



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIODS ENDED MAY 31, 2022 AND 2021**

*(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)*

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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 financial statements in accordance with standards established by the by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

VISCOUNT MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

	Note	May 31, 2022 (\$)	August 31, 2021 (\$)
ASSETS			
Current			
Cash	3	1,028,360	2,571,328
Amounts receivable and prepaid expenses	4	144,807	97,286
Recoverable from Joint Venture Partner	5A	286,947	192,230
		1,460,114	2,860,844
Reclamation bond		30,005	26,172
Exploration and evaluation properties	5	5,721,022	4,878,419
Total Assets		7,211,141	7,765,435
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities		141,386	79,643
Total liabilities		141,386	79,643
SHAREHOLDERS' EQUITY			
Share capital	7	18,353,023	17,958,623
Subscriptions receivable	7	(185,875)	(185,875)
Reserves	7	2,179,348	2,241,778
Deficit		(13,276,741)	(12,328,734)
Total shareholders' equity		7,069,755	7,685,792
Total Liabilities and Shareholders' Equity		7,211,141	7,765,435

Nature and Continuance of Operations (Note 1)

These condensed consolidated interim financial statements are authorized for issuance by the Board of Directors on August 2, 2022.

On behalf of the Board:

"Jim MacKenzie" Director

"William Macdonald" Director

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

VISCOUNT MINING CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

		Nine Months Ended May 31, 2022 (\$)	Nine Months Ended May 31, 2021 (\$)	Three Months Ended May 31, 2022 (\$)	Three Months Ended May 31, 2021 (\$)
	Note				
Expenses					
Bank charges, interest and fees		2,150	3,704	501	2,974
Consulting and management compensation	6	443,627	403,592	137,113	249,136
Insurance		36,941	43,419	5,848	29,755
Legal and accounting		180,592	115,150	38,923	71,683
Office and miscellaneous		25,641	14,803	8,537	4,523
Promotion		370,439	430,266	77,217	156,291
Share-based payments	6, 7	-	416,166	-	416,166
Transfer agent and filing fees		20,392	23,881	12,969	16,807
		(1,079,782)	(1,450,981)	(281,108)	(947,335)
Other income					
Government assistance		-	10,000	-	-
Interest income		2,676	-	1,770	-
Centerra management fees	5	78,945	94,085	-	94,085
Net loss		(998,161)	(1,346,896)	(279,338)	(853,250)
Foreign exchange gain (loss)		(12,276)	4,473	(452)	2,081
Interest and penalties		-	1,374	-	1,237
Net loss and comprehensive loss for the period		(1,010,437)	(1,341,049)	(279,790)	(849,932)
Loss per share, basic and diluted		(0.01)	(0.02)	(0.00)	(0.02)
Weighted average number of common shares outstanding – basic and diluted		85,644,143	82,117,394	86,147,723	54,360,750

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

VISCOUNT MINING CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

For the nine months ended May 31, 2022 and 2021

	2022	2021
	(\$)	(\$)
Cash Flows From Operating Activities		
Net loss for the period	(1,010,437)	(1,341,049)
Adjustments for non-cash items:		
Government assistance	-	(10,000)
Share-based payments	-	416,166
Changes in operating assets and liabilities:		
Receivables and prepaid expenses	(47,521)	(63,094)
Advance from Joint Venture Partner	(94,717)	61,738
Reclamation bond	(3,833)	(2,000)
Trade payables and accrued liabilities	61,743	(282,121)
	<u>(1,094,765)</u>	<u>(1,220,360)</u>
Cash Flows From Investing Activities		
Exploration and evaluation properties expenditure	<u>(826,603)</u>	<u>(867,241)</u>
	<u>(826,603)</u>	<u>(867,241)</u>
Cash Flows From Financing Activities		
Issuance of common shares	378,400	996,332
Government assistance	-	(30,000)
Proceeds from loans	-	-
	<u>378,400</u>	<u>966,332</u>
Change in cash	<u>(1,542,968)</u>	<u>(1,121,269)</u>
Cash, beginning	<u>2,571,328</u>	<u>4,264,224</u>
Cash, end	<u>1,028,360</u>	<u>3,142,955</u>

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

VISCOUNT MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Shares	Share Capital (\$)	Warrant Reserve (\$)	Option Reserve (\$)	Subscriptions Receivable (\$)	Deficit (\$)	Total (\$)
Balance, August 31, 2020	81,215,462	16,657,488	535,608	2,487,239	(76,500)	(11,851,250)	7,752,585
Exercise of options	117,000	45,490	-	(19,750)	-	-	25,740
Adjustment expiry of options	-	-	-	(954,637)	-	954,637	-
Exercise of warrants	3,219,333	1,105,300	(25,333)	-	(109,375)	-	970,592
Adjustment expiry of warrants	-	-	(242,739)	-	-	242,739	-
Share based payments options issued	-	-	-	416,166	-	-	416,166
Loss for the period	-	-	-	-	-	(1,341,049)	(1,341,049)
Balance, May 31, 2021	84,551,795	17,808,278	267,536	1,929,018	(185,875)	(11,994,923)	7,824,034
Balance, August 31, 2021	84,949,462	17,958,623	265,441	1,976,337	(185,875)	(12,328,734)	7,685,792
Shares issued for mineral property	50,000	16,000	-	-	-	-	16,000
Adjustment expiry of options	-	-	-	(62,430)	-	62,430	-
Exercise of warrants	1,182,500	378,400	-	-	-	-	378,400
Loss for the period	-	-	-	-	-	(1,010,437)	(1,010,437)
Balance, May 31, 2022	86,181,962	18,353,023	265,441	1,913,907	(185,875)	(13,276,741)	7,069,755

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

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2022

(Expressed in Canadian Dollars)

1. Nature and Continuance of Operations

Viscount Mining Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on October 26, 2011. The Company's registered office is located at 409 - 221 W. Esplanade, North Vancouver BC, V7M 3J3. The Company is listed on the TSX Venture Exchange (TSX-V) and trades under the symbol "VML".

The Company is an exploration stage company, and its principal business activity is natural resource exploration, focusing on resources located in the states of Nevada and Colorado in the USA. Mining and exploration involve a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue and has significant cash requirements to conduct its planned exploration, meet its administrative overhead and maintain its resource interests.

The Company had cash of \$1,028,360 on May 31, 2022 (August 31, 2021 - \$2,571,328) and working capital of \$1,318,728 (August 31, 2021 - \$2,781,201), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. For the period ended May 31, 2022, the Company had no source of operating revenues, incurred an operating loss of \$1,010,437 (2021 - \$1,341,049) and, as at that date, had an accumulated deficit of \$13,276,741 (August 31, 2021 - \$12,328,734).

Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these condensed consolidated interim financial statements, it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

The recent 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. While certain restrictions are being relaxed, it is unclear when the world will return to the previous normal, if ever. This may adversely impact the expected implementation of the Company's plans moving forward.

2. Significant Accounting Policies**Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared following the same accounting policies applied to the Company's audited August 31, 2021 consolidated financial statements.

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2022

(Expressed in Canadian Dollars)

Basis of Preparation

These condensed consolidated interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar.

The preparation of these condensed consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed below.

3. Cash

	As at May 31, 2022 (\$)	As at August 31, 2021 (\$)
Denominated in Canadian dollars	954,736	2,417,827
Denominated in US dollars	73,624	153,501
	1,028,360	2,571,328

4. Amounts Receivable and Prepaid Expenses

Amounts receivable and prepaid expenses consist of the following:

	As at May 31, 2022 (\$)	As at August 31, 2021 (\$)
Goods and Services Tax receivable	39,442	10,815
Prepaid exploration	72,509	43,355
Prepays insurance and travel expenses	32,856	43,116
	144,807	97,286

Amounts receivable are non-interest bearing, unsecured and have settlement dates within one year.

5. Exploration and Evaluation Properties

Exploration and evaluation expenditures by project as at May 31, 2022 and August 31, 2021 are as follows:

	As at May 31, 2022 (\$)	As at August 31, 2021 (\$)
Nevada Properties		
Acquisition and exploration costs	2,293,563	3,119,590
Recoveries	(922,996)	(1,679,159)
	1,370,567	1,440,431
Colorado Properties		
Acquisition and exploration costs	4,409,015	3,496,548
Recoveries	(58,560)	(58,560)
	5,721,022	4,878,419

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2022

(Expressed in Canadian Dollars)

A summary of the changes in the Company's exploration and evaluation properties for the nine-month period ended May 31, 2022 and year ended August 31, 2021 are as follows:

- A. **Nevada Properties**, described collectively as the Cherry Creek Project, is focused on exploration in the immediate vicinity of an area commonly known as the Cherry Creek Mining District, located approximately 50 miles north of the town of Ely, in White Pine County, Nevada.

In January 2021 Viscount entered into an exploration earn-in agreement with a wholly owned subsidiary of Centerra Gold Inc. "Centerra" to earn up to a 70% interest in the Cherry Creek Project.

Under terms of the Agreement Centerra has the right to acquire a 70% interest in the Property through (a) making annual payments totaling US\$250,000 over a 4-year period, and (b) spending US\$8,000,000 on mineral exploration costs on the Property over 4 years. If Centerra's option vests, then Viscount and Centerra will enter into a joint venture agreement.

Centerra would hold an initial interest of 70% in the Joint Venture, including the Property and any properties in the Area of Interest, and Viscount would hold an initial interest of 30% in the Joint Venture, including the Property and any properties in the Area of Interest. To maintain their respective percentage interest, each Party would then, upon provision of a reasonable amount of notice, contribute on a pro rata basis to further exploration and any potential development or mining on the Property and/or the properties within the Area of Interest.

The Parties would, in the Joint Venture Agreement, establish a management committee for which the representation of each Party will, at a minimum, be in proportion to its percentage interest in the Joint Venture. This management committee will propose and determine the exploration and potential development of mining on the Property and/or the properties within the Area of Interest.

Initially, Viscount was the project manager for the exploration program, with Centerra providing all funds required to conduct exploration of the project. In addition, as project manager Viscount earns operating fees of 10% on all project expenditures. Effective March 1, 2022, Centerra exercised its option under the Joint Venture Agreement and assumed the role as project manager.

- B. **Colorado Properties**, described collectively as Silver Cliff, consists of 96 lode claims where high grade silver, gold and base metal production came from numerous mines during the period 1878 to 1894.

On August 13, 2014, the Company entered into an option agreement (the "Silver Cliff Agreement") with David C. and Debra J. Knight Living Trust (the "Owner"), whereby the Owner has agreed to grant an option to the Company to acquire an undivided 100% interest in the Silver Cliff project (the "Silver Cliff Property"), effective September 15, 2014. Pursuant to the agreement, as amended, the Company agreed to the following:

- 1) Issuing to the Owner 200,000 shares and 200,000 warrants (issued).
- 2) Payments made on behalf of the Owner for claim rental fees due to the U.S. Bureau of Land Management ("BLM"). All payments to the BLM are current.
- 3) Making payments to the Owner in the aggregate amount of US\$3,000,000 plus a cost-of-living adjustment effective from the anniversary payment. As of August 31, 2021, all amounts under the contract have been paid. Remaining option payments, which require cost of living adjustments to be added, are as follows:
 - US\$100,000 on the seventh anniversary, September 15, 2021, paid;
 - US\$100,000 on the eighth anniversary, September 15, 2022;
 - US\$100,000 on the ninth anniversary, September 15, 2023;
 - US\$100,000 on the tenth anniversary, September 15, 2024;
 - US\$150,000 on the eleventh anniversary, September 15, 2025;
 - US\$200,000 on the twelfth anniversary, September 15, 2026; and
 - Paying the remaining outstanding balance of the required US\$3,000,000.

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2022

(Expressed in Canadian Dollars)

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- 4) The Company entered into a series of amending agreements in fiscal 2020 to delay the fifth anniversary payment. Pursuant to these amendments the Company issued 949,000 common shares valued at \$253,670 and paid cash of US\$5,000.
- 5) Royalty payments to the Owner of 2% of the net smelter returns (“NSR”) and issuance of an additional 550,000 shares and 550,000 warrants upon the commencement of commercial production.
- 6) The Company agreed to issue Kingsmere Mining Ltd. a finder’s fee of 500,000 shares. As of August 31, 2021, 200,000 shares have been issued. The remaining shares will be issued as follows:
- a. 50,000 shares on the seventh anniversary, September 15, 2021, issued;
 - b. 75,000 shares on the eighth anniversary, September 15, 2022;
 - c. 75,000 shares on the ninth anniversary, September 15, 2023;
 - d. 100,000 shares on the tenth anniversary, September 15, 2024.
- 7) In fiscal 2017 the Company increased its land holding at the Silver Cliff project by signing a series of mineral lease agreements. As of November 30, 2021, US\$420,099 has been paid. The remaining option payments are as follows:
- a. US\$91,500 on the fifth anniversary, between May 12 and June 5, 2022;
 - b. US\$96,000 on the sixth anniversary, between May 12 and June 5, 2023;
 - c. US\$111,500 on the seventh anniversary, between May 12 and June 5, 2024;
 - d. US\$147,000 on the eighth anniversary, between May 12 and June 5, 2025;
 - e. US\$198,040 on the ninth anniversary, between May 12 and June 5, 2026;
 - f. US\$1,208,000 on the tenth anniversary, between May 12 and June 5, 2027.

6. Related Party Transactions

On May 31, 2022 and August 31, 2021 there are no amounts owed to related parties, who are officers, directors and/or shareholders. Amounts paid are for consulting services and advances on behalf of the Company provide by the related parties or by companies they controlled.

The key management personnel compensation for the periods ended May 31, 2022 and 2021, are summarized as follows:

	Nine months ended May 31, 2022 Consulting fees or salary (\$)	Nine months ended May 31, 2021 Consulting fees or salary (\$)
Chief Executive Officer/Director	181,500	197,700
Chief Financial Officer	61,000	58,000
Directors/Manager	83,000	74,500
Director/Chief Geologist	34,868	12,743
Directors	10,500	7,000
Director/Legal Fees	13,764	7,118
Stock based compensation	-	222,452
	<hr/> 384,632	<hr/> 579,513

During the nine months period ended May 31, 2022, \$20,792 (year ended August 31, 2021 - \$6,742) related to consulting fees are capitalized in exploration and evaluation properties.

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2022

(Expressed in Canadian Dollars)

7. Share Capital**A. Authorized**

On May 31, 2022, the authorized share capital consists of an unlimited number of common shares without par value and without special rights or restrictions attached and an unlimited number of preferred shares without par value and with special rights or restrictions.

B. Issued and Outstanding

The total issued, and outstanding common shares was 86,181,962 common shares with no par value (August 31, 2020 – 84,949,462).

Share capital transactions of the Company during the period ended May 31, 2022 and year ended August 31, 2021 are summarized as follows:

- a) During the nine months ended May 31, 2022, 1,182,500 shares were issued pursuant to the exercise of warrants for gross proceeds of \$378,400.
- b) On September 20, 2021, the Company issued 50,000 common shares valued at \$16,000 to Kingsmere Mining Ltd. in accordance with the Finders Fees agreement between the Company and Kingsmere.
- c) During the year ended August 31, 2021, 3,684,000 warrants and options were exercised between \$0.22 and \$0.35 per share for gross proceeds of \$1,232,960. Of this amount, \$109,375 remained unpaid and is reflected as subscriptions receivable. The warrant reserve was reduced by \$27,425 and share capital was increased by the same amount related to recognition of the exercise of certain warrants.

C. Warrants

The following is a summary of the changes in the Company's share purchase warrants for the nine-month period ended May 31, 2022 and year ended August 31, 2021:

Expiry Date	May 31, 2022		August 31, 2021	
	Number of Warrants Outstanding	Weighted average exercise price (\$)	Number of Warrants Outstanding	Weighted average exercise price (\$)
Outstanding, beginning of period	24,357,020	0.32	29,434,020	0.32
Exercised warrants	(1,182,500)	0.32	(3,567,000)	0.34
Expired warrants	-	-	(1,510,000)	0.35
Outstanding and exercisable options	23,174,520	0.32	24,357,020	0.32

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2022

(Expressed in Canadian Dollars)

D. Stock Option Plan

The Company's stock option plan (the "Plan") allows the Company to issue options to certain directors, officers, employees, and consultants of the Company. Options issued under the Plan shall not exceed 10% of the shares issued and outstanding at the time of granting of the options. Options granted under the Plan may have a maximum term of ten years. Stock options granted under the Plan may be subject to vesting terms, which may be imposed at the discretion of the directors.

- a) During the year ended August 31, 2021, 117,000 options were exercised at \$0.22 for proceeds of \$25,740, in addition share capital was increased and the option reserve was reduced by \$19,750.
- b) On January 25, 2021, the Company issued 1,000,000 five-year options at an exercise price of \$0.375 to officers, directors and consultants. The options were valued at \$261,708, using the Black Scholes valuation methodology assuming a risk-free interest rate of 0.42% per annum, an expected life of 5 years, volatility of 79.88%, and no expected dividend.
- c) On March 29, 2021, the Company issued 700,000 five-year options at an exercise price of \$0.375 to consultants. The options were valued at \$154,458, using the Black Scholes valuation methodology assuming a risk-free interest rate of 0.42% per annum, an expected life of 5 years, volatility of 79.83%, and no expected dividend.
- d) On October 16, 2020, the Company issued 400,000 five-year options at an exercise price \$0.40 to consultants. The options were valued at \$104,762, using the Black Scholes valuation methodology assuming a risk-free interest rate of 0.32% per annum, an expected life of 5 years, volatility of 105.62%, and no expected dividend.

The following is a summary of the changes in the Company's stock options for the period ended May 31, 2022 and for the year ended August 31, 2021:

Expiry Date	May 31, 2022		August 31, 2021	
	Number of Options Outstanding	Weighted average exercise price (\$)	Number of Options Outstanding	Weighted average exercise price (\$)
Outstanding, beginning of period	7,953,800	0.37	6,500,800	0.30
Cancelled/Expired	(230,000)	0.52	(530,000)	0.57
Exercised	-	-	(117,000)	-
Granted	-	-	2,100,000	0.40
Outstanding and exercisable options	7,723,800	0.37	7,953,800	0.37

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2022

(Expressed in Canadian Dollars)

The following table summarizes information regarding stock options outstanding and exercisable as at May 31, 2022 and the year ended August 31, 2021:

Expiry Date	May 31, 2022		August 31, 2021	
	Exercise Price (\$)	Number of Options Outstanding	Exercise Price (\$)	Number of Options Outstanding
September 8, 2021	0.57	-	0.57	180,000
April 17, 2022	0.36	-	0.36	50,000
October 26, 2022	0.20	19,800	0.20	19,800
March 15, 2023	0.32	500,000	0.32	500,000
June 15, 2023	0.30	200,000	0.30	200,000
January 22, 2024	0.22	854,000	0.22	854,000
August 5, 2022	0.40	250,000	0.40	250,000
August 20, 2025	0.40	3,800,000	0.40	3,800,000
October 25, 2025	0.40	400,000	0.40	400,000
January 26, 2026	0.375	1,000,000	0.375	1,000,000
March 29, 2026	0.375	700,000	0.375	700,000
Outstanding and exercisable options	0.37	7,723,800	0.37	7,953,800

8. Supplemental Cash Flow Information

- During the period ended May 31, 2022, 50,000 common shares valued at \$16,000 were issued for exploration and evaluation properties. During the year ended August 31, 2021, 50,000 common shares valued at \$21,000 issued for exploration and evaluation properties.
- During the period ended May 31, 2022, subscriptions receivable remained unchanged at \$185,875. During the year ended August 31, 2021, an additional \$109,375 (August 31, 2020 - \$76,500) was added to share subscriptions receivable for a total of \$185,875.
- During the period ended May 31, 2022, the Company transferred \$62,430 from option reserves into deficit for options that had expired in previous years.
- During the year ended August 31, 2021, the Company recorded a fair value reversal on the exercise of warrants in the amount of \$27,425.
- During the year ended August 31, 2021, the Company transferred \$242,742 from warrant reserves into deficit for warrants that had expired in previous years.
- During the year ended August 31, 2021, the Company recorded a fair value reversal on the exercise of stock options in the amount of \$19,750.
- During the year ended August 31, 2021, the Company recorded a fair value reversal on the expiry of stock options in the amount of \$296,214.
- During the year ended August 31, 2021, the Company transferred \$715,866 from option reserves into deficit for stock options that had expired in previous years.
- Included in trade payables and accrued liabilities on May 31, 2022, and August 31, 2021, was nil incurred on exploration and evaluation expenditures.

9. Commitments and Contingency

The Company is committed to making cash payments, incurring exploration expenditures and/or issuing common shares pursuant to its exploration and evaluation property agreements (Note 5).

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2022

(Expressed in Canadian Dollars)

10. Capital Management

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. The Company manages the capital structure and adjusts it in light of changes in the economic conditions and the risk characteristics of the underlying assets. The Company manages its capital structure through the issuance of new shares, acquisition or disposition of assets or adjustment of cash. The Company does not have any major capital expenditures committed for the coming year. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

11. Financial Instruments and Risk Management**Fair values**

The Company's financial instruments are cash, accounts receivable, trade payables, and subscriptions receivable. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities. The fair values of the Company's remaining financial instruments approximate carrying value, due to the short term to maturity.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risk. Details are set out in the Company's August 31, 2021, audited consolidated financial statements.

Segmented Information

The Company's only business activity is exploration and evaluation of exploration and evaluation properties. This activity is carried out in the USA.

The breakdown of geographic area for the period ended May 31, 2022, and the year ended August 31, 2021 is as follows:

Period ended May 31, 2022	Canada	USA	Total
	\$	\$	\$
Net loss	1,010,437	-	1,010,437
Current assets	1,460,114	-	1,460,114
Reclamation bond	-	30,005	30,005
Exploration and evaluation properties	-	5,721,022	5,721,022
Total assets	1,460,114	5,751,027	7,211,141
Year ended August 31, 2021	Canada	USA	Total
	\$	\$	\$
Net loss	1,732,307	-	1,732,307
Current assets	2,860,844	-	2,860,844
Reclamation bond	-	26,172	26,172
Exploration and evaluation properties	-	4,878,419	4,878,419
Total assets	2,860,844	4,904,591	7,765,435