

**VATIC VENTURES CORP.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**SIX MONTHS ENDED**

**AUGUST 31, 2021**

**EXPRESSED IN CANADIAN DOLLARS**

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements they must be accompanied by a notice indicating that the 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 Davidson & Company LLP has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements.

October 15, 2021

**VATIC VENTURES CORP.**

## Condensed Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	August 31, 2021	February 28, 2021
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 226,554	\$ 5,202
Amounts receivable	8,446	8,032
<b>Total assets</b>	<b>\$ 235,000</b>	<b>\$ 13,234</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 235,178	\$ 266,471
Due to third party	87,380	87,380
Due to related parties (Note 9)	89,744	447,727
Loans payable (Note 5)	-	130,400
	412,302	931,978
<b>Non-current</b>		
Loan payable (Note 5)	60,000	60,000
<b>Total liabilities</b>	<b>472,302</b>	<b>991,978</b>
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital (Note 6)	9,687,391	8,561,677
Share-based payment reserve (Note 6)	254,243	-
Warrant reserve (Note 6)	27,059	-
Deficit	(10,205,995)	(9,540,421)
<b>Total shareholders' deficiency</b>	<b>(237,302)</b>	<b>(978,744)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 235,000</b>	<b>\$ 13,234</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 11)

Approved by the Board of Directors

"Loren Currie"

Director

"Matthew Mikulic"

Director

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

**VATIC VENTURES CORP.**

## Condensed Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
<b>Expenses</b>				
Consulting fees	191,285	9,000	\$ 264,285	\$ 18,000
Management fees (Note 9)	-	-	22,500	-
Office and miscellaneous	4,577	6,291	6,902	6,530
Professional fees	69,124	1,996	70,324	5,715
Project investigation	12,000	-	12,000	-
Rent	1,908	11,330	4,595	12,905
Share-based payments (Note 6)	254,243	-	254,243	-
Transfer agent and filing fees	5,480	1,000	15,805	7,530
Travel, meals and entertainment	56,426	-	63,059	127
Total expenses	(595,043)	(29,617)	(713,713)	(50,807)
Gain on extinguishment of debt (Note 4)	600	-	52,581	-
Interest expenses (Note 5)	(207)	-	(4,442)	-
	393	-	48,139	-
Loss and comprehensive loss for the period	(594,650)	(29,617)	(665,574)	(50,807)
Weighted average number of common shares outstanding (basic and diluted)	14,381,510	4,382,397	7,371,247	4,382,397
Basic and diluted net loss per share	\$ (0.04)	\$ (0.01)	\$ (0.09)	\$ (0.01)

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

**VATIC VENTURES CORP.**

## Condensed Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

	Number of shares issued	Share capital	Warrant reserve	Share-based payment reserve	Deficit	Total
<b>Balance, February 29, 2020</b>	<b>4,382,375</b>	<b>\$ 8,426,880</b>	<b>\$ 134,797</b>	<b>\$ 6,527</b>	<b>\$ (9,262,259)</b>	<b>\$ (694,055)</b>
Loss for the period	-	-	-	-	(50,807)	(50,807)
Fair value reversal of warrants expired	-	41,446	(41,446)	-	-	-
<b>Balance, August 31, 2020</b>	<b>4,382,375</b>	<b>\$ 8,468,326</b>	<b>\$ 93,351</b>	<b>\$ 6,527</b>	<b>\$ (9,313,066)</b>	<b>\$ (744,862)</b>

	Number of shares issued	Share capital	Warrant reserve	Share-based payment reserve	Deficit	Total
<b>Balance, February 28, 2021</b>	<b>4,382,375</b>	<b>\$ 8,561,677</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (9,540,421)</b>	<b>\$ (978,744)</b>
Loss for the period	-	-	-	-	(665,574)	(665,574)
Private placement	8,332,467	999,896	-	-	-	999,896
Share for debt settlement	1,666,668	200,000	-	-	-	200,000
Share-based payment	-	-	-	254,243	-	254,243
Fair value reversal of agent's warrants granted	-	(27,059)	27,059	-	-	-
Finders' fees	-	(47,123)	-	-	-	(47,123)
<b>Balance, August 31, 2021</b>	<b>14,381,510</b>	<b>\$ 9,687,391</b>	<b>\$ 27,059</b>	<b>\$ 254,243</b>	<b>\$ (10,205,995)</b>	<b>\$ (237,302)</b>

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

**VATIC VENTURES CORP.**

## Condensed Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Six months ended	
	August 31, 2021	August 31, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (665,574)	\$ (50,807)
Adjustments for:		
Gain on extinguishment of debt	(52,581)	-
Share-based payments	254,243	-
Interest expense	4,442	-
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	(414)	451
Increase (increase) in due to related parties	(357,983)	1,177
Increase in accounts payable and accrued liabilities	21,288	49,191
Net cash provided by (used in) operating activities	(796,579)	12
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Debt settlements	65,158	-
Proceeds from private placements	999,896	-
Share issuance costs	(47,123)	-
Net cash provided by financing activities	1,017,931	-
<b>Increase in cash</b>	<b>221,352</b>	<b>12</b>
<b>Cash, beginning of the period</b>	<b>5,202</b>	<b>143</b>
<b>Cash, end of the period</b>	<b>\$ 226,554</b>	<b>\$ 155</b>

**Supplemental disclosure with respect to cash flows (Note 10)**

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

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Vatic Ventures Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on October 30, 2007. The Company’s shares are listed for trading under the trading symbol “VCV” on the TSX Venture Exchange (“TSX-V”). Effective April 15, 2021, the Company’s listing was transferred to New Securities Stock Exchange (NEX). The trading symbol for the Company changed from VCV to VCV.H. The Company does not have any business and is actively looking for a new business.

On May 4, 2021, the Company consolidated its common share on a 10:1 basis. These consolidated financial statements reflect the share consolidation retrospectively.

The head office and principal address of the Company is located at 1400 – 1040 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4H1. The registered address and records office of the Company is located at 2110 – 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N9.

As at August 31, 2021, the Company had a deficit of \$10,205,995 (February 28, 2021 - \$9,540,421) and a working capital deficiency of \$177,302 (February 28, 2021 - \$918,744). The Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. However, the Company’s future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

## **2. BASIS OF RESENTATION**

### **Statement of compliance**

The condensed consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

### **Approval of the financial statements**

The consolidated financial statements of the Company for the period ended August 31, 2021 were reviewed by the Audit Committee and approved and authorized for issue on October 15, 2021 by the Board of Directors of the Company.

**2. BASIS OF RESENTATION (cont'd...)**

**Basis of preparation**

The consolidated financial statements have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. All inter-company transactions and balances between the Company and its subsidiaries have been eliminated upon consolidation.

The subsidiaries are consolidated from the date on which control is transferred to the Company and will cease to be consolidated from the date on which control is transferred out of the Company. The Company also assesses existence of control where it does not have more than 50% of voting power but are able to control the investee by virtue of de facto control. De facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders gives the group the power to govern the financial and operating policies.

Details of the Company's subsidiaries are as follows:

	Date of Incorporation	Country of incorporation	Percentage owned August 31, 2021
VV Mining Exploration Services Mexico S. DE. R. I.	June 20, 2012	Mexico	100%
VV Mining Mexico S. DE R. I. C. V.	June 20, 2012	Mexico	100%

All inter-company transactions and balances have been eliminated upon consolidation.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, has been omitted or condensed.

The same accounting policies and methods of computation were followed in the preparation of these condensed consolidated interim financial statements as were followed in the preparation and described in Note 3 of the annual audited consolidated financial statements as at and for the year ended February 28, 2021. Accordingly, these condensed interim financial statements for the six month period ended August 31, 2021 should be read together with the annual audited consolidated financial statements as at and for the year ended February 28, 2021.

**VATIC VENTURES CORP.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the six months ended August 31, 2021**

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**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	August 31, 2021	February 28, 2021
Accounts payable	\$ 98,544	\$ 104,997
Accrued liabilities	136,634	161,474
	\$ 235,178	\$ 266,471

During the period ended August 31, 2021, the Company recorded a gain on extinguishment of debt of \$52,581 (August 31, 2020 - \$Nil).

During the year ended February 28, 2021, the Company received a series of loans in the aggregate amount of \$125,500 (the “Loans”). Such Loans are to carry a 15% per annum interest rate. The Loans were settled on July 7, 2021.

During the year ended February 28, 2021, the Company entered into a Canada Emergency Business Account (“CEBA”) loan with the Government of Canada. The loan is an interest free loan of \$60,000 from the Government of Canada. If the Government of Canada is repaid by December 31, 2022, \$20,000 will be forgiven. If the Company is not able to repay, the loan will convert into a regular loan with a three-year term at 5% per annum.

**6. SHARE CAPITAL**

Authorized: unlimited common shares without par value

During the period ended August 31, 2021:

On July 7, 2021, the Company received regulatory approval to close its non-brokered private placement financing (the “Financing”) for aggregate gross proceeds of \$999,896. The Company issued 8,332,467 \$0.12 units of the Company (the “Units”), each Unit being comprised of 1 common share of the Company and one common share purchase warrant (the “Warrants”), each Warrant being exercisable for an additional common share of the Company at \$0.25 for 12 months. In connection with the Financing the Company paid finders fees in cash totaling \$47,123 and issued finder’s warrants totaling 192,693, each warrant being exercisable for an additional common share of the Company at \$0.25 for 12 months. The finder’s warrants were valued at \$27,059 or \$0.14 per warrant. The finder’s warrants were valued using the Black-Scholes model with the following inputs: expected life of 1 year, discount rate of 0.25%, volatility of 123% and dividend yield of 0%.

The Company also received regulatory approval to settle \$200,000 in debt by issuing 1,666,668 \$0.12 units (the “Debt Units”) of the Company, each Debt Unit being comprised of 1 common share of the Company and one common share purchase warrant (the “Debt Unit Warrants”), with each Debt Unit Warrant being exercisable for an additional common share of the Company at \$0.25 for 12 months.

All securities issued pursuant to the Financing and shares for debt settlement are subject to a 4 month and one day hold period.

During the year ended February 28, 2021:

There were no private placements during the year ended February 28, 2021 for the Company.

**VATIC VENTURES CORP.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the six months ended August 31, 2021**

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**6. SHARE CAPITAL (cont'd...)**

**Share options**

The Company adopted a share option plan (the “Share Option Plan”) under which it may grant options to directors, officers, and consultants for up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of an option may not be less than the discounted market price, which is the closing market price at date the options were granted. The options can be granted for a maximum term of 10 years and vest at the discretion of the board of directors.

For share options granted to employees, officers, directors, and consultants, the Company recognizes share-based payments, measured at the estimated fair value of the share options granted. The fair value of each share option granted was estimated on the date of grant using the Black-Scholes option-pricing model.

A summary of share option transactions are as follows:

	Number of options	Weighted average exercise price	Weighted average number of years to expiry
Balance, February 29, 2020	16,227	\$1.80	0.52
Expired	(16,227)	\$1.80	
Balance, February 28, 2021	-	N/A	N/A
Granted	1,400,000	\$0.22	4.89
Balance, August 31, 2021	1,400,000	\$0.22	4.89

As at August 31, 2021, the following options are outstanding and exercisable:

Weighted average exercise price	Weighted average contractual life (years)	Number of options outstanding	Number of options exercisable	Expiry date
\$ 0.22	4.89	1,400,000	1,400,000	July 22, 2026
\$ 0.22	4.89	1,400,000	1,400,000	

**VATIC VENTURES CORP.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the six months ended August 31, 2021**

**6. SHARE CAPITAL (cont'd...)**

**Warrants**

Changes to the balance of warrants outstanding are as follows:

	Warrants outstanding	Weighted average exercise price	Weighted average number of years to expiry
Balance, February 29, 2020	1,622,787	\$2.10	0.63
Expired	(1,622,787)	\$2.10	
Balance, February 28, 2021	-	NA	NA
Granted - private placement	8,332,467	\$0.25	0.85
Granted - share for debt settlement	1,666,668	\$0.25	0.85
Granted - finders' warrants	192,693	\$0.25	0.85
Balance, August 31, 2021	10,191,828	\$0.25	0.85

As at August 31, 2021, the following warrants are outstanding and exercisable:

Weighted average exercise price	Weighted Average Life (Years)	Number of warrants outstanding	Number of warrants exercisable	Expiry date
\$ 0.25	0.85	8,332,467	-	July 7, 2022
\$ 0.25	0.85	1,666,668	-	July 7, 2022
\$ 0.25	0.85	192,693	-	July 7, 2022
\$ 0.25	0.85	10,191,828	-	

**7. CAPITAL DISCLOSURE**

The Company considers its capital structure to include the net residual equity of all assets, less liabilities. Capital is comprised of the Company's equity and any debt that it may issue. The Company's objectives when managing capital are to (i) maintain sufficient working capital to meet current financial obligations and continue as a going concern; (ii) maintain a capital structure to allow the Company to raise equity funding to finance its capital expenditures and acquisition activities; (iii) maintain creditworthiness and maximize returns for shareholders over the long term; (iv) maintain capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic circumstances. The capital for expansion was mostly from proceeds from the issuance of common shares and debt. The net proceeds raised will be used to fund the Company's working capital. There were no changes to the way the Company manages its capital during the period ended August 31, 2021.

8. FINANCIAL INSTRUMENTS AND RISKS

**Fair values**

Under IFRS, a three-level hierarchy that reflects the significance of inputs used in making fair value adjustments is required. The three levels of the fair value hierarchy are as follows:

- a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The following table outlines the Company’s financial assets and liabilities measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair value measurement.

Assets	As at August 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash	\$ 226,554	\$ -	\$ -	\$ 226,554
Total	\$ 226,554	\$ -	\$ -	\$ 226,554

Assets	As at February 28, 2021			
	Level 1	Level 2	Level 3	Total
Cash	\$ 5,202	\$ -	\$ -	\$ 5,202
Total	\$ 5,202	\$ -	\$ -	\$ 5,202

All other financial assets and liabilities approximate their fair value due to the short term nature of these instruments.

*Credit risk*

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation. The Company’s exposure to credit risk includes cash and receivables.

The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company’s amounts receivable consist primarily of GST receivable due from federal government agencies.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company’s ability to continue as a going concern is dependent on management’s ability to raise the required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. At August 31, 2021, the Company had cash of \$226,554 (February 28, 2021– \$5,202), which is insufficient to settle current liabilities of \$412,302 (February 28, 2021 - \$931,978).

**VATIC VENTURES CORP.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the six months ended August 31, 2021**

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**8. FINANCIAL INSTRUMENTS AND RISKS (cont'd...)**

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

*Currency risk*

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company may have transactions that are denominated in US dollars. These transactions pose potential currency risks and may have a significant impact on the Company.

Based on the net exposures at August 31, 2021, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would not have a significant impact on the Company's net loss and comprehensive loss.

**9. RELATED PARTY TRANSACTIONS**

The amounts due to related parties are amounts due to officers and directors of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations.

*Due to related parties*

	August 31, 2021	February 28, 2021
Former President	\$ 11,328	\$ 120,202
Former CEOs	44,416	256,641
Former CFO	-	48,384
CEO	4,000	7,500
Directors	30,000	15,000
<b>Total</b>	<b>\$ 89,744</b>	<b>\$ 447,727</b>

During the periods ended August 31, 2021 and 2020, the Company paid or accrued management and consulting fees to its officers and directors as follows:

*Management fees*

	Six monthed ended	
	August 31, 2021	August 31, 2020
CEO	\$ 7,500	\$ -
Directors	15,000	-
	<b>\$ 22,500</b>	<b>\$ -</b>

**10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

The significant non-cash transactions for the period ended August 31, 2021:

- a) Issuance of finders' warrants with a total value of \$27,059.
- b) Issuance of options with a total value of \$254,243.

There were no significant non-cash transactions for the period ended August 31, 2020.

**11. SUBSEQUENT EVENTS**

**Option Agreement for the Hansen Gold Property in Northern Quebec**

On September 22, 2021, the Company announced that it had entered into an option agreement with Shadow Ventures Corp. ("Shadow") to acquire a gold exploration property known as the Hansen prospect located in the Chibougamau area of northern Quebec (the "Property"). The Property, which consists of 20 contiguous mining claims representing a total area of 1,113.98 hectares is approximately 15 kilometers southeast of the Chapais-Opemiska Mine Complex (Springer, Perry and Cooke Copper-Gold mines).

Shadow acquired the right to acquire the Property from Fayz Yacoub and Ramy Yacoub (the "Underlying Optionors") pursuant an agreement dated October 1, 2020, an amending agreement dated April 8, 2021, and a second amending agreement dated August 9, 2021 (together, the "Underlying Option Agreement"). The Company has agreed, pursuant to its option agreement with Shadow (the "Vatic Option Agreement") to option the rights and obligations from Shadow as provided for in the Underlying Option Agreement by satisfying the requirements of the Underlying Option Agreement and by providing Shadow with additional consideration.

In order to satisfy the requirements of the Underlying Option Agreement and the Vatic Option Agreement the Company will, subject to the approval of the TSX Venture Exchange (the "Exchange"), issue the shares, make the cash payments and complete the exploration expenditures as follows:

Shares

- a) At the option of the Company either issue 500,000 shares or issue such number of shares equal to Cdn\$100,000 (based on the 10 day volume weighted average price of the Company's shares prior to October 1, 2021;
- b) On closing issue 7,000,000 shares which will be issued pro rata to the shareholders of Shadow;
- c) On the date that a National Instrument 43-101 Technical Report on the Property is submitted to the Exchange at the option of the Company either issue an additional 500,000 shares or such number of shares equal to Cdn\$100,000 (based on the 10 day volume weighted average price of the Company's shares prior to the date of issuance.
- d) On or before October 1, 2022 a further 750,000 shares;
- e) On or before October 1, 2023 a further 1,000,000 shares; and
- f) On the declaration of proven reserves supported by a National Instrument 43-101 Technical Report reserve calculation report that Shadow deems economically feasible to continue developing the Property a further 500,000 shares.

Cash

- a) \$40,000 on closing;
- b) \$40,000 on October 1, 2021;
- c) \$45,000 on October 1, 2022; and
- d) \$50,000 on October 1, 2023.

Expenditures

- a) \$50,000 on or before November 1, 2021;
- b) A further \$200,000 on or before October 31, 2022; and
- c) A further \$500,000 on or before October 31, 2023.

The Company is a NEX Issuer, therefore this may be a Reactivation as per NEX Policy 2.6. The transaction may also result in a Change of Control as it will result in new shareholders holding a minimum of 39% of outstanding shares. Shareholder approval will be required for a Change of Control.

**11. SUBSEQUENT EVENTS (cont'd...)**

**Private Placement Financing**

On September 22, 2021, the Company announced a non-brokered private placement financing (the "Financing") for aggregate gross proceeds of up to \$500,000. The Company will be offering units of the Company (the "Units") at a price of \$0.20 per Unit. Each Unit will be comprised of 1 common share of the Company and one half of a common share purchase warrant (the "Warrants"), with each full Warrant being exercisable for an additional common share of the Company at \$0.30 for 12 months. In connection with the Financing the Company may pay finders fees in accordance with the policies of the NEX Board of the TSX Venture Exchange. All securities issued pursuant to the Financing will be subject to a 4 month hold period. The issuance of the Units and payment of any finder's fees are subject to the receipt of all regulatory approvals.