lake area of Ontario. These claims are subject to a 10% carried interest in favour of Kel-Ex Development Ltd. ("Kel-Ex"), a company related by virtue of a common director. Pursuant to earn-in agreements, the Company will be required to pay \$2,000,000 in circumstances where a mine is put into production on the claims comprising the Kyle Lake project.

As at January 31, 2021, the Company has paid an advanced reclamation deposit valued at \$1,132,071 (April 30, 2020 – \$1,133,801) for potential disturbance on future development at the Kyle Lake project.

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS *(continued)*

Attawapiskat Property, Ontario

Big Red Diamond Joint Venture

As at January 31, 2021, the Company has a 83.9% working interest (72% earned interest) in certain mineral claims in the Attawapiskat area of Ontario. These claims are subject to a 10% carried interest in favour of Kel-Ex.

Dumont Joint Venture

As at January 31, 2021, the Company has a 82.5% working interest (61.7% earned interest) in certain mineral claims located in the vicinity of Attawapiskat, Ontario. These claims are subject to 10% carried interests in favour of each of Kel-Ex and DNI Metals Inc. (formerly Dumont Nickel Inc.)

Morocco

In May 2004, the Company entered into an agreement with the Office National de Hydrocarburers et des Mines (“ONHYM”) to conduct preliminary exploration work in Southern Morocco in order to identify areas on which to undertake further exploration work. In May 2005, the Company added additional areas for exploration work on the same terms and conditions as the first agreement. The agreements were governed by the laws and regulations of the Kingdom of Morocco and were valid until November 2006.

In April 2011, the Company entered into a new joint venture agreement with the ONHYM for further exploration of the claim areas. The Company will hold a 60% interest while ONHYM will retain a 40% interest in the project. Both parties will be responsible for funding their respective interests.

The Company’s 36 month agreement with ONHYM has expired and the Company is in the process of extending it.

South Africa

In November 2020, the Company reached an agreement to acquire an interest in the 3,373 hectare Viljoenshof prospecting license for Invest in Property 126 (Pty) Ltd (“IIP”). Over a four-stage agreement and the completion of a feasibility study, Metalex has the ability to earn up to a 70% interest in the property. Any joint venture will be subject to a 10% net profits royalty interest in favour of Verdi Farms Trust.

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

7. EXPLORATION EXPENDITURES

	James Bay, Quebec	Kyle Lake, Ontario	Attawapiskat, Ontario	Morocco	South Africa	Total
Cumulative expenditures, April 30, 2019	\$ 8,613,404	\$ 46,710,167	\$ 9,415,286	\$ 5,908,107	\$ -	\$ 70,646,964
Additions						
Licenses, rent and other	574	2,324	-	-	-	2,898
Labour	6,234	4,017	1,650	-	-	11,901
Sample laboratory analysis	77,357	130,128	-	-	-	207,485
Shipping and freight	11,959	64,527	-	6,496	-	82,982
Total additions	96,124	200,996	1,650	6,496	-	305,266
Cost recoveries	(34,337)	-	-	-	-	(34,337)
Net exploration expenditures during the period	61,787	200,996	1,650	6,496	-	270,929
Cumulative expenditures, January 31, 2020	8,675,191	46,911,163	9,416,936	5,914,603	-	70,917,893
Net exploration expenditures to year end	(1,152)	28,081	-	1,350	-	28,279
Cumulative expenditures, April 30, 2020	8,674,039	46,939,244	9,416,936	5,915,953	-	70,946,172
Additions						
Camp and field supplies	-	8,209	-	-	-	8,209
Equipment rental	14,350	3,464	-	-	-	17,814
Licenses, rent and other	51,702	2,379	-	-	3,570	57,651
Labour	55,818	8,316	-	-	18,082	82,216
Sample laboratory analysis	157,373	-	-	-	-	157,373
Shipping and freight	13,686	73,813	-	6,740	-	94,239
Travel and accomodation	-	317	-	-	-	317
Total additions	292,929	96,498	-	6,740	21,652	417,819
Cost recoveries	(752)	-	-	-	-	(752)
Net exploration expenditures during the period	292,177	96,498	-	6,740	21,652	417,067
Cumulative expenditures, January 31, 2021	\$ 8,966,216	\$ 47,035,742	\$ 9,416,936	\$ 5,922,693	\$ 21,652	\$ 71,363,239

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

8. PROPERTY AND EQUIPMENT

		Computer equipment
Cost:		
Balance at April 30, 2019, January 31, 2020 and April 30, 2020	\$	3,812
Additions		1,443
Balance at January 31, 2021	\$	5,255
Accumulated depreciation:		
Balance at April 30, 2019	\$	-
Depreciation		953
Balance at January 31, 2020		953
Depreciation		317
Balance at April 30, 2020		1,270
Depreciation		953
Balance as January 31, 2021	\$	2,223
Carrying amounts		
As at April 30, 2019	\$	3,812
As at January 31, 2020	\$	2,859
As at April 30, 2020	\$	2,542
As at January 31, 2021	\$	3,032

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	January 31, 2021	April 30, 2020
Trade payables	\$ 19,726	\$ 8,997
Accrued liabilities (Note 11)	777,588	344,794
Related party payables (Note 10)	1,241,058	3,680,634
Total	\$ 2,038,372	\$ 4,034,425

10. RELATED PARTY DISCLOSURES

The Financial Statements include the financial statements of Metalex Ventures Ltd. and its 100% owned inactive subsidiary, Mali Gold Mine Ltd. (incorporated in the country of Mali); there has been no change in ownership during the period.

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

10. RELATED PARTY DISCLOSURES *(continued)*

During the three and nine month periods ended January 31, 2021 and 2020 the Company had related party transactions with the following companies related by way of common directors or shareholders:

- C.F. Mineral Research Ltd. (“CF Minerals”) – a private company owned by the Metalex Chairman. CF Minerals provides heavy mineral geochemistry services to the Company.
- Cantex Mine Development Corp. (“Cantex”) – a publicly listed company with common directors and management. Metalex and Cantex share office space and thus have certain shared expenditures which get re-billed on a cost-recovery basis.
- Element 29 Ventures Ltd. (“Element 29”) – a private company owned by the Metalex CEO. Element 29 provides geological consulting services to the Company.
- FourIrons Consulting (“FourIrons”) – a private company owned by the Metalex CFO. FourIrons provides financial consulting services to the Company.
- Kel-Ex Development Ltd. (“Kel-Ex”) – a private company owned by the Metalex Chairman. Kel-Ex provides administration, payroll and office services to the Company.

The key management personnel of the Company are the Directors, Chief Executive Office and Chief Financial Officer.

The Company’s related party expenses (recoveries) consist of the following:

	Three month periods ended		Nine month periods ended	
	January 31,		January 31,	
	2021	2020	2021	2020
Laboratory and mineralogical costs, including storage	\$ 36,174	\$ (12,802)	\$ 68,505	\$ 18,276
Administration fees (10%)	3,347	4,869	9,814	7,289
Consulting fees	26,176	3,204	43,452	6,459
Shared field expenditures	13,698	140,605	20,268	143,507
Shared office and administrative costs	2,728	2,611	8,651	11,047
	\$ 82,123	\$ 138,487	\$ 150,690	\$ 186,578

	Three month periods ended		Nine month periods ended	
	January 31,		January 31,	
	2021	2020	2021	2020
C.F. Mineral Research Ltd.	\$ 36,174	\$ (12,802)	\$ 68,505	\$ 18,276
Element 29 Ventures Ltd.	24,807	3,054	37,483	6,478
FourIrons Consulting	12,350	-	18,600	-
Kel-Ex Development Ltd.	8,792	148,235	26,102	161,824
	\$ 82,123	\$ 138,487	\$ 150,690	\$ 186,578

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

10. RELATED PARTY DISCLOSURES *(continued)*

The Company's expenses recovered from related parties consist of the following:

	Three month periods ended		Nine month periods ended	
	January 31, 2021	2020	January 31, 2021	2020
Shared office and administrative costs	\$ 4,003	\$ 5,400	\$ 25,047	\$ 16,103
Shared field expenditures	6,056	5,099	17,972	15,716
	\$ 10,059	\$ 10,499	\$ 43,019	\$ 31,819

	Three month periods ended		Nine month periods ended	
	January 31, 2021	2020	January 31, 2021	2020
Cantex Mine Development Corp.	\$ 8,709	\$ 7,795	\$ 25,700	\$ 23,974
Kel-Ex Development Ltd.	1,350	2,704	17,319	7,845
	\$ 10,059	\$ 10,499	\$ 43,019	\$ 31,819

Included in accounts payable of the Company are the following amounts due to related parties:

	January 31, 2021	April 30, 2020
C.F. Mineral Research Ltd.	\$ 1,054,176	\$ 1,068,803
Element 29 Ventures Ltd.	17,286	673
FourIrons Consulting	4,594	-
Kel-Ex Development Ltd.	165,002	2,611,158
	\$ 1,241,058	\$ 3,680,634

Included in receivables of the Company are the following amounts due from related parties:

	January 31, 2021	April 30, 2020
Cantex Mine Development Corp.	\$ 2,883	\$ 2,453
Kel-Ex Development Ltd.	425	1,393
	\$ 3,308	\$ 3,846

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

10. RELATED PARTY DISCLOSURES (continued)

The remuneration of directors and officers is as follows:

	Three month periods ended		Nine month periods ended	
	January 31, 2021	2020	January 31, 2021	2020
Director fees ⁽¹⁾	\$ 389,794	\$ 15,000	\$ 419,794	\$ 45,000
Wages and benefits ⁽²⁾	24,638	20,793	51,631	35,167
	\$ 414,432	\$ 35,793	\$ 471,425	\$ 80,167

(1) Directors fees are amounts accrued under the Company's deferred share unit plan as described in Note 11 (c). Each quarter, \$15,000 in DSUs are accrued under the plan; the total number of DSUs outstanding is then adjust based on the fair market value of the share price, resulting in fluctuations in the amount of fees expensed or recovered.

(2) Wages and benefits includes amounts paid or accrued for geological consulting fees due to related parties included in exploration expenditures and financial consulting fees and payroll costs included in office and administrative expenses within the statements of profit or loss.

11. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital

On December 11, 2020, the Company announced a private placement to raise up to \$1,200,000 in a combination of flow through shares ("the Shares") and non-flow through units ("the Units"). The Shares were issued at a price of \$0.085/share and units were sold for \$0.07/unit, comprising of one non-flow through shares and one-half of one share purchase warrant, with each whole warrant exercisable at a price of \$0.10 for a period of two years. Over the course of four tranches, the Company closed the private placement for a total of \$3,128,460 from the sale of 19,163,528 shares and 21,422,284 units; 10,711,141 warrants were issued as part of the private placement. Finder fees of \$152,595 and other share issuance costs of \$52,660 in conjunction with this private placement. The Company issued 1,550,235 finder's warrants valued at \$107,824 using the Black-Scholes option pricing model with the following parameters:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected life	2 years	2 year	2 years	2 years
Volatility	156.74%	155.86%	154.25%	155.54%
Risk free rate	0.23%	0.21%	0.20%	0.15%
Dividend rate	0.00%	0.00%	0.00%	0.00%

At the Company's 2020 Annual General Meeting, disinterested shareholder approval was received for a shares for debt transactions with Kelex to settle \$2,750,000 in related party debt. On January 15, 2021, the Company issued 32,352,941 in settlement of this debt.

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (continued)

c) Stock options and warrants

The Company, in accordance with its shareholder approved stock option plan as amended, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 10% of the issued and outstanding common shares. The exercise price of the options issued under the plan is determined by the Board of Directors at the time the options are granted. The options vest immediately upon grant, unless otherwise determined by the Board of Directors, and are exercisable for up to a period of ten years from the date of grant.

Stock option and warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding April 30, 2019	6,466,000	0.12	-	-
Expired	(300,000)	0.08	-	-
Outstanding January 31 and April 30, 2020	6,166,000	0.12	-	-
Granted	-	-	12,261,376	0.10
Expired	(510,000)	0.08	-	-
Outstanding, January 31, 2021	5,656,000	\$ 0.13	12,261,376	\$ 0.10
Number currently exercisable	5,656,000	\$ 0.13	12,261,376	\$ 0.10

The following stock options were outstanding at January 31, 2021:

	Number	Exercise Price	Expiry Date
Options	1,500,000	\$ 0.08	March 28, 2021
	3,756,000	0.15	December 19, 2023
	400,000	0.08	January 13, 2026
	<u>5,656,000</u>		

	Number	Exercise Price	Expiry Date
Warrants	386,134	\$ 0.10	December 23, 2022
	1,180,529	0.10	December 29, 2021
	2,605,000	0.10	December 31, 2022
	8,089,713	0.10	January 15, 2023
	<u>12,261,376</u>		

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (continued)

d) Deferred share unit plan

The Company has a deferred share unit plan whereby directors can receive compensation in the form of a deferred share unit. Under the plan, directors will earn compensation quarterly (\$7,500 initial value per quarter per director) at which time the number of deferred share units will be determined based on the weighted average of the Company's trading price for the last five trading days at the end of the quarter. Upon leaving the Board, directors, at their discretion, will receive shares for the deferred compensation. Under the deferred share plan, directors are entitled to receive the cash value equal to the fair value of the deferred shares outstanding. Accordingly, the value of the deferred liability is equal to the fair value of the shares. As of January 31, 2021, \$764,587 of deferred compensation (April 30, 2020 – \$344,794) has been accrued in accounts payable which equates to 7,645,872 shares (April 30, 2020 – 6,895,872 shares). Total directors fees of \$419,794 (2020 – \$345,000) reflect the compensation to directors, including fair value changes associated with the deferred share units.

12. EARNINGS PER SHARE

Basic Earnings per Share

Basic earnings per share is calculated by dividing the net income for the period by the weighted average number of common shares outstanding during the fiscal year of the Company.

	Three month periods ended		Nine month periods ended	
	January 31,		January 31,	
	2021	2020	2021	2020
Net income (loss) for the period	\$ (584,072)	\$ 1,915,500	\$ (1,347,094)	\$ 2,066,122
Weighted average number of common shares	119,707,375	112,957,165	118,657,923	112,957,165
	\$ (0.00)	\$ 0.02	\$ (0.01)	\$ 0.02

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

12. EARNINGS PER SHARE (continued)

Diluted Earnings per Share

For the purpose of calculating diluted earnings per share, the weighted average number of shares of common shares outstanding during the period has been adjusted for the dilutive effects of all potential common shares, warrants and deferred share units granted to board members. The diluted earnings per share is calculated by dividing the net income (loss) for the period by the weighted average number of shares that would have been in issue upon full exercise of the dilutive issuances, except where such adjustment would be anti-dilutive. Thus, for the three and nine month periods ended January 31, 2021, as a result of the Company's net loss, the basic and diluted earnings per share are the same.

	Three month periods ended		Nine month periods ended	
	January 31,		January 31,	
	2021	2020	2021	2020
Net income (loss) for the period	\$ (52,385)	\$ 239,176	\$ (763,022)	\$ 2,066,122
Opening weighted average shares outstanding	112,957,165	112,957,165	112,957,165	112,957,165
Weighted average number of shares issued	6,750,210	-	5,700,758	-
Weighted average number of DSUs issued	-	1,087	-	5,996,959
Stock options outstanding	-	6,420,348	-	6,450,783
shares	119,707,375	119,378,600	118,657,923	125,404,907
Diluted income (loss) per share	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ 0.02

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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).

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Investment in private company is carried at fair market value using a level 3 fair value measurement, which has been based on the last share purchase price used to raise funds. Any adjustments to the value of this investment will be reflected in profit or loss.

Metalex Ventures Ltd.

Notes to the Condensed Interim Financial Statements

January 31, 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

Currency risk - While the Company's capital is raised in Canadian dollars and has limited exposure to fluctuations in the exchange rates. The Company considers this foreign currency risk to be insignificant.

Credit risk - Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is in large Canadian financial institutions. The Company's receivables typically consist mainly of receivables from related parties for shared expenditures and GST receivable due from the Federal Government of Canada. As at January 31, 2021, the Company had \$3,308 in outstanding related party receivables; the Company has subsequently received all of this balance. The Company is subject to the risk that its joint venture partners will default on amounts owing for their portion of exploration expenditures (April 30, 2020 and January 31, 2021 – \$Nil). Any such amounts defaulted would dilute that partners' interest in the exploration joint venture and would require the Company to pick up the proportionate share of future exploration expenditures.

Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations or assets.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 16. The Company is exposed to liquidity risk.

Price risk - The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of diamonds and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors diamond, precious metal and fuel prices to determine the appropriate course of action to be taken by the Company. The fair value of the investment in private company will fluctuate based on current market prices of its shares. Market prices may significantly impact the fair value of the investment and result in unrealized gains and losses through the Company's statement of profit and loss.

14. CAPITAL RISK MANAGEMENT

The Company includes deficiency, comprised of issued common shares, reserves, and deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company is in the exploration stage; as such, it has historically relied on the equity markets to fund its activities. The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity. The Company has made no changes to its objective, nor is the Company subject to external capital requirements.