



UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Three months ended May 31, 2021

The attached unaudited condensed interim financial statements have been prepared by Management of Sphinx Resources Ltd. and have not been reviewed by the auditors

SPHINX RESOURCES LTD.**Statements of Financial Position**

As at May 31, 2021 and February 28, 2021

(Unaudited, in Canadian Dollars)

	Notes	May 31, 2021	February 28, 2021
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalent	2	78,995	104,568
Accounts receivable		-	10,000
Sales tax receivables		13,020	7,248
Tax credits receivable		109,977	105,793
Listed shares		21,000	20,500
Prepaid expenses		5,224	6,382
TOTAL ASSETS		228,216	254,491
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		215,489	154,742
Deferred governmental grant		-	11,104
Loans – current portion		11,010	7,177
Total current liabilities		226,499	173,023
Non-current liabilities			
Loans	3	59,292	60,647
Total liabilities		285,791	233,670
Equity			
Capital stock		62,071,540	61,921,540
Warrants		306,114	306,114
Contributed surplus		12,147,042	12,144,338
Deficit		(74,582,271)	(74,351,171)
Total equity		(57,575)	20,821
TOTAL LIABILITIES AND EQUITY		228,216	254,491

Going concern

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

SPHINX RESOURCES LTD.**Statements of Loss and Comprehensive Loss**

Three months ended May 31, 2021 and 2020

(Unaudited, in Canadian Dollars)

		Three months ended May 31,	
	Notes	2021	2020
		\$	\$
Revenues			
Project management fees		9	87
Expenses			
Exploration and evaluation expenditures	6	(160,948)	(4,912)
General and administrative	7	(68,772)	(78,374)
Operating loss		(229,711)	(83,199)
Other income (expenses)			
Finance costs	3	(2,603)	(252)
Change in fair value – listed shares		500	21,337
Loss before income taxes		(231,814)	(62,114)
Current tax recovery		714	350
Loss and comprehensive loss for the period		(231,100)	(61,764)
Weighted average number of common shares outstanding - basic and diluted		163,850,565	126,184,261
Basic and diluted loss per common share		(0.00)	(0.00)

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

SPHINX RESOURCES LTD.**Statements of Changes in Equity**

Three months ended May 31, 2021 and 2020

(Unaudited, in Canadian Dollars)

	Common Shares Number	Capital Stock \$	Warrant \$	Contributed Surplus \$	Deficit \$	Total Equity \$
Balance at February 29, 2020	126,184,261	61,507,812	104,894	12,118,599	(73,799,220)	(67,915)
Share-based payment	-	-	-	4,554	-	4,554
Loss and comprehensive loss	-	-	-	-	(61,764)	(61,764)
Balance at May 31, 2020	126,184,261	61,507,812	104,894	12,123,153	(73,860,984)	(125,125)
Balance at February 28, 2021	158,959,261	61,921,540	306,114	12,144,338	(74,351,171)	20,821
Share issued for:						
Project acquisition	7,500,000	150,000	-	-	-	150,000
Share-based payment	-	-	-	2,704	-	2,704
Loss and comprehensive loss	-	-	-	-	(231,100)	(231,100)
Balance at May 31, 2021	166,459,261	62,071,540	306,114	12,147,042	(74,582,271)	(57,575)

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

SPHINX RESOURCES LTD.**Statements of Cash Flows**

Three months ended May 31, 2021 and 2020

(Unaudited, in Canadian Dollars)

	Notes	Three months ended May 31,	
		2021	2020
		\$	\$
Operating activities			
Loss for the period		(231,100)	(61,764)
Adjustments for:			
Share-based payments		2,704	4,554
Shares issued for project acquisition		150,000	-
Governmental grants		(11,104)	(4,166)
Finance cost loans	3	2,603	252
Change in fair value – listed shares		(500)	(21,337)
		(87,397)	(82,461)
Changes in non-cash working capital items			
Accounts receivable		10,000	2,053
Sales tax receivable		(5,772)	21,649
Tax credits receivable		(4,184)	(2,052)
Prepaid expenses		1,158	4,628
Trade and other payables		60,747	5,033
		61,949	31,311
Cash flow used in operating activities		(25,448)	(51,150)
Financing activities			
Proceeds from loans		-	40,000
Finance cost paid on loans		(125)	-
Cash flow from financing activities		(125)	40,000
Investing activities			
Proceeds from disposal of listed shares		-	31,500
Cash flow from investing activities		-	31,500
Change in cash during the period		(25,573)	20,350
Cash and cash equivalents, beginning of period		104,568	44,682
Cash and cash equivalents, end of period		78,995	65,032

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

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Three months ended May 31, 2021

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN

Sphinx Resources Ltd. (the "Corporation") was incorporated on June 28, 2005 and is governed by the *Canada Business Corporations Act*. The Corporation's shares are listed on the TSX Venture Exchange ("Exchange") under the trading symbol "SFX". The Corporation operates in one industry segment, being the acquisition, exploration and development of mineral properties. The Corporation's head office is situated at 1000, De La Gauchetiere West, Suite 2100, Montreal, Québec, H3B 4W5.

The measurement of certain assets and liabilities is dependent on future events, therefore the preparation of these unaudited condensed interim financial statements ("Financial Statements") requires the use of estimates, which may vary from actual results. The success of the Corporation's exploration and evaluation activities is influenced by significant financial risks, legal and political risks, commodity prices, and the ability of the Corporation to discover economically recoverable reserves.

1.1 Basis of presentation

These Financial Statements have been prepared in accordance International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements should be read in conjunction with the annual financial statements for the year ended February 28, 2021, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year.

The Financial Statements of the Corporation for the three months ended May 31, 2021 were reviewed, approved and authorized for issue by the Board of Directors on July 22, 2021.

1.2 Going concern

The Financial Statements have been prepared using IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Corporation's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

The Corporation recorded a loss of \$231,100 for the three months ended May 31, 2021 (\$61,764 for the three months ended May 31, 2020), and has an accumulated deficit of \$74,582,271 as at May 31, 2021 (\$74,351,171 as at February 28, 2021). In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its other obligations, existing commitments for the exploration and evaluation programs and pay general and administration costs. As at May 31, 2021, the Corporation had a working capital of \$1,717 (working capital of \$81,468 as at February 28, 2021). These conditions indicate the existence of material uncertainty that may cast a significant doubt regarding the Corporation's ability to continue as a going concern.

The Corporation's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. While Management has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements and this could have a significant impact on the financial position of the Corporation, its financial performance and its cash flows.

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Three months ended May 31, 2021

(Unaudited, in Canadian Dollars)

2. CASH AND CASH EQUIVALENTS

As of May 31, 2021, the cash and cash equivalents include an amount of \$15,000 which is restricted as part of a corporate credit card agreement.

3. LOANS

	May 31, 2021
	\$
Opening	67,824
Payments	(125)
Accretion expense as finance costs	2,603
Loans	70,302
Less: current portion	(11,010)
Loans – non current portion	59,292

4. WARRANTS

Outstanding warrants entitle their holder to subscribe to an equivalent number of common shares as follow:

Expiry date	Number of warrants	Exercise price \$
December 11, 2021	4,050,000	0.07
May 14, 2022	715,000	0.07
June 11, 2023	2,175,000	0.05
June 11, 2023	50,000	0.07
August 7, 2023	100,000	0.05
August 7, 2023	100,000	0.07
September 14, 2025	30,200,000	0.05
	37,390,000	

5. SHARE-BASED PAYMENTS

On March 15, 2021, the Corporation granted 275,000 stock options to a director and a member of the advisory committee at an exercise price of \$0.10 with an expiry date of March 15, 2031, vesting 1/3 on the date of grant, 1/3 on the first anniversary and 1/3 on the second anniversary. At the time of the grant, the exercise price was above the market price on the Exchange. Total stock-based compensation costs amounts to \$3,300 for an estimated fair value of \$0.012 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 100% expected volatility, 1.14% risk-free interest rate and 6 years options expected life.

SPHINX RESOURCES LTD.**Notes to the Financial Statements**

Three months ended May 31, 2021

(Unaudited, in Canadian Dollars)

5. SHARE-BASED PAYMENTS (CONT'D)

The changes in stock options issued are as follows:

	Three months ended May 31, 2021	
	Number of agent's compensation warrants	Weighted average exercise prices
		\$
Balance, beginning of period	4,500,000	0.105
Granted	275,000	0.100
Balance, end of period	4,775,000	0.105
Balance, end of year exercisable	4,358,333	0.105

Outstanding stock options entitling their holder to subscribe to an equivalent number of common shares as follow:

Expiry Date	Number outstanding	Number exercisable	Exercise price
			\$
October 10, 2024	850,000	850,000	0.125
October 13, 2026	1,100,000	1,100,000	0.100
August 30, 2028	1,100,000	1,100,000	0.100
January 16, 2029	750,000	750,000	0.100
May 17, 2019	175,000	175,000	0.100
August 29, 2019	350,000	233,334	0.100
August 12, 2030	175,000	58,333	0.100
March 15, 2031	275,000	91,666	0.100
	4,775,000	4,358,333	

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Three months ended May 31, 2021

(Unaudited, in Canadian Dollars)

6. EXPLORATION AND EVALUATION EXPENDITURES

Mineral properties that have not reached technical feasibility, exploration and evaluation expenditures are charged to operations as they are incurred. The Corporation's exploration and evaluation expenditures incurred are as follows:

	Three months ended May 31, 2021				Three months ended May 31, 2020			
	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Calumet-Sud	-	9,414	(2,401)	7,013	-	5,379	(1,506)	3,873
Calumet-Nord	469	131	(37)	563	171	368	(103)	436
GPd	-	425	(119)	306	-	-	-	-
Soufflot	-	-	-	-	363	333	(93)	603
New Calumet Mine	150,716	3,263	(913)	153,066	-	-	-	-
Total	151,185	13,233	(3,470)	160,948	534	6,080	(1,702)	4,912

New Calumet Mine project

On March 8, 2021, the Corporation signed an agreement with Golden Calumet Exploration Ltd and Geotest Corporation, to acquire 100% of 14 claims in Pontiac District, for consideration consisting of 7,500,000 common shares (valued at \$150,000) and a 1% NSR royalty, subject to a buyback option for \$1,000,000. The buyback option will be indexed for cost of living starting January 1, 2022.

7. GENERAL AND ADMINISTRATION

	Three months ended May 31,	
	2021	2020
	\$	\$
Directors' fees	8,500	14,000
Filing and transfer agent fees	5,279	2,155
Management fees	18,713	18,113
Office and miscellaneous	1,244	6,238
Professional fees	16,931	5,480
Promotion	1,528	7,487
Salaries and benefit	24,977	23,769
Governmental grants	(11,104)	(4,166)
Share-based payments	2,704	4,554
Travel	-	744
General and administration	68,772	78,374