

## FORM 5

### QUARTERLY LISTING STATEMENT

Name of Listed Issuer: CAVU Mining Corp. (the "Issuer").

Trading Symbol: CAVU

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

***The Issuer's Financial Statements for the nine months ended June 30, 2021 are attached as Schedule A.***

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

## SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

### 1. Related party transactions

***All related party transactions have been disclosed in the Issuer's financial statements for the nine months ended June 30, 2021 and attached as Schedule A.***

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

### 2. Summary of securities issued and options granted during the period.

***All securities issued and options granted have been disclosed in the notes to the financial statements for the nine months ended June 30, 2021, and attached as Schedule A.***

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

**3. Summary of securities as at the end of the reporting period.**

***A summary of the securities has been provided in the financial statements for the nine months ended June 30, 2021 and attached as Schedule A.***

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at August 30, 2021, the following common shares of the Issuer were subject to escrow and pooling agreements:

<b>Designation of Class</b>	<b>Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer</b>	<b>Percentage of Class</b>
Common Shares	10,581,910 <sup>(1)</sup>	50.3% <sup>(2)</sup>

**Notes:**

(1) 1,445,002 of the Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is Odyssey Trust Company.

(2) Based on 21,008,834 Common Shares issued and outstanding as at the date of this MD&A.

- 4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

<b>Name of Directors/Officers</b>	<b>Position(s) Held</b>
Jacob Verbaas	CEO, Director
Alex McAulay	CFO
Danny Matthews	Director
David Goertz	Director

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

***The Issuer's Management's Discussion and Analysis for the nine months ended June 30, 2021 is attached as Schedule B.***

**Certificate of Compliance**

The undersigned hereby certifies that:

- The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
- As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
- The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: August 30, 2021.

Alex McAulay  
Name of Director or Senior Officer

"Alex McAulay"  
Signature

CFO  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Quarter Ended	Date of Report YYYY/MM/D
CAVU Mining Corp.	June 30, 2021	2021/08/30
Issuer Address		
220 -333 Terminal Ave.		
City/Province/Postal Code	Issuer Fax No. ( )	Issuer Telephone No.
Vancouver, BC V6A 4C1		(604) 365-0425
Contact Name	Contact Position	Contact Telephone No.
Alex McAulay	CFO	(604) 365-0425
Contact Email Address	Web Site Address	
Alex@acmfirm.ca	<a href="https://www.cavumining.com/">https://www.cavumining.com/</a>	



### **NOTE TO READER**

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these interim financial statements.

## CAVU Mining Corp.

Condensed Interim Statements of Financial Position

As at June 30, 2021 and September 30, 2020

(Expressed in Canadian dollars)

	Note		June 30, 2021 (Unaudited)		September 30, 2020 (Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	12	\$	597,082	\$	44,607
Receivables	12		8,899		-
Prepaid expenses and deposits			142,553		5,000
Total current assets			748,534		49,607
Exploration and evaluation asset	5		166,706		-
<b>Total assets</b>		<b>\$</b>	<b>915,240</b>	<b>\$</b>	<b>49,607</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables and other liabilities	6,8,12	\$	17,468	\$	9,225
Total liabilities			17,468		9,225
<b>Equity</b>					
Share capital	7		1,069,963		48,700
Reserves	7		128,040		-
Deficit			(300,231)		(8,318)
Total equity			897,772		40,382
<b>Total liabilities and equity</b>		<b>\$</b>	<b>915,240</b>	<b>\$</b>	<b>49,607</b>

Nature and Continuation of Operations (Note 1)

Subsequent Events (Note 13)

Approved and Authorized by the Board on August 30, 2021:

"Danny Matthews"

Director

"Jacob Verbaas"

Director

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



**CAVU Mining Corp.**

Condensed Interim Statements of Loss and Comprehensive Loss

For the three and nine months ended June 30, 2021

(Unaudited – Expressed in Canadian dollars)

	Note	Three months ending June 30, 2021	Nine months ending June 30, 2021
<b>Expenses</b>			
General and administrative	9	\$ 115,627	\$ 291,913
<b>Net loss and comprehensive loss</b>		<b>\$ (115,627)</b>	<b>\$ (291,913)</b>
<b>Weighted average number of common shares outstanding</b>			
		19,867,502	15,695,778
<b>Loss per share – basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.02)</b>

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

**CAVU Mining Corp.**

Condensed Interim Statements of Cash Flows

For the nine months ended June 30, 2021

(Unaudited – Expressed in Canadian dollars)

	<b>Nine months ended June 30, 2021</b>
<b>Cash provided by (used in)</b>	
<b>Cash flows used in operating activities</b>	
Net loss	\$ (291,913)
Adjustments for non-cash items:	
Share-based payments	128,040
Changes in operating assets and liabilities:	
Receivables	(8,899)
Prepaid expenses	(137,553)
Trade payables and other liabilities	8,243
<b>Net cash used in operating activities</b>	<b>(302,082)</b>
<b>Cash flows used in investing activity</b>	
Acquisition of exploration and evaluation asset	(119,206)
<b>Net cash used in investing activity</b>	<b>(119,206)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of private placement units	966,500
Share issuance costs	(11,300)
Proceeds from issuance of special warrants	18,875
Special warrant issuance costs	(312)
<b>Net cash provided by financing activities</b>	<b>973,763</b>
<b>Increase in cash</b>	<b>552,475</b>
<b>Cash, beginning</b>	<b>44,607</b>
<b>Cash, ending</b>	<b>\$ 597,082</b>

**Supplemental Disclosures with Respect to Cash Flows (Note 10)**

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

**CAVU Mining Corp.**

Condensed Interim Statements of Changes in Equity

For the nine months ended June 30, 2021

(Unaudited – Expressed in Canadian dollars)

		<b>Common</b>	<b>Share capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Equity</b>
	<b>Note</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at September 30, 2020</b>		7,600,002	48,700	-	(8,318)	40,382
Shares issued for exploration and evaluation asset	5, 7	350,000	47,500	-	-	47,500
Shares issued for cash	7	11,540,000	966,500	-	-	966,500
Share-based payments	7	-	-	128,040	-	128,040
Special warrants issued for cash	7	-	-	18,875	-	18,875
Special warrants conversion	7	377,500	18,875	(18,875)	-	-
Share issuance cost		-	(11,612)	-	-	(11,612)
Net loss		-	-	-	(291,913)	(291,913)
<b>Balance at June 30, 2021</b>		19,867,502	1,069,963	128,040	(300,231)	897,772

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

# CAVU Mining Corp.

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

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## 1. Nature and Continuance of Operations

CAVU Mining Corp., (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 22, 2020. The Company’s head office is located at 220 – 333 Terminal Avenue, Vancouver, BC V6A 4C1 and its registered and records office is located at 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC V6C 1L6.

The Company is a junior exploration company pursuing the acquisition and exploration of mineral properties. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

On February 16, 2021, the Company’s common shares began trading on the Canadian Securities Exchange under the symbol “CAVU”.

Effective April 9, 2021, the Company completed a stock split of its shares of common stock on a two shares for one share basis. Upon effect of the split, authorized capital remains unchanged, with no par value. These condensed interim financial statements give retroactive effect to such stock split named above and all share and per share amounts have been adjusted accordingly, unless otherwise noted.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has not generated revenue from operations. The Company incurred a loss of \$291,913 for the nine months ended June 30, 2021 and as of that date the Company’s accumulated deficit was \$300,231 (September 30, 2020 - \$8,318). The Company’s continuation as a going concern is contingent on the completion of financings to adequately cover the Company’s working capital deficit and planned exploration activities. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

### COVID-19

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company’s business activities. The extent to which the coronavirus may impact the Company’s business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

## **CAVU Mining Corp.**

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

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### **1. Nature and Continuance of Operations (continued)**

The condensed interim financial statements of the Company were approved and authorized for issue by the Board of Directors on August 30, 2021.

### **2. Basis of Presentation**

These condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars which is the functional currency of the Company. All amounts are rounded to the nearest dollar. The condensed interim financial statements of the Company have been prepared on an accrual basis, except for cash flow information.

#### **Statement of compliance**

The condensed interim financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

### **3. Summary of Significant Accounting Policies**

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the period from Incorporation on July 22, 2020 to September 30, 2020 and have been consistently followed in the preparation of these condensed interim financial statements with exception of the following:

- Share based payments

The Company grants stock options to purchase common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the grant date using the Black-Scholes option pricing model and is recognized over the vesting period. Share-based payments are initially recorded to reserves. Subsequently, consideration paid for the shares on the exercise of share-based payments are credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

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

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

## **CAVU Mining Corp.**

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

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### **4. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the Company's condensed 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 condensed interim financial statements and reported amounts of income 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.

In preparing these condensed interim financial statements, the significant estimates and critical judgements were the same as those applied to the audited financial statements as at and for the period from Incorporation on July 22, 2020 to September 30, 2020 with the exception of the following:

- The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its exploration and evaluation assets or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.
- In connection with certain property option agreements, the Company may issue common shares as per the terms of the agreement. Where these shares were issued prior to the Company's listing date, February 16, 2021, the most recent price from a third-party private placement is used as the fair value. Where common shares are issued after that date, the closing per share price is used as the fair value.
- The accounting estimates for share-based payments is based on the Black-Scholes option valuation model which was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Since the Corporation's stock options have characteristics significantly different from those of traded options and since changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

## CAVU Mining Corp.

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

### 5. Exploration and Evaluation Assets

The following table represent expenditures incurred on the exploration and evaluation assets during the nine months ended June 30, 2021:

	<b>Kitimat Property</b>	<b>Hopper Property</b>	<b>Total</b>
Balance at September 30, 2020	\$ -	\$ -	\$ -
Option payments – cash	40,000	25,000	65,000
Option payment – shares issued	12,500	35,000	47,500
Exploration expenditures	21,086	33,120	54,206
Balance at June 30, 2021	\$ 73,586	\$ 93,120	\$ 166,706

#### Kitimat Property

On December 7, 2020, the Company obtained an option to acquire a 100% interest in the Kitimat Property, located in the Skeena Mining Region, British Columbia, Canada. To exercise the option and earn the 100% interest in the property, the Company must make total cash payments of \$390,000, issue 2,650,000 common shares and incur \$1,000,000 expenditures as follows:

	<b>Cash</b>	<b>Common shares</b>	<b>Aggregate exploration expenditures</b>
	<b>\$</b>	<b>#</b>	<b>\$</b>
On or before seven calendar days after December 7, 2020 – <i>paid and issued (Note 6)</i>	15,000	100,000	-
On February 16, 2021, the date the Company’s shares are listed on stock exchange in Canada (“the Listing Date”) – <i>paid and issued (Note 6)</i>	25,000	150,000	-
On or before one calendar year after the Listing Date	50,000	300,000	-
On or before two calendar years after the Listing Date	50,000	600,000	-
On or before three calendar years after the Listing Date	250,000	1,500,000	-
On or before three calendar years after December 7, 2020	-	-	1,000,000
Total	390,000	2,650,000	1,000,000

Upon the Company exercising the Option to earn the 100% interest in the property, the Company shall grant a 2% Net Smelter Return Royalty (“NSR”) to the vendor of the property. The Company has the right to purchase one-half of the NSR (1%) for \$1,000,000 at any time after the option has been exercised prior to the commencement of commercial production.

## CAVU Mining Corp.

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

### 5. Exploration and Evaluation Assets (continued)

#### Hopper Property

On March 31, 2021, the Company obtained an option to acquire a 70% interest in the Hopper Property, located in Yukon, Canada. To exercise the option and earn the 70% interest in the property, the Company must make total cash payments of \$700,000, issue 500,000 common shares and incur \$5,000,000 expenditures as follows:

	Cash	Common shares	Aggregate exploration expenditures
	\$	#	\$
On or before seven calendar days after March 31, 2021 – <i>paid and issued (Note 6)</i>	25,000	100,000	-
On or before one calendar year after March 31, 2021	50,000	100,000	-
On or before two calendar years after March 31, 2021	50,000	100,000	1,000,000
On or before three calendar years after March 31, 2021	50,000	100,000	2,000,000
On or before four calendar years after March 31, 2021	50,000	100,000	2,000,000
Total	700,000	500,000	5,000,000

### 6. Trade Payables and Other Liabilities

	June 30, 2021	September 30, 2020
Trade payables	\$ 14,413	\$ 525
Accrued liabilities	3,054	8,700
	\$ 17,467	\$ 9,225

Included in trade payables at June 30, 2021, is amounts totaling \$4,063 owing to a Company controlled by the CFO, see note 8.

### 7. Share Capital and Reserves

#### **Authorized**

Authorized share capital: an unlimited number of common shares with no par value.



## **CAVU Mining Corp.**

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

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### **7. Share Capital and Reserves (continued)**

#### **Issued and outstanding**

As at June 30, 2021, there were 19,867,502 (September 30, 2020 - 7,600,002) common shares issued and outstanding. Details of the common shares are as follows:

*For the nine months ended June 30, 2021*

- a) On October 9, 2020, the Company closed the second tranche of a non-brokered private placement by issuing 1,700,000 units at a price of \$0.01 per unit for gross proceeds of \$17,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.025 per share for a period of five years from the date of issuance. The fair value of the warrants was determined to be \$nil at the time of issuance.
- b) On December 11, 2020, the Company closed a non-brokered private placement by issuing 6,790,000 units at a price of \$0.05 per unit for gross proceeds of \$339,500. Each unit is comprised of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.15 per share for a period of 2 years from the date the Company's shares are listed on a Canadian stock exchange. The fair value of the warrants was determined to be \$nil at the time of issuance.
- c) On December 14, 2020, the Company issued 100,000 shares valued at \$0.05 per share, or \$5,000, pursuant to the Kitimat Property Option Agreement (Note 5). As these shares were issued before the Company began trading its shares publicly, the fair value of the shares was determined to be the latest private placement share-price based December 11, 2020 private placement.
- d) On February 16, 2021, the Company issued 150,000 shares valued at \$0.05 per share, or \$7,500, pursuant to the Kitimat Property Option Agreement (Note 5). As these shares were issued before the Company began trading its shares publicly, the fair value of the shares was determined to be the latest private placement share-price based December 11, 2020 private placement.
- e) On February 16, 2021, the Company issued 377,500 shares as a result of the conversion of the Special Warrants originally issued December 18, 2020.
- f) On March 26, 2021, the Company closed a non-brokered private placement by issuing 3,050,000 units at a price of \$0.20 per unit for gross proceeds of \$610,000. Each unit is comprised of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.50 per share for a period of 2 years from the date of issuance. The fair value of the warrants was determined to be \$nil at the time of issuance. Pursuant to the private placement, the Company incurred share issuance costs of \$11,300.
- g) On March 31, 2021, the Company issued 100,000 shares valued at \$0.35 per share, or \$35,000, pursuant to the Hopper Property Option Agreement (Note 5). The fair value of the shares was determined by using the closing per share market price from that day.

## CAVU Mining Corp.

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

### 7. Share Capital and Reserves (continued)

#### Special Warrants

On December 18, 2020, the Company closed a private placement where it issued an aggregate of 377,500 Special Warrants at a price of \$0.05 per Special Warrant for aggregate gross proceeds of \$18,875. Each Special Warrant entitles the holder to acquire, without further payment, one common share of the Company. The Company issued 377,500 shares for the 377,500 Special Warrants, pursuant to the private placement, on February 16, 2021. The Company also paid a finder's fee of \$312.

#### Warrants

The changes in warrants during the nine months ended June 30, 2021 is summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, September 30, 2020</b>	<b>4,100,000</b>	<b>\$ 0.025</b>
Granted	6,666,500	0.20
Exercised	-	-
Expired	-	-
<b>Balance, June 30, 2021</b>	<b>10,766,500</b>	<b>\$ 0.134</b>

At June 30, 2021, there were 10,766,500 warrants outstanding and exercisable entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of Warrants	Exercise Price	Expiry Date
4,100,000	\$0.025	September 28, 2025
1,700,000	\$0.025	October 8, 2025
3,395,000	\$0.15	February 16, 2023
1,571,500	\$0.50	March 26, 2023

#### Options

On February 24, 2021, the Company granted 1,520,000 stock options (the "February 2021 Grant") at an exercise price of \$0.235 to its directors, officers, and consultants, pursuant to its Plan. Each option granted is exercisable for a period of five years and have graded vesting terms over a period of thirty-six months, except for 20,000 options which vest in full on August 24, 2021. The Company recorded share-based payment expense of \$61,355 at the grant date, and an additional \$66,685 during the three months ended June 30, 2021. The Company recorded a total of \$128,040 in share share-based payment expense for the nine months ended June 30, 2021. The Company expects to incur an additional \$226,370 in additional share-based payment expense on the unvested options over the remaining vesting term.

## CAVU Mining Corp.

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

### 7. Share Capital and Reserves (continued)

The changes in options during the nine months ended June 30, 2021 is summarized as follows:

	Number of Options	Weighted Average Exercise Price
<b>Balance, September 30, 2020</b>	-	\$ -
Granted	1,520,000	0.235
Exercised	-	-
Expired	-	-
Outstanding, June 30, 2021	1,520,000	\$ 0.235
<b>Exercisable, June 30, 2021</b>	<b>150,000</b>	<b>\$ 0.235</b>

Stock options at June 30, 2021 were as follows:

Exercise Price (\$)	Outstanding		Exercisable	
	Number of Options	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Remaining Contractual Life (years)
\$0.235	1,520,000	4.66	150,000	4.66
	1,520,000	4.66	150,000	4.66

Details of the fair value of options granted and the assumptions used in the Black-Scholes option pricing model are as follows:

	June 30, 2021
Weighted average fair value of options granted	\$ 0.23
Risk-free interest rate	0.58%
Estimated life	5 years
Expected volatility	237.50%
Expected dividend yield	0.00%
Forfeiture rate – for the first year	0.00%
Forfeiture rate – after the first year	0.00%

## CAVU Mining Corp.

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

### 8. Related Party Transactions

#### Key management personnel compensation and other 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. 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.

Key management personnel include directors and key officers of the Company including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). During the three and nine months ended June 30, 2021, remuneration with directors and key officers was as follows:

	Three months ended June 30, 2021	Nine months ended June 30, 2021
	\$	\$
Share-based payments <sup>(1)</sup>	42,894	83,179
	<b>42,894</b>	<b>83,179</b>

At June 30, 2021, included in trade payables was \$4,063 (September 30, 2020 - \$525) due to a company controlled by the CFO of the Company for accounting and corporate secretarial services and expense reimbursements which is due on demand and non-interest bearing.

Remuneration paid to related parties other than key management personnel during the three and nine months ended June 30, 2021 was as follows:

	Three months ended June 30, 2021	Nine months ended June 30, 2021
	\$	\$
Professional fees	20,899	37,382
Consulting fees <sup>(2)</sup>	9,689	14,689
Share-based payments <sup>(1)</sup>	4,289	8,317
	<b>34,877</b>	<b>60,388</b>

<sup>(1)</sup>Share-based payments are comprised of stock options, which are non-cash expenditures.

<sup>(2)</sup>\$8,000 of consulting fees were capitalized to the exploration and evaluation asset during the nine months ended June 30, 2021.

### 9. General and Administrative Expenses

	Three months ended June 30, 2021	Nine months ended June 30, 2021
	\$	\$
Consulting fees	270	18,755
Office and miscellaneous	12,660	24,006
Professional fees	36,012	121,113
Share-based payments (Note 7)	66,685	128,040
	<b>115,627</b>	<b>291,914</b>

## CAVU Mining Corp.

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

### 10. Supplemental Disclosures with Respect to Cash Flows

	Nine months ended June 30, 2021
	\$
Shares issued for exploration and evaluation asset	47,500

### 11. Capital Risk Management

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition of mineral exploration properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital and deficit.

The Company is dependent on external financing to fund its activities. In order to carry out the planned development and acquisitions and pay for general administrative costs, the Company will be using its existing working capital and will raise additional amounts as needed. The Company will continue to acquire and explore mineral exploration properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended June 30, 2021. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

### 12. Financial Instruments and Risk Management

#### Categories of financial instruments

	June 30, 2021	September 30, 2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
<b>FVTPL, at fair value</b>		
Cash	597,082	44,607
Receivables	8,899	-
<b>Total financial assets</b>	<b>605,981</b>	<b>44,607</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Other liabilities, at amortized cost</b>		
Trade payables and other liabilities	17,467	9,225
<b>Total financial liabilities</b>	<b>44,209</b>	<b>9,225</b>

## **CAVU Mining Corp.**

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

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### **12. Financial Instruments and Risk Management (continued)**

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The fair value of financial assets and financial liabilities at amortized cost is determined based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the condensed interim financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments. Cash is measured using level 1 of the fair value hierarchy.

#### **Credit risk**

Financial instruments that potentially subject the Company to credit risk consist of cash. The Company manages its credit risk relating to cash by dealing only with high-rated financial institutions as determined by rating agencies. As a result, credit risk is considered insignificant. The Company does not consider any of its financial assets to be impaired.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. The Company is exposed to liquidity risk.

#### **Foreign currency risk**

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and the U.S. dollar will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars. As of June 30, 2021, the Company is not subject to foreign currency risk.

#### **Other risks**

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

## **CAVU Mining Corp.**

Notes to the Condensed Interim Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the nine months ended June 30, 2021

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### **13. Subsequent events**

On July 6, 2021, the Company granted 70,000 stock options to consultants with an exercise price of \$0.41, expiring on July 6, 2021, and vesting over the course of 12 months after issuance.

On July 28, 2021, the Company issued 1,141,332 flow-through shares at a price of \$0.45 per flow-through share (the “Offering”) for gross proceeds of \$513,599. The Company incurred finders’ fees of \$22,456 in connection with the Offering.





Such statements reflect our management's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and known or unknown risks and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

## **Company Overview**

CAVU Mining Corp., (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 22, 2020. The Company's head office is located at 220 – 333 Terminal Avenue, Vancouver, BC V6A 4C1 and its registered and records office is located at 6th Floor, 905 West Pender Street, Vancouver, BC V6C 1L6.

The Company is a junior exploration company pursuing the acquisition and exploration of mineral properties. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

On February 16, 2021, the Company's common shares began trading on the Canadian Securities Exchange under the symbol "CAVU".

Effective April 9, 2021, the Company completed a stock split of its shares of common stock on a two new shares for one share basis. Upon effect of the split, authorized capital remains unchanged, with no par value. These condensed interim financial statements give retroactive effect to such stock split named above and all share and per share amounts have been adjusted accordingly, unless otherwise noted.

The Company has not generated revenue from operations. The Company incurred a loss of \$291,913 for the nine months ended June 30, 2021 and as of that date the Company's accumulated deficit was \$300,231 (September 30, 2020 - \$8,318). The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

### COVID-19

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

## **Overall Performance**

The key factors pertaining to the Company's overall performance for the nine months ended June 30, 2021 are as follows:

The Company had working capital of \$731,066 as at June 30, 2021, as compared to working capital of \$40,382 as at September 30, 2020. The reason for this increase in working capital is primarily due to cash raised from the proceeds of share and unit issuances. This was partially offset by the \$40,000 cash option payment made during the nine months ended June 30, 2021 for the Kitimat property, along with the \$25,000 cash option for the Hopper property and regular operating activities.

The Company had a comprehensive loss of \$291,913 for the nine months ended June 30, 2021. The primary reasons for the comprehensive loss was due to consulting expenses for the investigation of the mineral exploration property acquired, share based payments incurred on options granted, and professional fees involved with the IPO that happened in the quarter.

The Company has negative cash flow from operations and its level of operations has been determined by the availability of capital resources. Cash used in operating activities for the nine months ended June 30, 2021 was \$302,082. Cash flows used in investing activities was \$119,206 which was due to option payments and expenditures incurred for the Kitimat and Hopper properties. Cash flows from financing activities was \$973,763 which consisted of \$955,200 from net proceeds from issuing units and \$18,563 net proceeds from the issuance of Special Warrants.

## **THE KITIMAT PROPERTY**

The Company is currently engaged in the business of exploration of mineral properties in Canada. On December 7, 2020, the Company obtained an option to acquire a 100% interest in the Kitimat Property, located in the Skeena Mining Region, British Columbia, Canada. Upon the performance of each of the Company's obligations under the Property Agreement, the Company will acquire the 100% right, title and interest in and to the Property, subject to the NSR. The Company's objective is to explore and, if warranted, develop the Property.

The Property is an exploration stage property that consists of 5 contiguous mineral claims, totaling approximately 3,069.68 hectares in the Skeena Mining Region, British Columbia, Canada. See "The Kitimat Property".

Upon completing its obligations under the Property Agreement, the Company will hold a 100% interest in the five (5) contiguous mining claims, totaling approximately 3,069.68 hectares, comprising the Property. The Company's agreement with the Optionor is an arm's length transaction. In order to exercise its option under the Property Agreement, the Company shall pay to the Optionor a total of \$390,000, incur a minimum of \$1,000,000 in exploration expenditures, and issue to the Optionor a total of 2,650,000 Common Shares.

	Cash	Common shares <sup>(1)</sup>	Aggregate exploration expenditures
	\$	#	\$
On or before seven calendar days after December 7, 2020 – <i>paid and issued</i>	15,000	100,000	-
On February 16, 2021, the date the Company’s shares are listed on stock exchange in Canada (“the Listing Date”) – <i>paid and issued</i>	25,000	150,000	-
On or before one calendar year after the Listing Date	50,000	300,000	-
On or before two calendar years after the Listing Date	50,000	600,000	-
On or before three calendar years after the Listing Date	250,000	1,500,000	-
On or before three calendar years after December 7, 2020	-	-	1,000,000
<b>Total</b>	<b>390,000</b>	<b>2,650,000</b>	<b>1,000,000</b>

<sup>(1)</sup> All common share amounts have been adjusted for the two for one forward stock split.

Upon the Company exercising the Option to earn the 100% interest in the property, the Company shall grant a 2% Net Smelter Return Royalty (“NSR”) to the vendor of the property. The Company has the right to purchase one-half of the NSR (1%) for \$1,000,000 at any time after the option has been exercised prior to the commencement of commercial production.

As of the date of this MD&A, the Company has made total cash payments of \$40,000, and issued 250,000 common shares to the Optionor under the Property Agreement. The Company has also incurred exploration expenditures of \$72,586. The closing of the Property Agreement is conditional on the Company fulfilling the commitments outlined in the table above. See below for more details on the Kitimat Property.

The Property is located approximately 660 km northwest of the city of Vancouver and 10 km northwest of the municipality of Kitimat (Figure 4-1). The Property comprises 5 contiguous mineral claims totaling 30.6 square kilometers within the Skeena Mining Division (Table 4-1; Figure 4.2). The mineral claims are located on Crown Land and administered by the Government of British Columbia’s Mineral Titles Online system (“MTO”).

**Table 4-1 Kitimat Property Mineral Claims**

<u>Property</u>	<u>Tenure ID</u>	<u>Tenure Type</u>	<u>Claim Name</u>	<u>Owner</u>	<u>Issue Date</u>	<u>Good To Date</u>	<u>Status</u>	<u>NTS Map</u>	<u>Area (ha)</u>
Kitimat	1055130	Mineral Claim	KITIMAT 1	276676 (100%)	2017/Sept/26	2021/Nov/18	GOOD	103I	624.76
Kitimat	1055131	Mineral Claim	KITIMAT 2	276676 (100%)	2017/Sept/26	2021/Nov/18	GOOD	103I	284.01
Kitimat	1055132	Mineral Claim	KITIMAT 3	276676 (100%)	2017/Sept/26	2021/Nov/18	GOOD	103I	966.41
Kitimat	1055133	Mineral Claim	KITIMAT 4	276676 (100%)	2017/Sept/26	2021/Nov/18	GOOD	103I	322.23
Kitimat	1055134	Mineral Claim	KITIMAT 5	276676 (100%)	2017/Sept/26	2021/Nov/18	GOOD	103I	872.27
									<b>3069.68</b>

The Company entered into a Property Agreement with Pacific Empire Minerals Corp. with an effective date of December 7, 2020 with the option to earn a 100% interest in the property.

Following the execution of the Property Agreement, the Company is the operator for exploration on the Property. The Property is entirely within the traditional territory of Haisla Nation.

The Property is located in NTS map sheet 103I/02 and is centered approximately at 54°08'N latitude and 128°44'W longitude.

## THE HOPPER PROPERTY

On March 31, 2021, the Company obtained an option acquire a 70% interest in the Hopper Property, located in the Yukon. Upon the performance of each of the Company's obligations under the Property Agreement, the Company will acquire the 70% right, title and interest in and to the Property. The Company's objective is to explore and, if warranted, develop the Property.

Upon completing its obligations under the Property Agreement, the Company will hold a 70% interest in the 365 quartz mining claims, comprising the Property. The Company's agreement with the Optionor is an arm's length transaction. In order to exercise its option under the Property Agreement, the Company shall pay to the Optionor a total of \$700,000 incur a minimum of \$5,000,000 in exploration expenditures, and issue to the Optionor a total of 500,000 common shares.

	Cash	Common shares <sup>(1)</sup>	Aggregate exploration expenditures
	\$	#	\$
On or before seven calendar days after March 31, 2021 – <i>paid and issued</i>	25,000	100,000	-
On or before one calendar year after March 31, 2021	75,000	100,000	-
On or before two calendar years after March 31, 2021	150,000	100,000	1,000,000
On or before three calendar years after March 31, 2021	200,000	100,000	2,000,000
On or before four calendar years after March 31, 2021	250,000	100,000	2,000,000
<b>Total</b>	<b>700,000</b>	<b>500,000</b>	<b>5,000,000</b>

<sup>(1)</sup> All common share amounts have been adjusted for the two for one forward stock split.

As of the date of this MD&A, the Company has made cash payments of \$25,000 and issued 100,000 common shares to the Optionor under the Property Agreement. The Company has also incurred exploration expenditures of \$200,692. The closing of the Property Agreement is conditional on the Company fulfilling the commitments outlined in the table above. See below for more details on the Hopper Property.

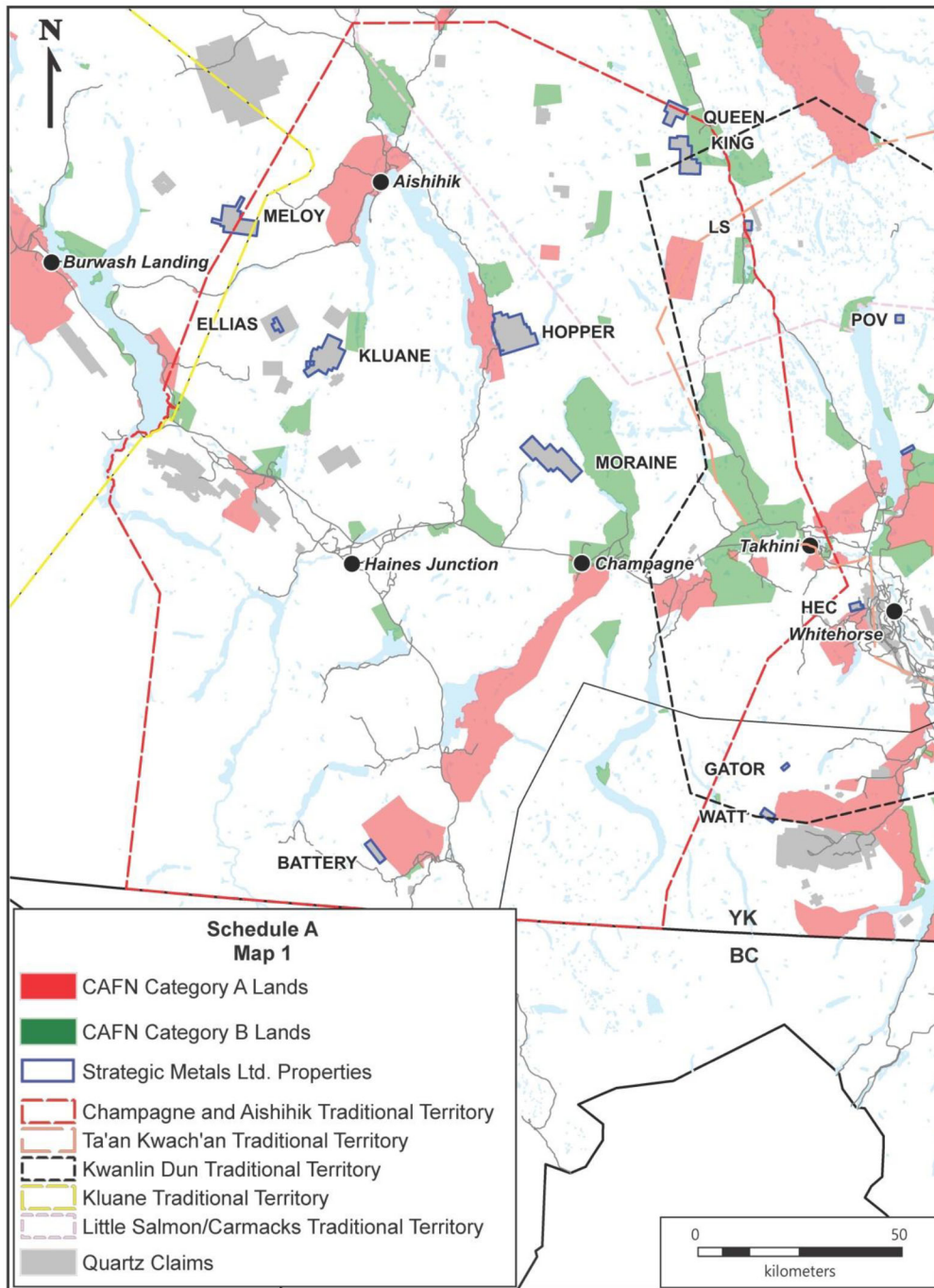
**Table 4-2 Hopper Property Mineral Claims**

<u>Property</u>	<u>Claim Name</u>	<u>Claim Number</u>	<u>Grant Number</u>	<u>Mining District</u>	<u>Expiry Date</u>	<u>Registered Owner</u>	<u>Claim Count</u>
Hopper	GAL	1-8	YC6590-YC6591	Whitehorse	Feb 15, 2036	Archer Cathro	8
	GUY	1-16	YC1946-YC1948	Whitehorse	Feb 15, 2036	Archer Cathro	16
	HOPPER	1-20	YC4109-YC4111	Whitehorse	Feb 15, 2036	Archer Cathro	20
	HOPPER	21-162	YC4701-YC4715	Whitehorse	Feb 15, 2034	Archer Cathro	142
	HOPPER	163-168	YC6591-YC6592	Whitehorse	Feb 15, 2034	Archer Cathro	6
	HOPPER	170	YC4715	Whitehorse	Feb 15, 2034	Archer Cathro	1
	HOPPER	171-266	YD1230-YD1230	Whitehorse	Feb 15, 2034	Archer Cathro	96
	HOPPER	267-290	YF2860-YF2863	Whitehorse	Feb 15, 2034	Archer Cathro	24
	HOPPER	291-292	YF2863-YF2863	Whitehorse	Feb 15, 2034	Archer Cathro	2
	HOPPER	293-294	YF2863-YF2863	Whitehorse	Feb 15, 2034	Archer Cathro	2
	HOPPER	295	YF2863	Whitehorse	Feb 15, 2034	Archer Cathro	1
	HOPPER	296-342	YF2863-YF2868	Whitehorse	Feb 15, 2034	Archer Cathro	47
							<b>365</b>

Figure 4-1. Location Map of the Kitimat Project



Figure 4-2. Location Map of the Hopper Project



## **Exploration Programs**

The Company expects the coronavirus will make corporate and exploration activities less efficient than if such activities were carried out under normal circumstances. Notwithstanding, the Company expects to be able to execute exploration programs on both the Hopper and Kitimat Properties in 2021.

If exploration on the Kitimat or Hopper Property becomes inadvisable for any reason, including obtaining future unfavourable exploration results, the company may abandon in whole or in part its interests in the Properties or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Company, although the Company has no present plans in this respect. Shareholders must rely on the experience, good faith and expertise of management of the Company with respect to future acquisitions and activities.

## **Critical Accounting Estimates and Policies**

The significant accounting policies are described in Note 3 of the audited financial statements for the period from Incorporation on July 22, 2020 to September 30, 2020.

The critical accounting estimates are described in Note 4 of the condensed interim financial statements for the nine months ended June 30, 2021 and Note 4 of the audited financial statements for the period from Incorporation on July 22, 2020 to September 30, 2020.

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars which is the functional currency of the Company. All amounts are rounded to the nearest dollar. The financial statements of the Company have been prepared on an accrual basis, except for cash flow information.

The preparation of the Company's 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 reported amounts of income 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.

### ***Future accounting standards issued but not yet in effect***

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

## **Share Capital**

Authorized share capital of the Company consists of an unlimited number of common shares with no par value.



## **Share Issuances**

On October 9, 2020, the Company closed the second tranche of a non-brokered private placement by issuing 1,700,000 units at a price of \$0.01 per unit for gross proceeds of \$17,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.025 per share for a period of five years from the date of issuance. The fair value of the warrants was determined to be \$nil at the time of issuance.

On December 11, 2020, the Company closed a non-brokered private placement by issuing 6,790,000 units at a price of \$0.05 per unit for gross proceeds of \$339,500. Each unit is comprised of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.15 per share for a period of 2 years from the date the Company's shares are listed on a Canadian stock exchange. The fair value of the warrants was determined to be \$nil at the time of issuance.

On December 14, 2020, the Company issued 100,000 shares valued at \$0.05 per share, or \$5,000, pursuant to the Kitimat Property Option Agreement. As these shares were issued before the Company began trading its shares publicly, the fair value of the shares was determined to be the latest private placement share-price based December 11, 2020 private placement.

On February 16, 2021, the Company issued 150,000 shares valued at \$0.05 per share, or \$7,500, pursuant to the Kitimat Property Option Agreement. As these shares were issued before the Company began trading its shares publicly, the fair value of the shares was determined to be the latest private placement share-price based December 11, 2020 private placement.

On February 16, 2021, the Company issued 377,500 shares as a result of the conversion of the Special Warrants originally issued December 18, 2020.

On March 26, 2021, the Company closed a non-brokered private placement by issuing 3,050,000 units at a price of \$0.20 per unit for gross proceeds of \$610,000. Each unit is comprised of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.50 per share for a period of 2 years from the date of issuance. The fair value of the warrants was determined to be \$nil at the time of issuance. Pursuant to the private placement, the Company incurred share issuance costs of \$11,300.

On March 31, 2021, the Company issued 100,000 shares valued at \$0.35 per share, or \$35,000, pursuant to the Hopper Property Option Agreement. The fair value of the shares was determined by using the closing per share market price from that day.

On July 28, 2021, the Company issued 1,141,332 flow-through shares at a price of \$0.45 per flow-through share (the "Offering") for gross proceeds of \$513,599. The Company incurred finders' fees of \$22,456 in connection with the Offering.

## **Special Warrants**

On December 18, 2020, the Company closed a private placement where it issued an aggregate of 377,500 Special Warrants at a price of \$0.05 per Special Warrant for aggregate gross proceeds of \$18,875. Each Special Warrant entitles the holder to acquire, without further payment, one common share of the Company. The Company issued 377,500 common shares for the conversion of 377,500 Special Warrants on February 16, 2021. Pursuant to the special warrant private placement, the Company paid a finder's fee of \$312.

## Warrants

At June 30, 2021 and the date of this MD&A, there are 10,766,500 warrants outstanding and exercisable entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of Warrants	Exercise Price	Expiry Date
4,100,000	\$0.025	September 28, 2025
1,700,000	\$0.025	October 8, 2025
3,395,000	\$0.15	February 16, 2023
1,571,500	\$0.50	March 26, 2023

## Options

On December 10, 2020, the Company adopted a Stock Option Plan (the “Plan”). The Plan provides eligible directors, officers, employees and consultants of the Company with the opportunity to acquire an ownership interest in the Company and is the basis for the Company’s long-term incentive scheme. The Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board. The maximum number of common shares issuable under the Plan shall not exceed 10% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options. The exercise price of options granted under the Plan will not be less than the closing market price of the Company’s common shares on the exchange. The options have a maximum term of ten years from date of issue and vesting is determined by the Board.

On February 24, 2021, the Company granted 1,520,000 stock options (the “February 2021 Grant”) at an exercise price of \$0.235 to its directors, officers, and consultants, pursuant to its Plan. Each option granted is exercisable for a period of five years and have graded vesting terms over a period of thirty-six months, except for 20,000 options which vest in full on August 24, 2021. The Company recorded share-based payment expense of \$61,355 at the grant date. The Company expects to incur an additional \$293,055 in additional share-based payment expense on the unvested options over the remaining vesting term.

As at June 30, 2021, options were as follows:

Exercise Price (\$)	Outstanding		Exercisable	
	Number of Options	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Remaining Contractual Life (years)
\$0.235	1,520,000	4.66	150,000	4.66
	1,520,000	4.66	150,000	4.66

On July 6, 2021, the Company granted an additional 70,000 stock options to consultants with an exercise price of \$0.41, expiring July 6, 2026.

## Results of Operations for the three and nine months ended June 30, 2021

Expenses and net loss of \$115,627 for the three months ended June 30, 2021 consisted of general and administrative costs including \$12,662 for office and miscellaneous, \$270 of consulting expenses, \$36,012 of professional fees incurred for accounting and legal fees, and \$66,685 for share based payments incurred related to options granted.

Expenses and net loss of \$291,914 for the nine months ended June 30, 2021 consisted of general and administrative costs including \$24,006 for office and miscellaneous, \$18,755 of consulting expenses for the investigation of the mineral exploration property acquired, \$121,113 of professional fees incurred in the going public process and continuing operations, and \$128,040 for share based payments incurred related to options granted.

## Summary of Quarterly Results

The following table provides selected quarterly financial data. As the Company was incorporated on July 22, 2020, only four periods have been completed to date.

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Total assets	\$ 915,240	\$ 990,923	\$ 422,592	\$ 49,607
Non-current financial liabilities	\$Nil	\$Nil	\$Nil	\$Nil
Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net loss for the period	\$ (115,627)	\$ (150,603)	\$ (25,683)	\$ (8,318)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.01)
Weighted average shares outstanding	19,867,502	13,620,767	10,688,066	2,580,284

Total assets as at June 30, 2021 were \$915,240 (September 30, 2020 - \$49,607) and primarily consisted of cash raised from the sale and issuance of common shares and units and \$166,706 in capitalized exploration expenditures.

Net loss incurred during the three months ended June 30, 2021 was \$115,627 and primarily consisted of share based payments from options granted and professional fees involved for financial reporting and bookkeeping services.

Net loss incurred during the three months ended March 31, 2021 was \$150,603 and primarily consisted of consulting expenses for the investigation of the mineral exploration property acquired, share based payments on options granted, and professional fees involved in the going public process.

Net loss incurred during the three months ended December 31, 2020 was \$25,683 and primarily consisted of consulting expenses for the investigation of the mineral exploration property acquired, and professional fees in anticipation and preparation of going public

Net loss incurred during the period from Incorporation on July 22, 2020 to September 30, 2020 was \$8,318 and primarily consisted of general and administrative expenses associated with the establishment of the Company.

The Company did not generate any revenue during the nine months ended June 30, 2021 and during the period from Incorporation on July 22, 2020 to September 30, 2020.

### **Liquidity and Capital Resources**

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition of mineral exploration properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital and deficit.

The Company is dependent on external financing to fund its activities. In order to carry out the planned development and acquisitions and pay for general administrative costs, the Company will be using its existing working capital and will raise additional amounts as needed. The Company will continue to acquire and explore mineral exploration properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended June 30, 2021. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

### **Cash Flows**

Historically and prospectively, our primary sources of liquidity and capital resources have been and will continue to be proceeds from the issuance of common shares. Based on our current level of operations and our expected operations over the next 12 months, we believe that cash generated from cash on hand and anticipated future capital raises will be adequate to meet our anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. Our future operating performance will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control. See "Financial Risk Management" of this MD&A for a discussion of the risks related to our liquidity and capital structure.

As at June 30, 2021, the Company had cash of \$597,082 and primarily consisted of cash raised from the issuance of shares and units.

Net cash used in operating activities for the nine months ended June 30, 2021 was \$302,082. We generated a net loss and negative cash flows from operating activities due to being an early-stage company without active operations during the period. During the nine months ended June 30, 2021, the Company incurred \$291,913 of general and administrative expenses.

Net cash used by investing activities for the nine months ended June 30, 2021 was \$119,206 for the option payments paid and exploration expenditures on the Kitimat and Hopper properties.

Net cash provided by financing activities was \$973,763 which consisted of \$955,200 in net proceeds from issuing private placement units and \$18,563 net proceeds from issuing special warrants.

### ***Other Factors Affecting Liquidity***

The Company may also raise additional equity or enter into arrangements to secure necessary financing to fund the exploration of mineral projects, to meet obligations, or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, joint ventures or other agreements. The sale of additional equity could result in additional dilution to the Company's existing stockholders, and financing arrangements may not be available to us, or may not be available in sufficient amounts or on acceptable terms.

From time to time, we may pursue various strategic business opportunities. These opportunities may include proposed development and/or management of, investment in or ownership of additional businesses through direct investments, acquisitions, joint venture arrangements and other transactions. We are not currently exploring such opportunities. We can provide no assurance that we will successfully identify such opportunities or that, if we identify and pursue any of these opportunities, any of them will be consummated.

### ***Financial Instruments and Risk Management***

#### **Categories of financial instruments**

	<b>June 30, 2021</b>	<b>September 30, 2020</b>
	\$	\$
<b>FINANCIAL ASSETS</b>		
<b>FVTPL, at fair value</b>		
Cash	597,082	44,607
Receivables	8,899	-
<b>Total financial assets</b>	<b>605,981</b>	<b>49,067</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Other liabilities, at amortized cost</b>		
Trade payables and other liabilities	17,468	9,225
<b>Total financial liabilities</b>	<b>17,468</b>	<b>9,225</b>

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The fair value of financial assets and financial liabilities at amortized cost is determined based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments. Cash is measured using level 1 of the fair value hierarchy.

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

## Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash. The Company manages its credit risk relating to cash by dealing only with high-rated financial institutions as determined by rating agencies. As a result, credit risk is considered insignificant. The Company does not consider any of its financial assets to be impaired.

## Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. The Company is exposed to liquidity risk.

## Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and the U.S. dollar will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars. As of June 30, 2021, the Company is not subject to foreign currency risk.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

## 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. 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.

### *Key management compensation*

Key management personnel include directors and key officers of the Company including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). During the nine months ended June 30, 2021, remuneration with directors and key officers was as follows:

	<b>Three months ended June 30, 2021</b>	<b>Nine months ended June 30, 2021</b>
	\$	\$
Share based payments	42,894	83,179
	<b>42,894</b>	<b>83,179</b>

- a) The Company made share-based payments to Danny Matthews, Director, of \$16,636.
- b) The Company made share-based payments to Jacob Verbaas, CEO & Director, of \$33,271.
- c) The Company made share-based payments to Alex McAulay, CFO, of \$16,636.
- d) The Company made share-based payments to David Goertz, Director, of \$16,636.

Remuneration paid to related parties other than key management personnel during the three and nine months ended June 30, 2021, were as follows:

	<b>Three months ended June 30, 2021</b>	<b>Nine months ended June 30, 2021</b>
	\$	\$
Professional fees	20,899	37,382
Consulting fees	9,689	14,689
Share based payments	4,289	8,317
	<b>34,877</b>	<b>60,388</b>

- a) The Company paid or accrued professional fees of \$37,382 to a company controlled by Alex McAulay, CFO for financial reporting and corporate secretarial services.
- b) The Company paid or accrued consulting fees of \$14,689 to a company controlled by Jacob Verbaas, CEO and Director, for geological consulting services. Of this total, \$8,000 was capitalized to exploration and evaluation assets during the nine months ended June 30, 2021.
- c) The Company made share-based payments to a company controlled by Alex McAulay, CFO of \$8,317.

#### *Related party balances*

At June 30, 2021, included in trade payables was \$4,063 (September 30, 2020 - \$525) due to a company controlled by the CFO of the Company for accounting and corporate secretarial services and expense reimbursements which is due on demand and non-interest bearing.

Except as disclosed above, CAVU does not have any ongoing contractual or other commitments resulting from transactions with related parties.

#### **Additional Disclosure for Venture Issuers Without Significant Revenue**

During the nine months ended June 30, 2021, the Company incurred the following expenses:

	<b>2021</b>
	\$
Capitalized property acquisition costs	112,500
Capitalized exploration costs	54,206
Advance for exploration costs	Nil
Recovery of exploration and evaluation assets	Nil
Impairment of exploration and evaluation assets	Nil
Operating expenses	291,913

Please refer to Note 5 *Exploration and Evaluation Assets* in the condensed interim financial statements for the nine months ended June 30, 2021 for a description of the capitalized acquisition costs presented on a property-by-property basis.

The Company does not anticipate paying dividends at this time.

## Off-Balance Sheet Arrangements

In order to exercise the Option Agreement to acquire 100% of the Kitimat property, the Company is required to make cash payments of \$390,000, issue 2,650,000 common shares and incur \$1,000,000 of mineral property expenditures as follows:

	Cash	Common shares	Aggregate exploration expenditures
	\$	#	\$
On or before seven calendar days after December 7, 2020 – <i>paid and issued</i>	15,000	100,000	-
First date upon the Company's shares are listed on stock exchange in Canada ("the Listing Date") – <i>paid and issued</i>	25,000	150,000	-
On or before one calendar year after the Listing Date	50,000	300,000	-
On or before two calendar years after the Listing Date	50,000	600,000	-
On or before three calendar years after the Listing Date	250,000	1,500,000	-
On or before three calendar years after December 7, 2020	-	-	1,000,000
<b>Total</b>	<b>390,000</b>	<b>2,650,000</b>	<b>1,000,000</b>

In addition to the above, the Company also has an option agreement to acquire 70% of the Hopper Property. Canada. To exercise the option and earn the 70% interest in the property, the Company must make total cash payments of \$700,000, issue 500,000 common shares and incur \$5,000,000 expenditures as follows:

	Cash	Common shares	Aggregate exploration expenditures
	\$	#	\$
On or before seven calendar days after March 31, 2021 – <i>paid and issued</i>	25,000	100,000	-
On or before one calendar year after March 31, 2021	75,000	100,000	-
On or before two calendar years after March 31, 2021	150,000	100,000	1,000,000
On or before three calendar years after March 31, 2021	200,000	100,000	2,000,000
On or before four calendar years after March 31, 2021	250,000	100,000	2,000,000
<b>Total</b>	<b>700,000</b>	<b>500,000</b>	<b>5,000,000</b>

## Proposed Transactions

The Company does not have any proposed transactions.



### **Disclosure of Outstanding Share Data**

The Company's common shares trade on the Canadian Securities Exchange under the symbol "CAVU".

As of the date of this MD&A, there are 21,008,834 outstanding common shares which consisted of 10,581,910 restricted, 10,426,924 non-restricted common shares.

As of the date of this MD&A, there are 10,766,500 warrants and 1,590,000 stock options outstanding.