

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

Condensed consolidated interim financial statements

Three and six months ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

NOTICE TO READER

THE ISSUER'S AUDITORS HAVE NOT REVIEWED OR BEEN INVOLVED IN THE PREPARATION OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

As at	Note	June 30, 2021 \$	December 31, 2020 \$
ASSETS			
Current			
Cash		615,271	1,081,160
Receivables		98	-
Prepaid expenses and deposits		5,148	3,266
		620,517	1,084,426
Plant and equipment	4	29,803	37,770
Exploration and evaluation assets	5	2,080,257	1,942,743
		2,730,577	3,064,939
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	42,835	46,919
SHAREHOLDERS' EQUITY			
Attributed to shareholders of the Company:			
Share capital	7	3,637,458	3,637,458
Contributed surplus	7(c)	133,017	133,017
Foreign currency reserve		(234,893)	(62,717)
Deficit		(847,840)	(675,113)
Non-controlling interest:	1		
Foreign currency reserve		-	1,415
Deficit		-	(16,040)
		2,687,742	3,018,020
		2,730,577	3,064,939
Nature of operations and going concern uncertainty	1		
Subsequent events	12		

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

Approved by the board of directors and authorized for issue on August 27, 2021

"Philip W. Anderson"

Philip W. Anderson, Director

"Fabian Baker"

Fabian Baker, Director

Cappex Mineral Ventures Inc.

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CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Note	Three months ended June 30		Six months ended June 30	
		2021	2020	2021	2020
		\$	\$	\$	\$
EXPENSES					
Administration and accounting		13,699	58,315	26,276	61,102
Amortization and depreciation	5	2,365	-	4,891	-
Audit and legal		71,115	320	108,055	2,853
Employee expenses		-	-	-	10,973
Office and sundry		1,665	900	2,841	2,273
Foreign exchange loss		10,411	16,673	16,938	16,694
Loss before other expenses		(99,255)	(76,208)	(159,001)	(93,895)
Other income (expenses)					
Non-recoverable taxes		(3,188)	2,773	2,314	1,746
Loss for the year		(102,443)	(73,435)	(156,687)	(92,149)
Other comprehensive income (loss)					
Exchange differences on translating foreign operations, net of tax		(78,816)	(78,223)	(173,591)	(20,791)
Loss and comprehensive loss for the period		(181,259)	(151,658)	(330,278)	(112,940)
Loss attributable to:					
Shareholders of the Company:					
Net loss		(102,443)	(73,212)	(156,687)	(91,580)
Foreign exchange translation		(78,816)	(79,026)	(173,591)	(21,003)
Non-controlling interest:					
Net loss		-	(223)	-	(569)
Foreign exchange translation		-	803	-	212
		(181,259)	(151,658)	(330,278)	(112,940)
Loss per share (basic and diluted)		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding (basic and diluted)		37,160,813	20,879,835	37,160,813	20,266,941

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Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Six months ended June 30	
	2021	2020
	\$	\$
Operating activities		
Loss for the period	(156,687)	(92,149)
Adjustments for items not involving cash:		
- Depreciation of plant and equipment	4,891	-
- Employee expenses	-	62,738
- Unrealized foreign exchange	-	18,241
Changes in non-cash working capital items:		
- Receivables	(98)	-
- Prepaid expenses and deposits	(2,258)	(3,014)
- Accounts payable and accrued liabilities	(7,425)	46,284
Cash used in operating activities	(161,577)	32,100
Cash flows used in investing activities		
Investment in exploration and evaluation assets	(303,305)	(82,901)
Cash used in investment activities	(303,305)	(82,901)
Cash flows from financing activities		
Shares issued for cash	-	94,132
Share issuance costs	-	(52,280)
Cash generated from financing activities	-	41,852
Effect of foreign exchange translation on cash	(1,007)	548
Net change in cash	(465,889)	(8,401)
Cash, beginning of the period	1,081,160	71,530
Cash, end of the period	615,271	63,129
Supplementary information with respect to cash flows		
Non-cash transactions:		
Exploration and evaluation assets acquired through accounts payable and accrued liabilities	539	(13,801)
Cash paid for tax	-	-
Cash paid for interest	-	-

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

Cappex Mineral Ventures Inc.

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CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Shareholders of the Company						Non-controlling interest		Total equity
	Note	Share capital		Contributed surplus	Foreign currency reserve	Deficit	Foreign currency reserve	Deficit	Total
		Amount	Value						
		#	\$	\$	\$	\$	\$	\$	
Balance, December 31, 2019		20,157,594	1,060,018	37,467	90,619	(350,417)	(33)	(5,603)	832,051
Shares issued for cash	7(b)	470,000	94,132	-	-	-	-	-	94,132
Shares issued for bonuses	7(b)	305,000	62,738	-	-	-	-	-	62,738
Share issuance costs		-	(52,280)	-	-	-	-	-	(52,280)
Comprehensive loss for the period		-	-	-	(21,003)	(91,580)	212	(569)	(112,940)
Balance, June 30, 2020		20,932,594	1,164,608	37,467	69,616	(441,997)	179	(6,172)	823,701
Shares issued for cash	7(b)	13,892,254	2,083,818	-	-	-	-	-	2,083,818
Shares issued for bonuses	7(b)	(220,000)	(45,408)	41,412	-	-	-	-	(3,996)
Shares issued in settlement of debt	7(b)	2,022,631	304,391	-	-	-	-	-	304,391
Units issued for exploration and evaluation assets	7(b,c)	200,001	40,629	16,048	-	-	-	-	56,677
Units issued in settlement of debt	7(b,c)	333,333	50,000	38,090	-	-	-	-	88,090
Share issuance costs recovery	7(b)	-	39,420	-	-	-	-	-	39,420
Comprehensive loss for the year		-	-	-	(132,333)	(233,116)	1,236	(9,868)	(374,081)
Balance, December 31, 2020		37,160,813	3,637,458	133,017	(62,717)	(675,113)	1,415	(16,040)	3,018,020
Comprehensive loss for the period		-	-	-	(173,591)	(156,687)	-	-	(330,278)
Elimination of non-controlling interest	1	-	-	-	1,415	(16,040)	(1,415)	16,040	-
Balance, June 30, 2021		37,160,813	3,637,458	133,017	(234,893)	(847,840)	-	-	2,687,742

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CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and six months ended June 30, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

1. Nature of operations and going concern uncertainty

CAPPEX Mineral Ventures Inc. (the “Company”) was incorporated under the laws of British Columbia, Canada, on September 20, 2017.

The addresses of the Company’s offices are:

- Administration: Av. Santo Toribio 115, Piso 8, San Isidro, Perú
- Registered records: Suite 1200, 750 West Pender Street, Vancouver, BC V6C 2T8, Canada

The Company is in the business of acquisition and exploration of mineral properties, and is in one operating segment, namely mineral exploration in Peru (note 5).

On November 9, 2017, the Company acquired 1,089 shares of the 1,090 shares (99.9%) of Minera CAPPEX S.A.C. (“Minera CAPPEX”), a company incorporated under the laws of Peru. The remaining share, of 0.01%, is owned by a director of the Company, as Peruvian law requires at least two shareholders. However, for purposes of consolidation, Minera CAPPEX was considered a wholly-owned subsidiary.

During 2018, Minera CAPPEX issued the Company an additional 13,680 shares, and 1,111 shares to a director of the Company for his contribution of certain non-monetary assets. As a result, from December 31, 2019, and up to March 31, 2021, the Company owned 14,769 (93%) shares of Minera CAPPEX, and the director of the Company 1,112 shares (7%) of Minera CAPPEX. In June 2021, the director of the Company assigned his 1,111 shares to Minera CAPPEX, keeping one share as required by Peruvian legislation, with Minera CAPPEX becoming once again a wholly-owned subsidiary, eliminating the non-controlling interest from the Company’s consolidated statement of changes of financial positions as at June 30, 2021.

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has incurred significant losses since inception, but its working capital increased as a result of financing activities that took place during the year ended December 31, 2020, as follows:

	June 30, 2021	December 31, 2020
	\$	\$
Deficit	(847,840)	(675,113)
Working capital	577,682	1,037,507

On May 18, 2021, the Company and Lido Minerals Ltd. (“Lido”) entered into a definitive agreement pursuant to which Lido agreed to acquire all of the issued and outstanding shares of the Company in exchange for common shares of Lido (the “Transaction”) (the “Definitive Agreement”).

Pursuant to the Definitive Agreement, the Transaction was structured as a three-cornered amalgamation, with the Company amalgamating with 1303554 BC Ltd. under the British Columbia Business Corporations Act (“BCBCA”) and becoming a wholly-owned subsidiary of Lido.

Shareholders of the Company will receive one common share in the capital of Lido in exchange for each outstanding common share of the Company held by them. Following close of the Transaction, each warrant of the Company outstanding will be exercisable to purchase that number of Resulting Issuer Shares equal to the number of the Company Shares subject to such warrant immediately before the effective time of the Transaction, at an exercise price per Resulting Issuer Share equal to the exercise price per the Company Share subject to such warrant immediately before the close of the Transaction.

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

1. Nature of operations and going concern uncertainty (cont'd)

Concurrently with the execution of the Definitive Agreement, Lido completed a private placement of 10,000,000 Subscription Receipts. The Subscription Receipts were issued at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000. On closing of the Transaction on or before November 15, 2021, each Subscription Receipt will automatically be converted into one Resulting Issuer Share and one warrant of the Resulting Issuer. Each warrant will be exercisable into one Resulting Issuer Share at an exercise price of \$0.25 per Resulting Issuer Share for a period of two years from the close of the Transaction.

The proceeds of the Private Placement are held in escrow and will be released to the Resulting Issuer on close of the Transaction. The Subscription Receipts will be returned to the subscribers if the Transaction does not close by November 15, 2021

There can be no assurance the Company will be successful in achieving these goals and, accordingly, there is a material uncertainty casting significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and these adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2020.

These condensed consolidated interim financial statements were approved by the Board of Directors for issue on August 27, 2021.

(b) Critical accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2020.

3. Significant accounting policies

The accounting policies followed for the preparation of these condensed consolidated interim financial statements are consistent with those described in the December 31, 2020, annual consolidated financial statements.

CAPPEX MINERAL VENTURES INC.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

4. Property and equipment

	Motorized vehicles \$	Furniture \$	Computing equipment \$	TOTAL \$
Balance, December 31, 2019	20,713	688	-	21,401
Foreign exchange adjustment	(359)	(12)	-	(371)
Balance, June 30, 2020	20,354	676	-	21,030
Acquisitions	26,854	-	944	27,798
Depreciation	(7,329)	(80)	(98)	(7,507)
Foreign exchange adjustment	(3,427)	(52)	(72)	(3,551)
Balance, December 31, 2020	36,452	544	774	37,770
Depreciation	(4,753)	(35)	(103)	(4,891)
Foreign exchange adjustment	(2,967)	(46)	(63)	(3,076)
Balance, June 30, 2021	28,732	463	608	29,803
As at June 30, 2021	\$	\$	\$	\$
Cost	80,265	669	789	81,723
Accumulated depreciation	(51,533)	(206)	(181)	(51,920)
Net book value	28,732	463	608	29,803

5. Exploration and evaluation assets

The Company, through Minera CAPPEX, holds title to the Alta Victoria property, located in Peru. The Company staked additional claims, which it owns at 100%, and has an option to acquire additional contiguous claims pursuant to an option agreement entered into with the shareholders of Minera Yantac S.A.C. ("Minera Yantac") (the "Option Agreement"), Minera CAPPEX has the option to acquire Minera Yantac, holder of 10 of the concessions making up the Alta Victoria Project (the "Optioned Property"), by paying a total of US\$4,000,000 over six years and four months. Minera Yantac acquired the Optioned Property pursuant to a mining property transfer agreement dated December 18, 2018, as amended July 27, 2020 (the "Transfer Agreement"), and a portion of the payments under the Option Agreement are to be made to the prior owners of the Optioned Property to satisfy the requirements of the Transfer Agreement, with the balance paid to the shareholders of Minera Yantac.

Minera CAPPEX is required to make the following payments pursuant to the Option Agreement:

- US\$60,000 (paid);
- US\$5,000 per month for 32 months from August 2018 to March 2020 and from August 2020 to July 2021 (a total of US\$160,000, of which [US\$125,000] has been paid in cash and US\$30,000 was satisfied by the issuance of securities, described below); [NTD: To be updated as required based on date of MD&A]
- US\$10,000 per month for 28 months starting August 2021 and ending in November 2023 (a total of US\$280,000); and
- US\$3,500,000 on December 4, 2023.

The parties agreed to suspend the payments under the Option Agreement and Transfer Agreement for the months of April, May, June and July 2020 as a result of the COVID-19 pandemic.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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5. Exploration and evaluation assets (cont'd)

Work Commitment and Royalty

Pursuant to the Transfer Agreement, the Optioned Property is subject to a net smelter returns royalty of 1.5% on all metallic metals and 3.00 Soles per ton of non-metallic metals produced from the Optioned Property. The net smelter returns royalty was granted by Minera Yantac to Minera Flor de Maria S.A.C., one of the former titleholders of the Optioned Property.

The Company has the right to conduct exploration activities on the Optioned Property pursuant to a mining lease agreement dated June 8, 2018, as amended December 2, 2018, and May 12, 2021 (the "**Mining Lease Agreement**"). Pursuant to the Mining Lease Agreement, the Company was required to pay US\$100 (paid) and to incur US\$500,000 in work commitments on the Optioned Property by February 28, 2022 (which requirement has been met). The mining lease agreement expires on December 4, 2023.

Surface Access

The Company also entered into a surface access agreement with The Community of San Francisco de Asis de Yantac in April 2018 for a 2-year term, and a second surface access agreement January 24, 2020, that is valid until January 24, 2022 (the "**Surface Access Agreement**"). Pursuant to the Surface Access Agreement, the Company may build road and drill platforms, as well as drill on the Alta Victoria Project. The Company made a land use payment for 2020 of 45,000 Soles and has agreed to pay 60,000 Soles for 2021.

The following amounts have been recorded as exploration and evaluation assets on the Alta Victoria property:

Exploration and evaluation amounts invested:

	Six months ended June 30 2021 \$	Period from July 1, 2020 to December 31 2020 \$	Six months ended June 30 2020 \$	Year ended December 31 2019 \$
Opening balance:	1,942,743	1,140,994	1,064,092	777,436
Acquisition costs	113,174	189,610	19,366	69,249
Geological and related expenditures	62,624	556,527	11,823	7,524
Dues and fees	20,338	1,355	18,331	49,383
Legal expenses	14,724	21,217	4,791	31,188
Field equipment and related expenditures	18,920	44,207	1,900	4,918
Services	3,860	6,361	2,531	1,998
Personnel	69,127	144,532	37,962	146,821
Foreign exchange translation	(165,253)	(162,060)	(19,802)	(24,425)
Closing balance	2,080,257	1,942,743	1,140,994	1,064,092

CAPPEX MINERAL VENTURES INC.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

6. Accounts payable and accrued liabilities

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

	June 30, 2021	December 31, 2020
Trade payables	\$ 42,835	\$ 46,919
Accrued liabilities	-	-
Due to related parties	-	-
Total	\$ 42,835	\$ 46,919

7. Share capital

- a) Authorized: the Company is authorized to issue an unlimited number of common shares without par value. There are no restrictions on transfers.
- b) Issued and outstanding:

As some of the issuances were denominated in U.S. dollars (USD) and others in Canadian dollars (CAD), for this section only the currencies are explicitly stated for clarity purposes:

- i) On February 6, 2020, the Company issued 35,000 common shares at a price of US \$0.15 per share in compensation for services rendered to the Company's subsidiary. The fair value of these shares was calculated at CAD \$6,977.
- ii) On February 10, 2020, the Company issued 20,000 common shares at a price of US \$0.15 per share to a director of the Company for services rendered to the Company's subsidiary. The fair value of these shares was calculated at CAD \$3,996.
- iii) On February 27, 2020, the Company received cash proceeds USD \$20,000 (CAD of \$26,420) on issuance of 133,333 common shares a price of USD \$0.15 per share. On June 10, 2020, 133,333 warrants were issued to this investor, with an exercise price of CAD \$0.25 per share and expiring on June 10, 2022.
- iv) On May 26, 2020, 250,000 common shares at a price of USD \$0.15 were issued to a Director of the Company in compensation for services rendered to the Company. On December 20, 2020, an agreement was reached to cancel 200,000 of those shares, with the director keeping 50,000 common shares. The fair value of the 50,000 shares was calculated at CAD \$10,353.
- v) On June 10, 2020, the Company completed a non-brokered private placement for cash proceeds of USD 54,000 (CAD \$67,692) by issuing 336,667 units at a price of US \$0.15 per unit. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of CAD \$0.25 per share for a period of two years.
- vi) On July 20, 2020, the Company issued 200,001 units with a fair value of USD \$0.15 per unit to in lieu of payments due on the Alta Victoria Option Agreement (note 5). Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of CAD \$0.25 per share for a period of two years from this date.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and six months ended June 30, 2021 and 2020

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7. Share capital (Cont'd)

b) Issued and outstanding (cont'd):

- vii) On August 5, 2020, the Company raised CAD \$1,180,000 by issuing of 7,866,670 units at a price of CAD \$0.15 per unit. Each unit was comprised of one common share and one share purchase warrant, with each warrant being exercisable into one common share of the Company at a price of CAD \$0.25 per share expiring the later of August 5, 2023, or two years from commencement of trading of the Company's shares on a stock exchange.
- viii) On August 18, 2020, the Company issued 2,002,631 common shares with a fair value of CAD \$0.15 per share to a director of the Company in settlement of debt originating in amounts lent to the Company and its subsidiary. The fair value of these shares was calculated at CAD \$300,395.
- ix) On August 31, 2020, the Company issued 333,333 units with at a fair value of CAD \$0.15 per unit to a director of the Company in compensation for becoming a director. Each unit is comprised of one common share and one share purchase warrant, with each warrant being exercisable into one common share at a price of CAD \$0.25 per share for a period of two years.
- x) Between September 14, 2020, and September 25, 2020, the Company raised CAD \$903,838 through the issuance of 6,025,584 common shares at a price of CAD \$0.15 per share. Of the total amount, 100,000 common shares were subscribed for by a director of the Company.
- xi) Net share issuance cost for the year ended December 31, 2020, amounted to CAD \$12,860.

The following table summarizes the issuances described above:

Date	Shares Issued	Fair value CAD issued for cash	Fair value CAD Issued for services or debt
Balance, December 31, 2019	20,157,594	622,180	437,838
February 6, 2020	35,000	-	6,977
February 10, 2020	20,000	-	3,996
February 27, 2020	133,333	26,420	-
May 26, 2020	250,000	-	51,765
June 10, 2020	336,667	67,692	-
Share issue costs	-	(52,260)	-
Balance, June 30, 2020	20,932,594	664,032	500,576
July 20, 2020	200,001	-	40,629
August 5, 2020	7,866,670	1,180,000	-
August 18, 2020	2,002,631	-	300,395
August 31, 2020	333,333	-	50,000
September 25, 2020	6,025,584	903,838	-
December 20, 2020	(200,000)	-	(41,412)
Share issuance costs recovery	-	39,400	-
Balance, December 31, 2020 and June 30, 2021	37,160,813	2,787,270	850,188

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7. Share capital (Cont'd)

b) Warrants

The following share purchase warrants have been issued:

	Six months ended June 30, 2021		Year ended December 31, 2020	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
	#	\$	#	\$
Balance, beginning of year	9,270,004	0.26	-	-
Issued	-	-	9,270,004	0.26
Balance, end of the period	9,270,004	0.26	9,270,004	0.26

The following warrants are outstanding and exercisable:

Issue date	Expiry date	Exercise price	Warrants outstanding
June 10, 2020	June 10, 2022	0.33	870,000
July 20, 2020	July 20, 2022	0.25	200,001
August 5, 2020	The later of August 5, 2023, or the second anniversary of the commencement of trading of the Company's shares on a stock securities exchange	0.25	7,866,670
August 18, 2020	The later of August 5, 2023, or the second anniversary of the commencement of trading of the Company's shares on a stock securities exchange	0.25	333,333
		0.26	9,270,004

The fair value of the above warrants was calculated at \$95,550 using the Black Scholes option pricing model with the following parameters: expected volatility of 100%, risk-free rate of 0.28% for the 200,001 warrants issued on July 20, 2020, and 0.29% for the 333,333 warrants issued on August 18, 2020.

c) Stock options

There were no stock options outstanding as of June 30, 2021 (December 31, 2020 – Nil).

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8. Related party transactions

No related party transactions took place during the six months ended June 30, 2021. During the six months ended June 30, 2020, a director of the Company was issued 270,000 common shares at a price of USD \$0.15 per share in compensation of services provided to the Company; however, 200,000 of these shares were cancelled on December 20, 2020.

As at June 30, 2021, there were no amounts due to related parties.

9. Financial instruments

Pursuant to IFRS 9, the Company classifies cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, due to related parties and loans with related party at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at June 30, 2021, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Peruvian new soles. The Company incurs expenditures in Canada and Peru, and as such is exposed to currency risk associated with these costs.

A change in the value of the Peruvian new sol by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$1,000, and its net loss for the year by approximately \$3,000.

Interest rate and credit risk

The Company has its cash balances deposited in bank accounts. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Without any debt other than current accounts payable, management's opinion is that the Company is not exposed to significant interest rate risk as at June 30, 2021.

Liquidity risk

The Company will depend on the advances provided by its shareholders and any future private or public financing. The liquidity risk relates to the low cash position and the dependence on these financing activities. See Note 1 for further discussion regarding liquidity risks and Note 12 for the proposed transaction.

10. Capital disclosures

The Company's objective when managing capital is to maintain a flexible capital structure for its projects for the benefit of its stakeholders.

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

The Company's investment policy is to invest its available cash in Canadian chartered banks and from time to time in guaranteed term deposits at fixed interest rates established at the time of investment. All its funds are available for project and corporate objectives.

The Company considers cash and cash equivalents to include amounts held in banks. The Company places its cash with institutions of high credit worthiness. At June 30, 2021, the Company had cash of \$615,271 (December 31, 2020 – \$1,081,160).

The Company is not subject to any externally imposed capital requirements.

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and six months ended June 30, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

11. Segmented information

The Company is in one segment, namely mineral exploration in Peru, with administration in two geographical regions, namely Canada and Peru.

12. Subsequent events

On August 12, 2021, the Company completed the business combination (the "Transaction") with Highlander Silver Corp. (formerly "Lido Minerals Corp." ("Highlander")), whereby Highlander acquired all of the issued and outstanding shares of the Company. The Transaction was completed by way of a three-cornered amalgamation. As consideration, Highlander issued 37,160,813 common shares with a fair value of \$8,953,853 to the shareholders of the Company in exchange for the shares held by them, on a one-for-one basis on August 12, 2021. In addition, 9,270,004 share purchase warrants of the Company will now be exercisable to acquire common shares of Highlander. Following completion of the Transaction, the common shares of Highlander commenced trading on the CSE under the stock symbol "HSLV" on August 16, 2021.

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