EMPATHO HOLDINGS INC., FORMERLY
SHANE RESOURCES LTD.

FORM 2A
<u>LISTING STATEMENT</u>

DECEMBER 21, 2021

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Listing Statement and the documents incorporated into this Listing Statement include "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws. All information, other than statements of historical facts, included in this Listing Statement that address activities, events or developments that the Resulting Issuer (as definedherein) expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Resulting Issuer's businesses, operations, plans and other such matters is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: statementsrelating to the business and future activities of, and developments related, to the Resulting Issuer after the date of this Listing Statement; statements based on the audited financial statements of Shane (as defined herein), Empatho (as defined herein), or the Resulting Issuer; expectations for other economic, business, environmental, regulatory and/or competitive factors related to the Resulting Issuer; the Resulting Issuer's business outlook; plans and objectives of management for future operations; forecast business results; anticipated financial performance; and otherevents or conditions that may occur in the future.

Investors are cautioned that forward-looking information is not based on historical facts but instead is based on reasonable assumptions and estimates of management of the Resulting Issuer at the time it was made and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. See Section 17– "*Risk Factors*".

The forward-looking information in statements or disclosures in this Listing Statement is based (in whole orin part) upon factors which may cause actual results, performance or achievements of the Resulting Issuerto differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Resulting Issuer, including information obtained from third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Resulting Issuer does not know what impact any of those differences may have, its business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- the Resulting Issuer's intention to complete the listing of the Resulting Issuer Shares on the CSE and all
- transactions related thereto;
- the Resulting Issuer's expectations regarding its revenue, expenses and operations;
- the Resulting Issuer's anticipated cash needs and its needs for additional financing;
- the Resulting Issuer's intention to grow its business and its operations;
- expectations with respect to the success of the development and marketing of the Application (as defined herein);
- expectations with respect to future development and marketing costs;
- expectations with respect to the future growth and customization of the Application;
- beliefs and intentions regarding the ownership of intellectual property used in connection with the design,
- production, marketing, distribution and sale of the Application;
- the Resulting Issuer's competitive position and the regulatory environment in which it operates;
- the Resulting Issuer's expectation that revenues derived from its operations will be sufficient to cover its
- expenses during 2021 and over the next twelve months;
- the Resulting Issuer's expected business objectives for the next twenty-four months;
- the Resulting Issuer's ability to obtain additional funds; and
- the Resulting Issuer's ability to obtain customer contracts and establish relationships.

Risks involving the Resulting Issuer that may affect results of operations and earnings are discussed under the heading "*Risk Factors*". Although the Resulting Issuer has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date given and the Resulting Issuer does not undertake any obligationto revise or update any forward-looking information other than as required by Applicable Law (as defined herein).

The Resulting Issuer is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by securities laws. Because of the risks, uncertainties and assumptions contained herein, securityholders should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes. Please refer to the notes to the financial statements appended to this Listing Statement and incorporated by reference herein, as applicable, for additional details regarding such judgments, estimates and assumptions.

The Resulting Issuer cautions that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance or achievements of the Resulting Issuer to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements, including those disclosed under "*Risk Factors*" in this Listing Statement.

Except as otherwise indicated, the information provided herein is as of December 21, 2021.

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third-party sources, including industry publications. The Resulting Issuer believes that the industry data is accurate and that the estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completenessof this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Resulting Issuer has not independently verified any of the data from third-party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

Currency Presentation

The Resulting Issuer reports in Canadian dollars. Accordingly, unless otherwise indicated, all references to "$" in this Listing Statement refer to Canadian dollars.

ENFORCEMENT OF CERTAIN CIVIL LIABILITIES

Certain of the Resulting Issuer's directors and officers are residents of the United States or other jurisdictions outside of Canada.

Each person named below has expressly appointed the following agent for service of process:

Name of Person	Name and Address of Agent
Andre Peschong	Empatho Holdings Inc. at 222 Bay Street, Suite 2600, Toronto, Ontario M5K 1B7

Carl Castro	Same as above

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GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Listing Statement. Terms and abbreviations used in this Listing Statement and also appearing in the documents attached as schedules to the Listing Statement (including the financial statements) are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders. All dollar amounts herein are in Canadian dollars, unless otherwise stated.

"**Affiliate**" shall have the meaning ascribed to such term in National Instrument 45-106 – *Prospectus Exemptions*.

"**Amalco**" means the amalgamated entity resulting from the Amalgamation.

"**Amalco Shares**" means common shares in the capital of Amalco.

"**Amalgamation**" means the amalgamation of Empatho and Subco to be effected under the CBCA pursuant to the terms of the Business Combination Agreement.

"**Amalgamation Resolution**" means the special resolution of the Empatho Shareholders authorizing and approving the Amalgamation.

"**Application**" has the meaning ascribed thereto in "*General Development of the Business*".

"**Articles of Amalgamation**" means the articles of amalgamation to be filed with the CBCA Director in order to effect the Amalgamation, substantially in the form agreed to by Shane and Empatho.

"**Audit Committee**" means the audit committee of the Resulting Issuer, to be comprised of Andre Peschong, Rakesh Jetly and Carl Castro;

"**BCBCA**" means the *Business Corporations Act (British Columbia)* as amended from time to time.

"**BCBCA Continuance**" means the continuance of Shane under the BCBCA.

"Business Combination Agreement" means business combination agreement between Shane and Empatho dated October 29, 2021.

"**Business Day**" means any day other than a Saturday or Sunday or other day on which Canadian Chartered Banks located in the City of Toronto, Ontario are required or permitted to close.

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time.

"**CBCA Director**" means the director appointed pursuant to Section 260 of the CBCA.

"Closing" means the completion of the Transaction in accordance with the terms and conditions of the Business Combination Agreement.

"**CSE**" means the Canadian Securities Exchange.

"**Effective Date**" means the date that a certificate of amalgamation is issued by the CBCA Director to effect the Amalgamation in accordance with the Business Combination Agreement.

"**Empatho**" means Empatho Corp., a corporation formed under the CBCA.

"Empatho Finder Unit Warrants" means warrants of Empatho issued to the Finder in connection with the Subscription Receipt Offering, with each warrant exercisable for one Empatho Unit at a price of $0.25 until June 29, 2023.

"**Empatho Lock-Up Agreements**" has the meaning ascribed thereto under "*Section 11 – Escrowed Securities*".

"**Empatho Shareholders**" means, collectively, the holders of Empatho Shares.

"**Empatho Shares**" means the Empatho Common Shares.

"**Empatho Subscription Receipt Agreement**" means a subscription receipt agreement between Empatho, the Subscription Receipt Agent and the Finder dated June 29, 2021, providing for the issuance of the Empatho Subscription Receipts.

"**Empatho Subscription Receipts**" means the subscription receipts of Empatho issued pursuant to the Subscription Receipt Offering and exchangeable into Empatho Units in accordance with the terms and conditions of the Empatho Subscription Receipt Agreement.

"**Empatho Unit**" means a unit issuable by Empatho upon the conversion of the Empatho Subscription Receipts in accordance with the terms of the Empatho Subscription Receipt Agreement, with each unit consisting of one Empatho Share and one Empatho Unit Warrant.

"**Empatho Unit Warrants"** means the warrants of Empatho issuable upon the conversion of the Empatho Subscription Receipts with each warrant exercisable at a price of $0.50 until June 29, 2023.

"**Empatho Warrants**" means warrants of Empatho exercisable for Empatho Shares.

"**Engagement Agreement**" means the engagement agreement dated April 5, 2021 entered into by and among the Finder, Empatho and Shane in respect of the Subscription Receipt Offering;

"**Escrow Release Certificate**" means a written notice in substantially the form set out in Schedule "B" attached to the Subscription Receipt Agreement executed by Empatho and the Finder confirming that the Escrow Release Conditions have been satisfied or waived.

"**Escrow Release Conditions**" has the meaning ascribed thereto under "*Available Funds and Principal Purposes*".

"**Finder**" means First Republic Capital Corporation.

"**Listing Agreement**" means this CSE Form 2A Listing Statement.

"**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to any Party, any change, event, effect, occurrence or state of facts that has, or could reasonably be expected to constitute a material adverse change in respect of or to have a material adverse effect on, the business, assets, liabilities (including contingent liabilities), conditions (financial or otherwise), prospects or results of operations of the party and its subsidiaries, as applicable, taken as a whole. The foregoing shall not include any change or effects attributable to: (a) changes relating to general economic, political or financial conditions; (b) the state of securities markets in general; (c) any epidemic or pandemic, including the COVID-19 pandemic, in general, which does not have a materially disproportionate effect on any Party; or (d) the announcement of the Amalgamation.

"**MCI**" means MCI Onehealth Technologies Inc.

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

(b) an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

(c) the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year; and

each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

“Options” means stock options of Shane granted pursuant to the Stock Option Plan

“**person**” means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any governmental authority.

“**PTSD**” means post-traumatic stress disorder.

“**Resulting Issuer**” means Shane following the completion of the Transaction.

“**Resulting Issuer Board**” means the board of directors of the Resulting Issuer.

“**Resulting Issuer Shares**” means the common shares in the capital of the Resulting Issuer following the completion of the Transaction.

“**Resulting Issuer Unit Warrants**” means replacement warrants issuable to the holders of the Empatho Unit Warrants upon completion of the Amalgamation, with each replacement warrant to be issued on substantially the same terms as were applicable to such Empatho Unit Warrants immediately before the Amalgamation.

“**Resulting Issuer Warrants**” means warrants of the Resulting Issuer.

“**SBCA**” means the *Business Corporations Act* (Saskatchewan), as amended.

“**Shane**” means Shane Resources Ltd., a corporation incorporated under the laws of the Province of Saskatchewan.

“Shane Articles of Amendment” means the filings that are required by the BCBCA to be filed with the Ministry of Finance of British Columbia in order to give effect to the Shane Consolidation and Shane Name Change.

“**Shane Consolidation**” means the consolidation of the Shane Shares on the basis of one Shane Post-Consolidation Share for every 6.15099625 Shane Shares, which consolidation shall be effected through the filing of the Shane Articles of Amendment**.**

“**Shane Lock-Up Agreements**” has the meaning ascribed thereto under “*Section 11 – Escrowed Securities*”.

“**Shane Options**” means incentive stock options of Shane granted pursuant to the Stock Option Plan.

“**Shane Shares**” means the common shares in the capital of Shane.

"**Shane Name Change**" means a change in the name of Shane to "Empatho Holdings Inc." or such other name as Empatho may determine.

"**Stock Option Plan**" means the stock option plan of Shane approved by the board of directors of Shane on January 31, 2021.

"**Subco**" means 13348776 Canada Inc., a wholly-owned subsidiary of Shane, incorporated for the purpose of effecting the Amalgamation.

"**Subco Shares**" means the common shares in the capital of Subco.

"**Subscription Receipt Agent**" means Garfinkle Biderman LLP.

"**Subscription Receipt Offering**" means the non-brokered private placement of 12,552,000 Empatho Subscription Receipts completed by Empatho on June 29, 2021.

"**Tax**" or "**Taxes**" means , in relation to any person, any and all taxes, whether or not referred to as taxes, (including any and all fines, interest and penalties in respect thereof) of any nature imposed, levied, withheld or assessed on or with respect to the income, profits, gross receipts, sales, capital, assets, real property, personal property, production, employees, payroll, benefit payments, purchases, payments, receipts or gains of such person (including, without limitation, any federal or state income, franchise or sales taxes, corporation capital tax, customs or excise duties or municipal license fees, withholding tax and any taxes and other deductions required to be paid or withheld from any payment made to any person) by Canada or any province thereof, the United States of America or any political subdivision or taxing authority thereof or therein, or by any other country or any political subdivision or taxing authority thereof or therein.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended and all regulations thereunder.

"Transaction" means, collectively, the Amalgamation, the BCBCA Continuance, the Consolidation and the Shane Name Change, to be completed in accordance with the Business Combination Agreement.

"**TSXV**" means the TSX Venture Exchange.

"**Warrant Agent**" means Capital Transfer Agency, ULC.

"**Warrant Indenture**" means a warrant indenture between Empatho and Capital Transfer Agency dated July 12, 2021 governing the terms and conditions of Empatho Unit Warrants.

2. CORPORATE STRUCTURE

Overview

This Listing Statement has been prepared with respect to the Resulting Issuer in connection with its proposed listing on the CSE upon completion of the Transaction. In connection with completion of the Transaction, the Resulting Issuer changes its name from "Shane Resources Ltd." to "Empatho Holdings Inc." or such other name as Empatho may determine. Upon completion of the Transaction, the registered office of the Resulting Issuer became 725 Granville St Suite 400, Vancouver, British Columbia, Canada, V7Y 1G5. The mailing address became 222 Bay Street, P.O. Box 37, 2600, Toronto, Ontario, Canada, M5K 1B7.

Shane

Shane was formed on June 15, 1981 under the Business Corporations Act (Saskatchewan), and continued under the BCBCA on November 23, 2021.

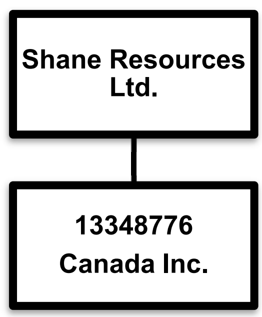
On January 31, 2014, the shareholders, on a "majority of minority" basis, authorized the delisting of Shane's shares from the NEX board of the TSXV. Shareholders also approved the sale of substantially all of the assets of the Shane and the winding up of Shane.

On June 20, 2014, Shane was dissolved and on December 21, 2018 Shane was revived.

Shane is currently a reporting issuer in Alberta and Saskatchewan. Shane's registered head office and mailing address is 804-750 West Pender Street, Vancouver, BC V6C 2T7. On June 5, 2020, Shane completed a consolidation of the Shane Shares on a forty to one basis.

Subco is a wholly owned subsidiary of Shane, formed for the purpose of effecting the Amalgamation. Subco was incorporated under the Canada Business Corporations Act on September 16, 2021. Subco's registered head office and mailing address is Suite 801, 1 Adelaide Street East, Toronto, Ontario M5C 2V9.

Shane does not have any subsidiaries other than Subco, as shown in the diagram below:

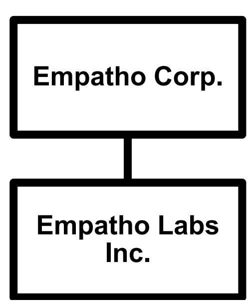


Empatho

Empatho was incorporated pursuant to the CBCA under the name "Empatho Corp." on November 20, 2020. Empatho Corp.'s registered office is at 222 Bay Street, P.O. Box 37, 2600, Toronto, Ontario, Canada, M5K 1B7.

Empatho Labs Inc. is a wholly owned subsidiary of Empatho. Empatho Labs Inc. was incorporated under the Federal laws of Canada as "iFeel Inc." on July 19, 2021. On September 29, 2021, iFeel Inc. filed articles of amendment to change its name to Empatho Labs Inc. Empatho is the holder of 100% of securities of Empatho Labs Inc. Empatho Labs Inc. does not currently conduct any operations. Empatho Labs Inc.'s registered head office and mailing address is 222 Bay Street, P.O. Box 37, 2600, Toronto, Ontario, Canada, M5K 1B7.

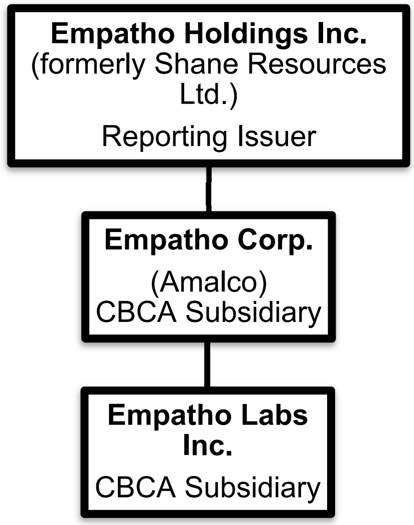
Empatho does not have any subsidiaries other than Empatho Labs Inc., as shown in the diagram below:



Resulting Issuer

Upon completion of the Amalgamation between Empatho and Subco pursuant to the CBCA, Amalco became a wholly owned subsidiary of the Resulting Issuer. The Principal Regulator following the Amalgamation will be Ontario. The registered and head office of the Resulting Issuer became 725 Granville St Suite 400, Vancouver, British Columbia, Canada, V7Y 1G5. The mailing address became 222 Bay Street, P.O. Box 37, 2600, Toronto, Ontario, Canada, M5K 1B7.

Set forth below is the organizational chart of the Resulting Issuer following completion of the Transaction.



3. GENERAL DEVELOPMENT OF THE BUSINESS

History of Empatho

Empatho was incorporated pursuant to the CBCA on November 20, 2020, under the name "Empatho Corp". Since incorporation on November 20, 2020, Empatho has focused its efforts on:

- conducting in-depth research into the determinants of well-being and actionable factors that can influence individuals' well-being;
- developing an operationalized scoring model that identified which specific steps individuals can take that would improve their well-being the most and are the most promising targets for interventions;
- developing a proprietary artificial-intelligence-enabled backend platform that combines active and passive data to produce targeted recommendations for individuals to improve their well-being;
- designing and building a mobile application (the "**Application**") that offers an integrated user experience for individuals; and
- exploring and establishing partnerships with leading telehealth providers, including MCI.

On November 20, 2020, Empatho Corp requested a Trademark Comprehensive Study for the trademark known as Empatho in Canada.

On November 20, 2020, Empatho raised $2,000 in connection with the issuance of its initial founder shares at an initial offering price of $0.001 with the cost base subsequently adjusted to $0.02.

On November 24, 2020, Empatho Corp trademarked the name "Empatho" within Canada under Class 44: "Providing telemedicine services and virtual health care services, namely, via the internet, live video, audio and instant messaging.

On December 12, 2020, Empatho raised $620,884 in connection with the offering of its common shares at an initial offering price of $0.005, with certain of these shares issued having their cost base subsequently adjusted to $0.02.

On December 15, 2020, Empatho raised $525,000 in connection with the offering of its common shares at an offering price of $0.05.

On March 1, 2021, Empatho hired and appointed Yan Namer as Chief Executive Officer. See "*Directors and Officers*".

On March 2, 2021, Empatho hired and appointed Hamid Boland as Chief Technology Officer and Dr. Josh Granek as Chief Scientific Officer. See "*Directors and Officers*".

On March 3, 2021, Empatho initiated an in-depth process of research, scoping and analysis that investigated the underlying drivers of individual well-being and how these drivers could be monitored, measured, and influenced through targeted intervention. This research phase built on the founding team's years of experience in clinical psychiatry, psychology, novel mental health treatment approaches, well-being research, human-technology interaction, and remote access to care. These efforts established the problem space and scope that Empatho set out to address with the Application.

On March 5, 2021, Empatho hired a Product Manager and Product Designer to lead delivery of the Application and admin portal, hire the product team, define vision and mission, and conduct feature scoping, KPI definition, user and competitive research, and architecture/UX/UI design.

On March 18, 2021, Empatho hired a PhD-level researcher and advisor in the fields of artificial intelligence, data science, and natural language processing. The researcher is advising Empatho on the development of its recommendation engine, focusing on predictive insights and personalized recommendations using AI and deep learning.

On March 24, 2021, Empatho entered into a technology services agreement with a software development company to carry out systems design and quality control. The company began its work with Empatho on June 9, 2021. The company headquartered in the San Francisco Bay Area, has developed scalable and high-performing software solutions for clients, from early-stage start-ups to Fortune 500 companies.

On April 9, 2021, Empatho entered into a letter of intent with Shane to complete the Transaction.

On April 16, 2021, Empatho submitted two trademark applications with the United States Patent and Trademark Office (USPTO) for the "Empathway" and "PsychAI" brands.

On April 19, 2021, Empatho entered into a consulting services agreement with a behavioural change firm, to conduct a landscape analysis and literature review into the psychological factors that influence well-being.

From April 19 to April 27, 2021, Empatho conducted user research interviews with seven participants to test and validate some of Empatho's assumptions around product-market-fit. These interviews explored participants' personal usage of wellness/fitness apps, the gaps that users experience on their way to healthier lifestyle and their comfort level regarding sharing passive data.

On May 25, 2021, Empatho entered into a second consulting services agreement with a behavioral change firm to program, run, monitor, and analyze the data from the experiment developed during the firm's first phase of work with Empatho. This second phase of work was completed on July 21, 2021.

In June 2021, Empatho initiated the development of its front-end interface. This work resulted in the creation of a dashboard and user flow, and various functionalities for collecting data and communicating insights and recommendations to the user.

On June 1, 2021, Empatho formed its Board of Directors comprised of:

- *Colonel (Retired) Dr. Rakesh Jetly,* MD, FRCPD. Dr. Rakesh Jetly has 30 plus years of experience with the Canadian Armed Forces including the last decade as Chief of Psychiatry. During his tenure he has led a complete revitalization of the military mental health system. He has been a mental health innovator and thought leader within Canada and internationally. He introduced novel treatment approaches such as virtual reality, neurofeedback and virtual care to the Canadian Military. He has also chaired NATO workgroups on leveraging technology within mental health.
- *Brigadier-General (Retired) Hugh Colin MacKay,* MD. Mr. MacKay served 34 years with the Canadian Armed Forces, providing heath leadership across a broad range of health services, both at home and abroad. Initially working within primary health care, he then broadened his perspective through post graduate training and positions in Public Health and Occupational Medicine. He has extensive international experience, having worked with multinational vaccine development projects, as chair of a multinational medical intelligence committee, as chair of a NATO medical research group, as well as commanding the NATO multinational hospital in Kandahar. As Surgeon General and Commander of the Canadian Forces Health Services Group he set the course for the modernization of the Canadian Forces Health Services, creating a patient-partnered health system that optimizes technology to achieve the quadruple aim of enhanced patient experience, improved health of the population, operational excellence and resource stewardship. In retirement he continues to volunteer with several health focused organizations.
- *Andre Peschong.* Andre Preschong has had a 30+ year career in the Investment Banking, M&A and fund management industry. He has also served as CEO, CSO and other C-level and board member engagements throughout his career. Currently, Mr. Peschong serves as the managing partner of Bridgewater Capital, a firm he co-founded in 1994. His activities with Bridgewater consist of traditional Investment Banking, mergers and acquisitions and other capital advisory engagements. Mr. Peschong formerly sat on the Board of Directors of ConversionPoint Technologies, an e-Commerce technology company where he previously served as the Chief Strategy Officer and helped co-found. He is currently on the Board of Directors for SVI a leading company in patented LIDAR based technologies used primarily for biometric identification, autonomous vehicles, object recognition systems and other military and commercial applications. Mr. Peschong has had many previous Advisory Board engagements, on both public and private companies, where he added strategic value from a capital markets perspective.
- *Colonel (Retired) Dr. Carl Castro, BA, MA, PhD.* Mr. Castro is an Associate Professor, also serving as the director of the Center for Innovation and Research on Veterans & Military Families. Castro joined the faculty in 2013 after serving 33 years in the U.S. Army, where he obtained the rank of Colonel.

On June 8, 2021, Empatho entered into an agreement with a branding firm to develop visual branding, logo and other graphical/illustrative assets.

On June 30, 2021, Empatho announced the completion of the Subscription Receipt Offering, pursuant to which Empatho issued 12,552,000 Empatho Subscription Receipts at a price of $0.25 per Empatho Subscription Receipt, for gross proceeds of $3,138,000. Pursuant to the terms of the Subscription Receipt Agreement, upon the Escrow Release Conditions being met, Empatho will deliver the Escrow Release Certificate to the Subscription Receipt Agent and each Empatho Subscription Receipt will be automatically converted, without payment of additional consideration, into one Empatho Unit. Each Empatho Unit will consist of one Empatho Share and one Empatho Unit Warrant. The Escrow Release Conditions include, but are not limited to the following:

i. the Business Combination Agreement shall have been entered into by Empatho, Shane and Subco and shall remain in full force and effect and the Finder shall be satisfied as to the completion or satisfaction by Empatho and Shane (and any subsidiary of Shane, if necessary) of all conditions precedent to the Amalgamation in accordance with the terms of the Business Combination Agreement;
ii. receipt of all approvals, if any, required in connection with the Amalgamation, including the Resulting Issuer Shares being approved for listing on the CSE or such other stock exchange mutually agreed to by Empatho and the Finder;
iii. Empatho shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement, and all conditions set out in the engagement agreement with the Finder shall have been fulfilled; and

iv. delivery of the Escrow Release Certificate by the Finder to the Subscription Receipt Agent in accordance with the terms of the Subscription Receipt Agreement, including as to the satisfaction of all of the Escrow Release Conditions.

On July 1, the Company formed its Scientific Advisory Board comprised of:

- *Dr. Andrea Tuka, MD, FRCPC, BC*. Dr. Tuka graduated from Medical School in Hungary. She enrolled into the Canadian Armed Forces in 2000. After completing the Family Practice Residency Program at University of British Columbia, she served as a General Duty Medical Officer in Edmonton. She completed the Psychiatry Postgraduate Program at University of British Columbia in 2009. She was deployed to Kandahar Airfield as a Military Psychiatrist in 2010. She has been serving as a Clinical Leader for the Medical Units of the Canadian Armed Forces in B.C., and has been providing virtual care for military members since 2013, and psychiatric assessments using telehealth at Influence- Care since 2016, and is a member of the advisory board of the Disaster Psychiatry Canada.
- *Dr. Adrian Norbash MD, FRCPC Alberta.* Dr. Adrian Norbash completed his medical studies at the University of Calgary receiving his MD in 2002. After completing a Residency in Family Medicine at the U of C in 2004, he served as a General Duty Medical Officer in the CAF at CFB Edmonton and as Base Surgeon at CFB Wainwright and CFB Suffield between 2004 and 2007, while also deploying to Afghanistan in 2006. He completed a Residency in Psychiatry in 2011, also at the U of C, and has been serving as a Specialist Medical Officer and the Clinical Lead in Mental Health for the CAF land and air forces. Besides his private practice, he is the Psychiatric Consultant for the Calgary Police Service, on the clinical staff of the departments of Psychiatry at the Rockyview General Hospital and the South Health Campus of the Calgary General Hospital in Calgary, and is a Clinical Assistant Professor at the Cumming School of Medicine of the University of Calgary and a Clinical Lecturer at the University of Alberta Faculty of Medicine.
- *Dr. Janice Magar MD FRCPC Ontario, Quebec.* Dr. Magar received her MD from the University of Ottawa, graduating with honours in 1991. She subsequently attended Dalhousie University where she completed a residency in Family Medicine from 1991-93. Dr. Magar joined the Canadian Armed Forces in 1988 and was posted to Canadian Forces Base Kingston in 1993 where she worked as a medical officer until 1996. She then entered private practice as a family physician from 1996-2000. In 2000 she returned to CFB Kingston where she practiced as a civilian contractor caring for military patients until 2004. In 2004 Dr. Magar re-enrolled in the Canadian Armed Forces and completed a residency in Psychiatry at the University of Ottawa from 2004-2009. Posted to CFB Petawawa, she worked as a psychiatrist and Clinical Lead for the mental health clinic until her retirement from the military in 2017. Since then, Dr. Magar has had a private psychiatry practice in Ottawa. All of her assessments are done virtually, and she has developed a level of expertise in many different videoconferencing platforms.
- *Dr. Nick Withers CD, MD, CCFP(EM), FCFP.* Dr. Withers has made a career of providing occupational and emergency medicine support in remote and austere locations. A proud veteran of the Canadian Armed Forces and Afghanistan conflict where he commanded the Health Services Unit, Lieutenant-Colonel (retired) Withers proudly wore the uniform for 22 years. As a senior Medical Officer within the Forces, Nick had extensive experience in occupational and preventive medicine – dealing with the myriad of unique challenges of supporting military personnel and operations.
- *Dr. Carmen Meakin MD, FRCPC Alberta.* Dr. Meakin received her medical degree in 2001 from the University of Saskatchewan and completed her Family Medicine Residency 2003 from the University of British Columbia. She completed her Psychiatry residency 2010 University of Ottawa and her Advanced Aviation Medicine in 2015. Dr. Meakin retired after serving 20 years in the Regular Force in 2018. She currently holds medical licenses in Alberta, Ontario, and a telemedicine license in Saskatchewan. She is comfortable with various video platforms (Reacts, doxyme, Polycom/DND VTC) and doing virtual care exclusively since the pandemic in March, always webcam with IC for 3+ years.
- *Dr. Kenneth J. Cooper CD, RCMS (Retired) BA, MD, MBA, MHSc, FRCPC*. Dr. Cooper received his medical degree from Dalhousie University in 1988. Served in Gulf War in 1990. He was the Director of the Canadian Forces Addiction Rehabilitation Program in Ottawa, and Director & Medical Officer of CF Addiction Rehabilitation Clinic in Halifax. In 1998 he retired from the military and entered a residency program in psychiatry at Dalhousie University, graduating in 2002. He has held positions within the Mental Health Services of the Armed Forces, and retired from the Reserve in 2015. Since then, he has continued in private practice, is an Assistant Professor of Psychiatry at Dalhousie University, medical

consultant to the Prescription Monitoring Program of Nova Scotia, was a member of the CF Expert Panels on Military Suicide Prevention and the RCMS representative on a NATO working group on military suicide prevention.

- *Paula Little.* As a skilled change agent with a focus on strategy, innovation, people and process, Paula identifies opportunities and has helped build impactful health and wellness programs. Through the creation of new programs, products and early intervention tools and resources, she has realized success to bridging public health care gaps that have helped Canadians achieve better health outcomes in both the mental and physical health arenas. With her strong ability to conceptualize the future, she is recognized as a leader in the health and productivity solutions landscape. She is a trailblazer with demonstrated ability to build strong employee engagement and help provide staff with the framework and tools to make the “big picture” a reality.

On July 9, 2021, Empatho introduced a separate, research-based application called “Beacon” to gather active and passive data on individuals and serve as the basis for future accelerated training of Empatho’s machine learning (ML) engine. To date, Beacon has on-boarded approximately 10 users and throughout the fall of 2021 will be scaled up across hundreds of users, providing a broad base of ML training data. See “*Technology Platform – Machine Learning and Training Data*” below.

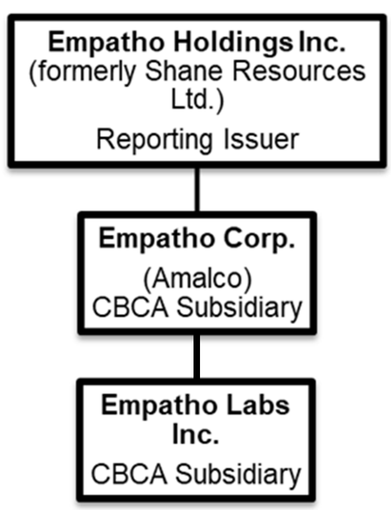
On August 1, 2021, Empatho hired and appointed John Ross as Chief Financial Officer. See “*Directors and Officers”.*

On August 19, 2021, Empatho entered into a non-binding memorandum of understanding with MCI for the purpose of establishing a working framework for exploring the potential development of a strategic partnership, commercial arrangement or other business relationship between Empatho and MCI that may, among other things, leverage the health and well-being solutions of each of the two companies, including their technology platforms and access to active and passive data. See “*Partnerships*” below.

The Transaction

On October 29, 2021, Empatho and Shane entered into the Business Combination Agreement in respect of the proposed Transaction. The Transaction involves one stage whereby Subco and Empatho will amalgamate to form Amalco as the wholly owned subsidiary of the Resulting Issuer. In doing so, Shane will issue one Resulting Issuer Share (post-Shane Consolidation) for each one (1) Empatho Share then issued and outstanding, and the Empatho Warrants and Empatho Unit Warrants shall be exchanged for Resulting Issuer Warrants and Resulting Issuer Unit Warrants on substantially the same terms as the Empatho Warrants and Empatho Unit Warrants. Consequently, the Resulting Issuer will own 100% of Amalco and shareholders of Empatho will become shareholders of the Resulting Issuer.

The following diagram summarizes the structure of the entities after completion of the proposed Transaction:



The Transaction is a reverse take-over and is subject to the customary conditions precedent set out in the Business Combination Agreement including but not limited to the following:

1. the representations and warranties of Empatho and Shane contained in the Business Combination Agreement will be true and correct on the Effective Date;
2. no Material Adverse Change in respect to Empatho, Subco or Shane shall have occurred since the date of the Business Combination Agreement;
3. the Empatho Shareholders shall have approved the Amalgamation Resolution;
4. the directors and officers of Shane and Subco shall have tendered their resignations and provided mutual releases, and the board of directors of Shane shall have been reconstituted to consist of the nominees of Empatho;
5. Shane shall have filed the Shane Articles of Amendment and the Shane Consolidation shall have become effective;
6. Shane shall have completed the BCBCA Continuation;
7. the Shane Lock-Up Agreements shall have been entered into;
8. the Empatho Lock-Up Agreements shall have been entered into; and
9. the Resulting Issuer Shares shall have been conditionally approved for listing on the CSE.

As a result of the Transaction, as at the Effective Time:

a) current Shane Shareholders will retain approximately 4,200,000, or 5.79% of the Resulting Issuer Shares on an undiluted basis;
b) participants in the Subscription Receipt Offering will hold approximately 12,552,000, or 17.30% of the Resulting Issuer Shares on an undiluted basis;
c) current Empatho Shareholders will hold approximately 51,800,000, or 71.40% of the Resulting Issuer Shares on an undiluted basis.

It is anticipated that following the completion of the Transaction, the directors and officers of the Resulting Issuer will be:

Directors:

- Rakesh Jetly (Director)
- Hugh Colin MacKay (Director)
- Andre Peschong (Director)
- Carl Castro (Director)

Officers:

- Yan Namer (Chief Executive Officer and Corporate Secretary)
- John Ross (Chief Financial Officer)
- Hamid Boland (Chief Technology Officer)
- Josh Granek (Chief Scientific Officer)

See “Directors and Officers” below for further details.

There is no trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on Empatho's business, financial condition or results of operations as of the date of this Listing Statement.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

Empatho is a virtual well-being firm focused on a smart solution powered by proprietary PsychAI™ artificial intelligence that strategically guides users to achieve well-being goals. Empatho will provide a data-driven platform using advanced technology to engage individuals in the management of their own health, helping individuals become more productive and uncovering unprecedented efficiencies and cost savings for employers. Empatho's mission is to empower individuals to improve their well-being by connecting them to the data and resources they need to thrive.

Empatho seeks to serve two primary types of customers:

1. **Individuals.** Individuals lack options to monitor their mental health and well-being on a real-time, preventative basis. While health app adoption is on the rise (usage of the top 15 mental health apps had increased 66% year-over-year by May 2020[1]), current solutions focus on meditation, treating acute conditions, or facilitating access to healthcare providers. In this context, Empatho provides intelligent insights into an individual's well-being and helps optimize healthy behaviours through real-time passive data.

2. **Employers.** Employers are looking for new ways to remotely help employees with their well-being and achieve their full potential. In 2020, 53% of employers surveyed by the National Alliance of Healthcare Purchaser Coalitions said they are seeking to offer increased emotional and mental health support for their workers. By providing individuals with tailored insights and personalized recommendations into their well-being, Empatho drives improved employee engagement, well-being, productivity, and retention.

Empatho's research and development to date has been conducted both internally (led by the Chief Technology Officer, Chief Science Officer and others on the team) and through sub-contracted services.

Origins

Colonel (retired) Dr. Rakesh Jetly served as a Medical Officer in the Canadian Armed Forces for 31 years. Dr. Jetly retired in 2021 as the Chief of Psychiatry and Mental Health Advisor to the Surgeon General. Colonel Jetly served in multiple deployments during his career including Rwanda, Israel, and Kandahar Afghanistan. These deployments allowed him to observe the impact of severe stress and trauma on individuals firsthand. Partially as a result of his experiences, Dr. Jetly developed an expertise in the clinical assessment and treatment of mental illness such as PTSD and helped lead the development of the psychological trauma program within the Canadian military. Over the last 10 years of his career, he established himself as an academic and thought leader within Canada, NATO and beyond in the approach to mental health, resilience, and occupational medicine. Colonel Jetly and his international partners noticed the limitation of the typical approach to mental health in the binary paradigm of "ill versus healthy" and realized that there is a significant continuum between the two. The error of confusing "healthy" with the "absence of disease" became apparent as just as in physical health most aim to succeed and achieve goals rather than simply not being ill. Factors such as leadership, cohesion, "sense of purpose" were identified as being key "nonclinical" predictors of wellness and well-being that are not within the control of health practitioners. Often these same factors were likely as powerful, if not more powerful, predictors of recovery when soldiers were suffering from illness such as PTSD. It became clear that many who developed chronic illnesses were also socially isolated, experienced a lack purpose and lived generally unhealthy lives. With these individuals, recovery from illness necessitated reconnecting with friends and loved ones, modifying diet and behavioural changes such as improving sleep and increasing physical activity (i.e., addressing different dimensions of well-being). Colonel Jetly also chaired NATO panels on topics such as leveraging technology and personalized medicine while at the same time leading the strategic evolution of Canada's military mental health system. This led to the critical finding that at the population level, and for most individuals, identifying and treating mental illness is often secondary to identifying and overcoming obstacles that interfere with well-being. Health equity is also achieved if we create a platform that enhances well-being and allows individuals to thrive. The benefits of such an approach will help individuals, families, communities and result in more productive organizations and workplaces. Dr. Jetly, over a lifetime of being

[1] Apptopia.com" Calm records 120% more app sessions than Headspace during quarantine." June 16, 2020. Accessed August 2021. https://blog.apptopia.com/calm-app-outperforms-headspace-during-quarantine

a clinician treating individuals' illnesses has realized that much more can be achieved by focusing on an entire population and helping individuals achieve personalized and actionable behaviour changes necessary to thrive.

In this context, Empatho is based on a vision of well-being that is more than just feeling well. Well-being is the experience of health, happiness, and prosperity. It includes having good mental health, high life satisfaction, a sense of meaning or purpose, and ability to manage stress.

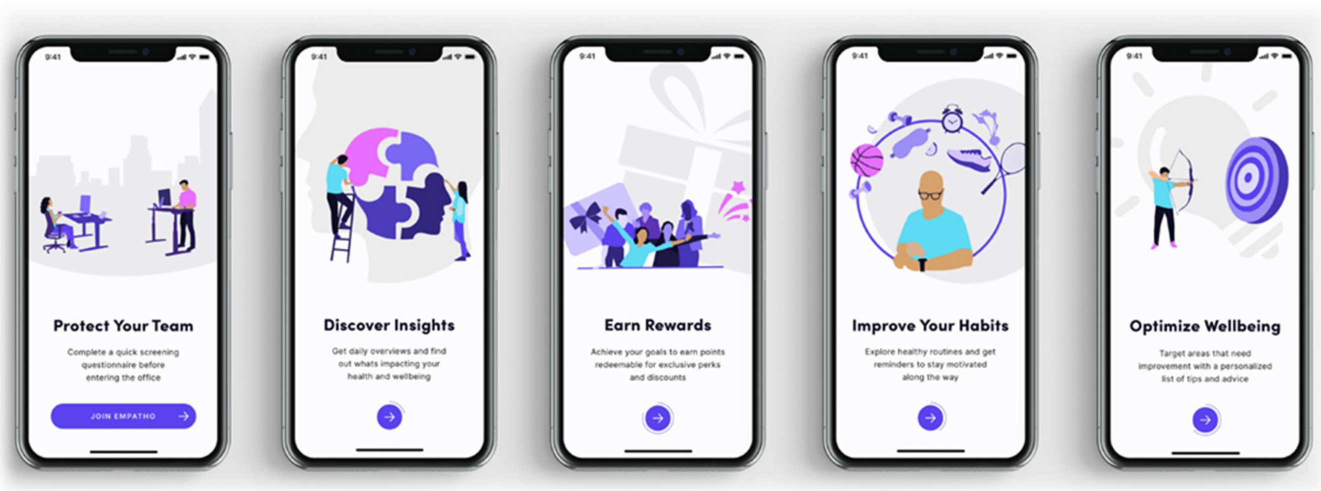
Technology Platform

Empatho is developing the Application to provide individuals with personalized insights and recommendations to improve their well-being through an integrated, simplified interface. To accomplish this, the Application gathers and uses two types of data: (1) "passive data" (behavioural data, environmental data, partner data, and individual medical history); and (2) "active data" (text communication, personality screening, behavioural surveys). This data is fed into a proprietary PsychAI back-end platform that uses artificial intelligence algorithms and deep learning to develop predictions and tailor insights and recommendations based on each user's unique situation and needs.

Minimum Viable Product Features

The Application is currently undergoing beta testing and is in the process of on-boarding its first active users. Its initial features include: (1) a dashboard that provides a well-being score and its underlying dimensions, such as life balance, mood, vitality, social, sleep, environment, and stress; (2) a user on-boarding process that includes a screening questionnaire; (3) daily insights and overviews on what is impacting the user's health and well-being; (4) the ability for users to earn rewards when they achieve their goals, to incentivize well-being improvements and user engagement; (5) recommendations of ways to improve the user's habits, including healthy routines and reminders to stay motivated; and (6) the ability for users to target areas that need improvement with a personalized list of tips and advice.

<u>Exhibit 1: Empatho Minimum Viable Product Features for Beta Launch</u>



User Experience

Empatho's Application offers a fully integrated user experience. Empatho is currently designing and validating how the Application can be integrated with a wearable device (e.g., Apple Watch) to enhance the availability and frequency of data being collected on the individual.

The Application also offers a simple, streamlined interface for employers and health care providers, and integrates capabilities related to employee assistance programs, organization-wide well-being monitoring, return-to-work, a digital wallet, and primary care.

Machine Learning and Training Data

As mentioned above, Empatho's proprietary PsychAI engine uses machine learning to combine active and passive data to produce personalized well-being insights and recommendations for users. A critical step in developing an effective machine learning model is "training" the model with a rich set of sample data. To train its machine learning model, Empatho has created a separate research application called "Beacon" that is currently live and has on-boarded approximately 10 users to date. Beacon is gathering similar active and passive data as is being used for the PsychAI model itself.

Path to V1.0 Launch

As of September 2021, Empatho onboarded users onto a beta testing product to scale up the collection of machine learning training data (see "Technology Platform – Machine Learning and Training Data). The Application is currently undergoing beta testing and is in the process of on-boarding its first active users. Empatho intends to introduce the full version of its product in early 2022 and which point it will accelerate full-scale customer acquisition and sales. To meet this goal, Empatho intends to take the following steps:

- December 2021: achieve compliance with relevant regulatory frameworks related to data privacy and security (see "Regulatory Compliance"). Launch minimum viable product solution for access to friends and family; incorporate user feedback, iterate, and continue front-end development, back-end development, and quality assurance; and
- January 2022: complete front-end and back-end development of the Application and begin user acceptance testing.

Expenditures to Date

The majority of Empatho's expenditures to date occurred for the development of the Application. From March to August 2021, Empatho incurred approximately $785,972 in costs, specifically:

- $256,771 for preliminary research, including a Research Coordinator/Project Assistant, 2 Research Assistants, scale validation, data collection/analysis for the PsychAI platform, a Senior Psychologist and an iOS developer;
- $144,384 for machine learning / artificial intelligence development, including an AI/Algorithm Developer, AI Developer & Analyst, Senior ML/AI Biostatistician, and AI/ML contracting;
- $314,715 for front-end and back-end development, including project management, software development, business analysis / process design, quality assurance / testing, and infrastructure & database administration;
- $53,754 for design, including a lead designer and product manager;
- $14,919 for branding and copywriting, including visual elements, brand collateral, marketing collateral, marketing strategy, presentation style & templates, and website; and
- $1,429 for other miscellaneous expenditures such as hardware for testing and demo, licenses and company user accounts.

Specialized Skill and Knowledge

Empatho leverages its direct access to several sources of specialized skill and knowledge that contribute to the development of its innovative platform:

- Empatho's officers themselves have years of experience in psychiatry, psychology, remote access to care, and the development of mobile applications related to individual and workplace well-being;
- Empatho has assembled a multi-disciplinary, global R&D team made up of engineers, data scientists, clinical psychologists/psychiatrists, neural scientists, project managers, engineers, business operators, designers, product leaders, and experts from the University of Waterloo, the

Schulich School of Business, and Tel Aviv University;

- the members of Empatho's Board of Directors and Advisory Board have years of experience as medical doctors, psychiatrists, researchers, and experts in well-being. See "*Directors and Officers*" for further details; and
- Empatho has obtained external validation of its approach and operational model from a behavioural change firm.

Market Overview and Value Proposition

The market opportunity in mobile well-being solutions is substantial and is expected to continue growing rapidly in the coming years:

- The digital health market as a whole is projected to grow from US$ 181.8 billion in 2020 to US$ 551.1 billion in 2027 (a 16.5% CAGR).[2]
- The fitness app market is projected to grow from US$ 4.4 billion in 2020 to US$ 21.0 billion in 2028 (a 21.6% CAGR).[3]
- The mobile health app market is projected to grow from US$ 4 billion in 2020 to US$ 14.7 billion in 2028 (a 17.7% CAGR).[4]

While Canada's virtual health care ecosystem includes several growing, innovative players, current offerings focus on meditation, treating acute conditions, or facilitating access to healthcare providers. Some applications are powered by AI to provide intelligent feedback to users to improve their daily habits and personal fitness (Welltory Inc., New York, USA, with 142,000 users through a B2C format). Other providers offer employee mental health support and productivity improvement solutions for employers (such as LifeWorks Inc., Toronto, Canada, has over 5.9M users through a B2B format, or Virgin Pulse, Inc., Mortec Park, York Road, Leeds, West Yorkshire, with 12 Mil users through a B2B format). Other providers concentrate on reducing employees' stress and anxiety levels through the use of meditation and mindfulness exercises (Calm.com Inc., San Francisco, USA, has over 4 million users through a combined B2B & B2C format). But based on Empatho's market research of available technology products, no company in Canada currently integrates all these features together in a comprehensive manner as is accomplished by Empatho's offering.

Most solutions focused on providing access to established health clinics. Note that Empatho will not seek to address this challenge with its minimum viable product given the availability of adequate solutions currently in market.

Empatho's offering is the only one in market that provides personalized, targeted insights into individuals' well-being and helps optimize healthy behaviours through real-time passive data. Empatho's competitive advantage is based on its data-driven approach to proactive care, proactive monitoring, personalized insights and recommendations, as opposed to a passive, clinical care approach.

B2B Value Proposition

Company's core value proposition for employers is its ability to improve employee engagement, well-being, productivity and retention. This addresses a currently underserved need in the market whereby employers are increasingly looking to offer emotional and mental health support for their workers. Empatho's minimum viable product is therefore initially designed as a business-to-business (B2B) solution targeting employers as its primary customers. It will be offered on a subscription basis for $15 per month per employee.

[2] Precedence Research, "Digital Health Market Size to Garner Around US$ 551.1 Bn by 2027", June 30, 2021. Accessed September 2021. https://www.globenewswire.com/news-release/2021/06/30/2255806/0/en/Digital-Health-Market-Size-to-Garner-Around-US-551-1-Bn-by-2027.html

[3] Grand View Research, "Fitness App Market Size, Share & Trends Analysis Report By Type (Exercise & Weight Loss, Activity Tracking), By Platform (Android, iOS), By Device (Smartphones, Wearable Devices), And Segment Forecasts, 2021 – 2028", January 2021. Accessed September 2021. https://www.grandviewresearch.com/industry-analysis/fitness-app-market

[4] Grand View Research, "mHealth Apps Market Size, Share & Trends Analysis Report By Type (Fitness, Medical), By Region (North America, APAC, Europe, MEA, Latin America), And Segment Forecasts, 2021 – 2028", February 2021. Accessed September 2021. https://www.grandviewresearch.com/industry-analysis/mhealth-app-market

Empatho is in conversations with several employers to be onboarded once the full product is launched in early 2022.

Empatho's initial focus on B2B customers in Canada presents some risk in terms of economic dependence on a limited number of relatively large customers. This risk will be mitigated as Empatho attracts more B2B clients and further diversifies its client base in terms of industry sector (e.g., onboarding government organizations) and size (e.g., both multi-national companies and SMEs).

Geographic Expansion

Furthermore, following launch of the first version of Empatho's product in Canada in early 2022, Empatho intends to launch in the United States in 2022, and subsequently beyond North America. This will give Empatho access to a significantly larger market and expand additional opportunities for partnership and revenue generation. Empatho is currently working on coming into compliance with the relevant regulations in the United States and will not launch the application in the United States until Empatho's legal counsel has confirmed that Empatho is in full compliance with all applicable regulations.

Future B2C Offering

In the long-term, Empatho also intends to make its solution available as a business-to-consumer (B2C) offering in the future, which will serve to further mitigate sales risk and expand Empatho's revenue base.

Partnerships

On June 17, 2021, Empatho entered into an agreement with a clinical neuro-psychologist, PhD graduate from Tel Aviv University, and founder of iFeel.care to lead the clinical research at Empatho Labs Inc. iFeel.care is an innovative, not-for-profit digital health research platform that enables passive and active digital monitoring and provides continuous objective measurements for any given disorder. Through this partnership Empatho gains access to eight years of clinical experience focusing on usability issues of mobile applications that seek to address mental health issues. This will help Empatho develop and refine its recommendation engine so that insights and advice provided to users are targeted and effective in driving behavioral improvements.

On August 19, 2021, Empatho entered into a memorandum of understanding with MCI, a Toronto-based healthcare technology company focused on improving primary care. MCI operates one of Canada's leading primary care networks and is pioneering how actionable insights from data can be paired with targeted therapeutics to start treating disease, before it's too late. As set out in the memorandum of understanding, the two companies have committed to attend meetings between them to discuss the possible integration of the health and well-being solutions offered by both parties. The two companies are also in the process of defining and drafting a letter of intent that will formalize the two companies' cooperation across a range of topics, including data description and application programming interfaces, front-end user journeys, quality assurance, access and allocation, intellectual property, audience, and training, among others. There is high complementarity between Empatho and MCI's offerings: MCI clients could use the Application to track and achieve personal well-being goals, and MCI health care professionals could gain objective and real-time data on clients' key well-being indicators (sleep, activity, etc.). The partnership represents important benefits for Empatho, potentially gaining access to MCI's subscriber base of more than 2 million individuals and significantly accelerating customer acquisition and revenue growth.

On October 27, 2021, Empatho entered into a memorandum of understanding with EQ-Health Inc. for evaluation of the Marbl App for potential collaboration and integration. Marbl is an app designed in consultation with therapists to provide the best mood tracking, journaling, and reporting experience for users who are interested in accelerating their personal growth and accessing more insight into what makes them tick emotionally.

Intangible Properties

Empatho has submitted two trademark applications with the United States Patent and Trademark Office for the “Empathway” and “PsychAI” brands. Empatho has trademarked the name “Empatho” within Canada.

Employees

At the date of this document, Empatho has no full-time employees. The officers of Empatho are independent contractors. Empatho has secured the services, on a contractor basis, for key functions such as psychological/psychiatric research, data scientists, front-end development, and back-end development. Empatho outsources many other operational aspects of its business to third party contractors including branding, marketing, web design, and business development, among others.

Regulatory Compliance

Empatho is in compliance with all applicable Canadian regulation that would govern the use of its platform. Empatho is currently working to come into compliance with the U.S. regulatory requirements of the *Health Insurance Portability and Accountability Act* (HIPAA) and will not launch in the U.S., or in any other jurisdiction, until it is in full compliance with HIPAA, as well as all other regulatory requirements, and Empatho's legal counsel has confirmed such compliance.

Empatho is powered by MedStack, a proven platform that actively builds in, monitors, maintains and guarantees cloud data security and privacy compliance specifically for healthcare in Canada. MedStack’s platform is SOC 2 certified, with policies mapped directly to ISO 27001. MedStack offers the widest range of privacy compliance guarantees on the market and is the only provider focused exclusively on healthcare data privacy. MedStack is becoming a de facto standard for delivering industry requirements for digital health, and supports many digital health applications across several countries working actively with healthcare providers. Empatho expects to complete the on-boarding and compliance process by January 2022, in time for the launch of its minimum viable product.

Available Funds and Principal Purposes

<u>Funds Available</u>

The following tables set out information respecting the Resulting Issuer’s sources of funds and intended uses of such funds. The amounts shown in the tables are estimates only and are based upon the information available to the Resulting Issuer as of the date hereof. The intended uses of such funds and/or the Resulting Issuer’s development capital needs may vary based upon a number of factors. See “*Risk Factors*” for further details.

Source of Funds	**Funds**
Estimated working capital of the Resulting Issuer as of November 30, 2021.	$ 1,162,333

Based upon Management’s current intentions, the estimated expenditures for which the Resulting Issuer currently intends to use its total available funds over the next 12 months is set out in the table below.

Principal Uses of Funds	**Funds**
Product Research and Development(1)	$175,000
Product Development and costs associated with the launch of the Application(2)	$175,000
Product Development, Maintenance of the Application and Marketing Expenses(3)	$180,000
Product Development, Maintenance of the Application and Marketing Expenses(4)	$200,000
General and Administrative(5)	$220,000
General Working Capital	$212,333

Total uses of funds:	$1,162,333

Significant Events, Milestones and Objectives

The Resulting Issuer intends to use the funds available to it as stated in this Listing Statement. However, there may be circumstances where, for sound business reasons, the Resulting Issuer reallocates the funds. The Resulting Issuer may require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements and to meet its objectives, in which case the Resulting Issuer expects to either issue additional securities or incur indebtedness. There is no assurance that additional funding required by the Resulting Issuer will be available if required. See "*Risk Factors - Additional Financing"* for further details. Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations.

The primary business objectives of the Resulting Issuer over the next 12 months will be the same as Empatho's current business objectives, and are as follows:

(1) Product Research and Development (Fourth Quarter, 2021)

The Resulting Issuer intends to incur an estimated $392,000 in expenses relating to product research and development during the fourth quarter of 2021. It is anticipated that this amount will be allotted as follows: $200,000 will be paid to its external software development company to contract two software development engineers, two infrastructure & database administration specialists, a project manager, a business analyst / process design specialist, and a quality assurance/testing specialist to continue development of the Application; $180,000 will be paid to internal consultants to research and develop the Application's personalized predictive insights and actionable recommendations through machine learning and the gathering of machine learning data; and $12,000 will be spent on cloud hosting, and subscription tools to manage the Application, including Amazon Web Services, Slack and Atlassian.

(2) Product Development and Application Launch (First Quarter, 2022)

In the first quarter of 2022, the Resulting Issuer anticipates incurring an estimated $300,000 in expenses relating to product development and in connection with the launch of its application. This amount will be allotted as follows: $150,000 to its external development team for the development and maintenance of the android and IOS applications, databases and back-end infrastructure, updates and bug fixes and quality assurance testing; $120,000 on internal consultants for the continued research and development of the Application's personalized predictive insights; and $30,000 will be spent on cloud hosting, and subscription tools to manage the Application.

(3) Product Development, Maintenance of the Application and Marketing (Second Quarter, 2022)

During the second quarter of 2022, the Resulting Issuer anticipates incurring an estimated $250,000 in expenses relating to product development, application maintenance and marketing. It is anticipated that the $250,000 will be allotted as follows: $100,000 to its external development team for the maintenance of the android and IOS applications, databases and back-end infrastructure, updates and bug fixes and quality assurance testing; $50,000 on internal consultants for the continued research and development of the Application's personalized predictive insights; $70,000 on Application marketing costs, customer acquisition and partnership development related expenses; and $30,000 will be spent on cloud hosting, and subscription tools to manage the Application.

(4) Product Development, Maintenance of the Application and Marketing (Third and Fourth Quarter, 2022)

During the third and fourth quarter of 2022, the Resulting Issuer anticipates incurring an estimated $500,000 in expenses relating to product development, application maintenance and marketing. It is anticipated that the $500,000 will be allotted as follows: $200,000 to its external development team for the maintenance of the android and IOS applications, databases and back-end infrastructure, updates and bug fixes and quality assurance testing; $100,000 on internal consultants for the continued research and development of the Application's personalized predictive insights; $140,000 on Application marketing costs, customer acquisition and partnership development related expenses; and $60,000 will be spent on cloud hosting, and subscription tools to manage the Application.

(5) General and Administrative

It is anticipated that the Resulting Issuer will incur an estimated $500,000 in expenses relating to general and administrative expenses. The total general and administrative expenses of $500,000 will be allotted as follows: $425,000 on executive compensation; $50,000 on professional fees; and $25,000 on regulatory and public company costs.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Selected Annual Information

The financial statements included in this Listing Statement have been, and the future financial statements of the Resulting Issuer shall be, prepared in accordance with International Financial Reporting Standards.

Shane

The following table sets out selected historical financial information for Shane for the financial years ended December 31, 2020, 2019 and 2018 and should be read in conjunction with the audited financial statements of Shane attached hereto as Schedule “A”. All amounts are expressed in Canadian dollars.

	Year Ended December 31, 2020 (audited) $	**Year Ended December 31, 2019 (audited) $**	**Year Ended December 31, 2018 (audited) $**
Total Revenue	Nil	Nil	Nil
Net Income (loss)	(52,542)	(88,106)	(12,500)
Income (Loss) per share (basic and diluted)	(0.00)	(0.00)	(0.00)
Income from Continuing Operations (total)	(52,542)	(88,106)	(12,500)
Income from Continuing Operations (per share)	(0.00)	(0.00)	(0.00)
Total Assets	29,730	3,020	626
Total Liabilities	19,836	31,000	12,500
Shareholders Equity (Deficiency)	9,894	(27,980)	(11,874)
Cash Dividends	Nil	Nil	Nil

Empatho

The following table sets forth selected historical financial information for Empatho for the period of incorporation to October 31, 2021. and should be read in conjunction with the audited financial statements of Empatho attached hereto as Schedule “C”. All amounts are expressed in Canadian dollars.

	From the period of incorporation to October 31, 2021. (audited) $
Total Revenue	Nil
Net (loss) and comprehensive (loss)	2,495,912
Income (Loss) per share (basic and diluted)	$(0.06)

Income from Continuing Operations (total)	2, 495,912
Income from Continuing Operations (per share)	$(0.06)
Total Assets	3,386,361
Total Liabilities	4,569,346
Shareholders Equity (Deficiency)	(1,182,985)
Cash Dividends	Nil

Resulting Issuer

The following table sets forth selected financial information for the Resulting Issuer as of October 31, 2021. assuming the completion of the Transaction and should be read in conjunction with the unaudited pro forma financial statements of the Resulting Issuer attached hereto as Schedule "E". All amounts are expressed in Canadian dollars.

	For the Period Ended October 31, 2021. **$**
Total Revenue	Nil
Net (loss) and comprehensive (loss)	(4,965,532)
Income (Loss) per share (basic and diluted)	$(0.08)
Income from Continuing Operations (total)	(4,965,532)
Income from Continuing Operations (per share)	$(0.08)
Total Assets	3,130,137
Total Liabilities	1,838,366
Shareholders Equity (Deficiency)	1,291,771
Cash Dividends	Nil

See "*Schedule E – Pro Forma Financial Statements*" for further information.

Quarterly Information

Shane

The following table summarizes selected quarterly financial data for Shane prepared in accordance with IFRS and should be read in conjunction with the audited financial statements of Empatho attached hereto as Schedule "A".

	September 30, 2021	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
Total revenues	Nil	Nil	Nil	Nil
Income from Continuing Operations (total)	19,064	18,580	11,555	4,398
Income from Continuing Operations (per share)	(0.00)	(0.00)	(0.00)	(0.00)
Loss	19,064	18,580	11,555	4,398

Loss per Share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Total revenues	Nil	Nil	Nil	Nil
Income from Continuing Operations (total)	15,593	30,018	2,533	18,308
Income from Continuing Operations (per share)	(0.00)	(0.00)	(0.00)	(0.00)
Loss	15,593	30,018	2,533	18,308
Loss per Share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)

See "Schedule A - Financial Statements of Shane" for further information.

Dividends

Neither the Resulting Issuer, nor any of Shane, Subco or Empatho has ever declared, or paid, any dividend since its incorporation and does not foresee paying any dividend in the near future since all available funds will be used to conduct exploration activities. Any future payment of dividends will depend on the financing requirements and financial condition of the Resulting Issuer and other factors which the Board, in its sole discretion, may consider appropriate.

Under the BCBCA, the Resulting Issuer will be prohibited from declaring or paying dividends if there are reasonable grounds for believing that the Resulting Issuer is insolvent or the payment of dividends would render the Issuer insolvent.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Shane's MD&A for the year ended December 31, 2020, December 31, 2019 and the nine-month period ended September 30, 2021 are attached as Schedule "B".

Empatho's MD&A for the period of incorporation to October 31, 2021. are attached as Schedule "D".

7. MARKET FOR SECURITIES

The Resulting Issuer's securities were not listed prior to completion of the Transaction. The Resulting Issuer Shares are listed for trading on the CSE under the symbol "EMPH".

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the pro forma share capital of the Resulting Issuer, on a consolidated basis, after giving effect to the Transactions:

Designation of Security	Authorized	Outstanding
Resulting Issuer Shares	Unlimited	72,552,000
Resulting Issuer Warrants	N/A	17,633,287 (1)
Resulting Issuer Unit Warrants	N/A	1,004,160(2)

Resulting Issuer Options	N/A	Nil
Total		92,193,607

Notes:

1. 5,000,000 Resulting Issuer Warrants are exercisable for $0.02 until June 1st, 2023, 81,287 are exercisable for $0.49 until May 27, 2024 and 12,552,000 are exercisable for $0.50 until June 29, 2023.
2. Exercisable at a price of $0.25 until June 29, 2023 and shall, upon exercise, entitle the holder thereof to one underlying unit consisting of one Resulting Issuer Share and one Resulting Issuer Warrant, which Resulting Issuer Warrant shall be exercisable at a price of $0.50 until June 29, 2023.

9. OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The board of directors of Shane approved the implementation of Shane's Stock Option Plan on January 31, 2021. The Stock Option Plan provides that a maximum of 10% of the Resulting Issuer Shares issued and outstanding from time to time may be issued under the Stock Option Plan. The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Resulting Issuer and thereby encourage their continuing association with the Resulting Issuer. Management proposes stock option grants to the Resulting Issuer Board based on such criteria as performance, previous grants, and hiring incentives.

The Stock Option Plan is administered by the Resulting Issuer Board, which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to certain qualified parties, such as directors, senior officers, employees and consultants of the Resulting Issuer or its subsidiaries. The exercise prices will be determined by the Resulting Issuer Board, provided that it is not less than such minimum price as is permitted by the policies of any stock exchange on which the Resulting Issuer Shares may be listed. All options granted under the Stock Option Plan will expire not later than the date that is five years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

On December 9, 2021, Shane granted an aggregate of 200,000 Shane Options, each exercisable for one Shane Share (post Shane Consolidation) at a price of $0.15, until October 31, 2022.

Name and Position of Holder	Grant Date	Expiry Date	Exercise Price
Binyomin Posen, CEO, CFO and Director	December 9, 2021,	October 31, 2022	$0.15
Sendy Shorser, Director	December 9, 2021,	October 31, 2022	$0.15
Ross Mitgang, Director	December 9, 2021,	October 31, 2022	$0.15

As of the date of this Listing Statement, all of the outstanding Shane Options have been exercised, and no Shane Options remain outstanding.

Empatho does not have a stock option plan.

10. DESCRIPTION OF THE SECURITIES

General

Common Shares:

The Resulting Issuer is authorized to issue an unlimited number of Resulting Issuer Shares without par value. As of the date of this Listing Statement, 72,552,000 Resulting Issuer Shares are issued and outstanding as fully paid and non-assessable, and 17,633,287 Resulting Issuer Shares are reserved for issuance upon exercise of the Resulting Issuer Warrants, and 1,004,160 Resulting Issuer Shares and 1,004,160 Resulting Issuer Warrants are reserved for issuance upon exercise of the Resulting Issuer Unit Warrants.

The holders of Resulting Issuer Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per Resulting Issuer Share at meetings of the shareholders of the Issuer and, upon dissolution, to share equally in such assets of the Issuer as are distributable to the holders of Resulting Issuer Shares. All Resulting Issuer Shares to be outstanding after completion of the Transaction will be fully paid and non-assessable, and will not be subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a holder of Resulting Issuer Shares to contribute additional capital.

Warrants

The Resulting Issuer Warrants issuable to holders of the Empatho Warrants will be governed by the terms of the Warrant Indenture and any supplemental indentures. The Resulting Issuer has appointed the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Resulting Issuer Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture contains all of the material attributes and characteristics of the Resulting Issuer Warrants but does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

Each Resulting Issuer Replacement Warrant entitles the holder to purchase one Resulting Issuer Common Share at a price of $0.50. The exercise price and the number of Resulting Issuer Shares issuable upon exercise are both subject to adjustment upon the occurrence of certain events, including the subdivision, re-division or change its outstanding Resulting Issuer Shares into a greater number of Resulting Issuer Shares. The Resulting Issuer Warrants are exercisable at any time prior to 4:00p.m. (Toronto time) on June 29, 2023 after which time the Resulting Issuer Warrants will expire and become null and void.

No fractional Resulting Issuer Shares are issuable upon the exercise of any Resulting Issuer Warrant, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Resulting Issuer Warrants do not have any voting or pre-emptive rights or any other rights which a holder of the Resulting Issuer Shares would have.

Prior Sales

Shane

During the 12 months preceding the Listing Statement, the following Shane securities were issued:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security (C$)	Total Funds Received (C$)
December 13, 2021	Shane Shares	4,200,000	N/A	N/A[1]
December 9, 2021	Shane Options	200,000[(2)]	N/A	N/A

1. 4,000,000 issued to arms-length finders in connection with the Transaction and 200,000 issued pursuant to the exercise of the outstanding Shane Options.
2. Exercisable for $0.15 until October 31, 2022. Exercised on December 13, 2021.

Empatho

During the 12 months preceding the Listing Statement, the following Empatho securities were issued:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security/ Exercise Price (C$)	Total Funds Received (C$)
November 11, 2020	Empatho Shares	100,000	$0.02	$2,000
December 12, 2020 – June 9, 2021	Empatho Shares	13,547,075	$0.005	$67,735
December 12, 2020 – June 9, 2021(4)	Empatho Shares	27,652,925	$0.02(4)	$553,149
December 15, 2020 – January 22, 2021	Empatho Shares	10,500,000	$0.05	$525,000
June 1, 2021	Empatho Warrants	5,000,000(1)	$0.02	N/A
June 29, 2021	Empatho Finder Unit Warrants	1,004,160(2)	$0.25	N/A
June 29, 2021	Empatho Subscription Receipts	12,552,000(3)	$0.25	$3,138,000

Notes:
1. Exercisable for one Empatho Share at a price of $0.02 until June 1st, 2023
2. Exercisable for one Empatho Share and one Empatho Warrant (exercisable for $0.50 until June 29, 2023) at a price of $0.25 until June 29, 2023.
3. Converts into one Empatho Share and one Empatho Warrant exercisable for $0.50 until June 29, 2023 upon the satisfaction of the Escrow Release Conditions and the delivery of the Escrow Release Certificate to the Subscription Receipt Agent.
4. Originally issued at a price of $0.005, with a cost basis adjustment in September and October, 2021 to $0.02.

Stock Exchange Price

The Shane Shares were listed and posted for trading on the TSXV, with its last ticker symbol being "SEI.H". In January 2014, following receipt of the requisite shareholder approval, Shane voluntarily applied to the TSXV and received approval to delist the Shane shares from the TSXV, and, effective April 14, 2014, the Shane Shares were delisted from the TSXV.

11. ESCROWED SECURITIES

Upon listing of the Resulting Issuer Shares on the CSE, securities held by "Principals" of the Resulting Issuer were escrowed, as required under the policies of the CSE. For the purposes of this section, "Principals" means the (i) directors and senior officers of the Resulting Issuer or any material operating subsidiary, (ii) Promoters of the Resulting Issuer during the two (2) years preceding the Amalgamations, (iii) holders of more than 10% of the outstanding Resulting Issuer Shares who also have a right to elect or appoint a director or senior officer of the Resulting Issuer or a material operating subsidiary, (iv) holders of more than 20% of the outstanding Resulting Issuer Shares, (v) companies, trusts, partnerships or other entities held more than 50% by one or more of the foregoing, and (vi) spouses or other relatives that live at the same address as any of the foregoing. The securities will be held in escrow by Capital Transfer Agency ULC, as escrow agent and depositary pursuant an escrow agreement dated December 13, 2021 (the "**Escrow Agreement**"). 10% of such securities held in escrow will be released from escrow on the date the Resulting Issuer Shares are listed on the CSE, and 15% every six months thereafter, subject to acceleration provisions provided for in National Policy 46-201 – *Escrow for Initial Public Offerings*.

The following table sets forth details of the securities of the Resulting Issuer to be held in escrow following the listing of the Resulting Issuer Shares on the CSE:

Name of Holder	Designation of Class	Number of Securities	% of Class

Rakesh Jetly (Director)	Common Shares Warrants	1,500,000 750,000	2.07% 15.00%(2)
Hugh Colin MacKay (Director)	Warrants	100,000	2.00%(2)
Andre Peschong (Director)	Warrants	250,000	5.00%(2)
Carl Castro (Director)	Warrants	100,000	2.00%(2)
Yan Namer (Chief Executive Officer and Corporate Secretary)	Common Shares Warrants	1,971,840 825,000	2.72% 16.50%
John Ross (Chief Financial Officer)	Warrants	300,000	6.00%(2)
Hamid Boland (Chief Technology Officer)	Warrants	575,000	11.50%(2)
Josh Granek (Chief Scientific Officer)	Warrants	575,000	11.50%(2)
Hybrid Financial Ltd.[1]	Common Shares	13,900,000	19.16%
Total Warrants Total Common Shares		3,475,000 17,371,840	69.50%(2) 23.94%

Notes:
1. Hybrid Financial Ltd. is controlled by Steve Marshall.
2. Percentage of the issued and outstanding Empatho Warrants.

The securities of the Resulting Issuer to be held in escrow are scheduled to be released according to the following schedule:

Date	Number of Escrowed Securities Released
Upon Listing on the CSE	10%
6 months from date of Listing on the CSE	15%
12 months from date of Listing on the CSE	15%
18 months from date of Listing on the CSE	15%
24 months from date of Listing on the CSE	15%
30 months from date of Listing on the CSE	15%
36 months from date of Listing on the CSE	15%

Empatho Lock-Up Agreements

Pursuant to the terms of the Business Combination Agreement, certain Empatho Shareholders and Empatho Warrant holders have entered into voluntary lock-up agreements with Empatho and Shane (the "**Empatho Lock-Up Agreements**") in accordance with the following schedules:

Shareholder Group	Percentage and number of Empatho Shares and Empatho Warrants held by the Shareholder Group Subject to Lock-Up	Lock-Up Period	Total number of Empatho Shares or Empatho Warrants subject to lock up agreements:
Holders of Empatho Shares issued at $0.005 and $0.02	100%, subject to each Empatho Shareholder holding 5,000 Empatho Shares not subject to the Empatho Lock-Up Agreements.	180 Days from the date the Resulting Issuer Shares are listed for trading on the CSE.	41,160,000

Holders of Empatho Shares issued at $0.05	50%	120 Days from the date the Resulting Issuer Shares are listed for trading on the CSE.	5,250,000
Holders of Empatho Warrants	100%	180 Days from the date the Resulting Issuer Shares are listed for trading on the CSE.	5,000,000

Shane Lock-Up Agreements

Pursuant to the terms of the Business Combination Agreement, certain Empatho Shareholders and Empatho Warrant holders have entered into voluntary lock-up agreements with Empatho and Shane (the "**Empatho Lock-Up Agreements**") in accordance with the following schedules:

Shareholder Group	**Percentage of Share Shares and Shane Warrants held by the Shareholder Group Subject to Lock-Up**	**Lock-Up Period**	**Total number of Shane Shares subject to lock up agreements:**
Shane's Directors, Officers and any Shane Shareholders holding more than 5% of the Outstanding Shane Shares	40%	90 Days from the date the Resulting Issuer Shares are listed for trading on the CSE.	1,600,000
Holders of the Shane Finder Shares	50%	120 Days from the date the Resulting Issuer Shares are listed for trading on the CSE.	2,000,000

12. PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Resulting Issuer, no person will beneficially own, directly or indirectly, or have control or direction over, or a combination of direct or indirect beneficial ownership of and control or direction over, voting securities that constitute more than 10% of the Resulting Issuer Shares, other than as set forth below:

Name of Holder	**Number of Resulting Issuer Shares**	**% of Resulting Issuer Shares on a Non-Diluted Basis**	**% of Resulting Issuer Shares on a Fully Diluted Basis**
Hybrid Financial Ltd.[1]	13,900,000	19.16%	15.24%

Notes:

1. Hybrid Financial Ltd. is controlled by Steve Marshall.

13. DIRECTORS AND OFFICERS

The following table sets out the names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, and the offices held in the Resulting Issuer and the principal occupation of the directors and senior officers during the past five years.

Name, Municipality of Residence and Position(s) with the Resulting Issuer	Principal Occupation Business or Employment for Last Five Years	Period During Which Director has Served as a Director of Resulting Issuer and When Term Will Expire(2)	Number and Percentage of Common Shares Owned After Transaction
Rakesh Jetly Ottawa, Ontario *Director*	Author, associate professor of psychiatry at Dalhousie University (Halifax); Queen's University (Kingston), and the University of Ottawa	June 1, 2021	1,500,000 2.07%
Hugh Colin MacKay North York, Ontario *Director*	Surgeon General, Commander Canadian Forces Health Services Group, and Head of the Royal Canadian Medical Service in 2015 and retired in July 2017	June 1, 2021	Nil
Andre Peschong Newport Beach, California *Director*	Partner at Bridgewater Capital Corporation, Strategic Advisor and Director of several private technology companies.	June 1, 2021	Nil
Carl Castro San Gabriel, California *Director*	Professor at USC School of Social Work, chair of a NATO research group on military mental health training and serves as an advisor for several Department of Defense research panels focused on psychological health. He has authored more than 150 scientific articles and reports in numerous research areas.	June 1, 2021	Nil
Yan Namer Toronto, Ontario *Chief Executive Officer, Corporate Secretary*	CEO of Empatho Corp. and COO of American Aires Inc. and Baby-Scan.	March 1, 2021	1,971,840 2.72%
Josh Granek Maple, Ontario *Chief Scientific Officer*	Defence Scientist at Defence Research and Development Canada	March 2, 2021	Nil
Hamid Boland Maple, Ontario *Chief Technology Officer*	Lead Engineer at Defence Research and Development Canada	March 2, 2021	Nil
John Ross Toronto, Ontario *Chief Financial Officer*	Part Time CFO and CEO to a number of public companies	August 1, 2021	Nil

Notes:

1. The term of each director will expire upon the earlier of their resignation and the Resulting Issuer's next shareholder meeting.

Board Committees of the Resulting Issuer

Audit Committee

The overall purpose of the Audit Committee is to assist the Resulting Issuer Board in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditor. The Resulting Issuer will adopt Shane's Audit Committee Charter following the completion of the Transaction.

It is anticipated that the Audit Committee will have access to all books, records, facilities and personnel and may request any information about the Resulting Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related- party transactions and prepare reports for the Resulting Issuer Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

All members of the Audit Committee are financially literate and independent as required by section 1.6 of NI 52-110.

The Resulting Issuer proposes to have an audit committee comprised of

- Andre Peschong,
- Rakesh Jetly
- Carl Castro

The chair of the Audit Committee will be Andre Peschong.

Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee will consist of Andre Peschong, Rakesh Jetly and Carl Castro.

The Compensation and Corporate Governance Committee assists the Resulting Issuer Board in fulfilling its responsibilities for determining compensation philosophy and guidelines, and fixing compensation levels for the Resulting Issuer's executive officers. The committee is charged with reviewing the Resulting Issuer's equity incentive plan and proposing changes thereto, approving any awards of options under the Resulting Issuer's equity incentive plan and recommending any other employee benefit plans, incentive awards and perquisites with respect to the Resulting Issuer's executive officers. The Compensation and Corporate Governance Committee may also recommend changes to the size, composition and structure of the Resulting Issuer Board and its committees; and will assist the Resulting Issuer Board in the orientation and continuing education for directors and in the Resulting Issuer's overall approach to corporate governance. The Compensation and Governance Committee is also reviews and approves all related-party transactions and prepares reports for the Resulting Issuer Board on such related-party transactions.

Principal Occupation of Directors and Officers

Except as set out in the table below, none of our officers or directors are involved in acting as an officer ofa person or company other than the Resulting Issuer as their principal occupation:

Name	Principal Occupation
John Ross	CFO of AMPD Ventures Inc. (CSE:AMPD) (OTCQB:AMPDF)

	(FRA:2Q0) CFO of Omai Gold Mines Corp. (formerly Anconia Resources Corp.) (TSXV: OMG) CFO of U3O8 Corp. (TSXV: UWE.H) CFO of CoinAnalyst (CSE: COYX)
Yan Namer	COO for American Aires Inc. (CSE: WIFI)

Cease Trade Orders

No director or executive officer of the Resulting Issuer, is or has been, within the ten years preceding the date of this Listing Statement, a director, chief executive officer, chief financialofficer of any company that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this Listing Statement, an "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

Penalties Sanctions and Settlements

To the knowledge of management of the Resulting Issuer, none of the proposed directors or officers of the Resulting Issuer, or any shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the knowledge of management of the Resulting Issuer, none of the proposed directors or officers of the Resulting Issuer, or a shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Resulting Issuer also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Resulting Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Resulting Issuer will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

Management

The following is a brief description of the proposed key members of management and directors of the Resulting Issuer:

Name, Position and Responsibilities with the Resulting Issuer(1)	Proportion of time devoted to the Issuer	Age	Employee or Independent Contractor?	Particular Industry and Educational Experience, and Occupation during the five years Prior to the date of the Listing Statement	Non-Competition or Non-Disclosure Agreement?
Rakesh Jetly *Director*	20%	55	Independent Contractor	Rakesh Jetly, MD, FRCPC, is Senior Psychiatrist and Mental Health Advisor, Canadian Armed Forces, Ottawa. He is an Associate Professor of Psychiatry at Dalhousie University and at the University of Ottawa. He is also the Chair for Military Mental Health with the Royal's Institute of Mental Health Research in Ottawa. He is committed to evolving mental health research by investigating the biological underpinnings of mental health disease, by incorporating technology to modernize treatment and diagnostic modalities, and by finding strategies to advance precision medicine.	NDA
Hugh Colin MacKay *Director*	10%	63	Independent Contractor	*Hugh Colin MacKay,* MD. Mr. MacKay served 34 years with the Canadian Armed Forces, providing heath leadership across a broad range of health services, both at home and abroad. Initially working within primary health care, he then broadened his perspective through post graduate training and positions in Public Health and Occupational Medicine. He has extensive international experience, having worked with multinational vaccine development projects, as chair of a multinational medical intelligence committee, as chair of a NATO medical research group, as well as commanding the NATO multinational hospital in Kandahar. As Surgeon General and Commander of the Canadian Forces Health Services Group he set the course for the modernization of the Canadian Forces Health Services, creating a patient-partnered health system that optimizes technology to achieve the quadruple aim of enhanced patient experience, improved health of the population, operational excellence and resource stewardship. In retirement he continues to volunteer with several health focused organizations.	NDA
Andre Peschong *Director*	10%	54	Independent Contractor	Andre Preschong has had a 30+ year career in the Investment Banking, M&A and fund management industry. He has also served as CEO, CSO and other C-level and board member engagements throughout his career. Currently, Mr. Peschong serves as the managing partner of	NDA

				Bridgewater Capital, a firm he co-founded in 1994. His activities with Bridgewater consist of traditional Investment Banking, mergers and acquisitions and other capital advisory engagements. Mr. Peschong formerly sat on the Board of Directors of ConversionPoint Technologies, an e-Commerce technology company where he previously served as the Chief Strategy Officer and helped co-found. He is currently on the Board of Directors for SVI a leading company in patented LIDAR based technologies used primarily for biometric identification, autonomous vehicles, object recognition systems and other military and commercial applications. Mr. Peschong has had many previous Advisory Board engagements, on both public and private companies, where he added strategic value from a capital markets perspective.	
Carl Castro *Director*	10%	58	Independent Contractor	*Colonel (Retired) Dr. Carl Castro, BA, MA, PhD.* Mr. Castro is an associate professor at USC School of Social Work, chair of a NATO research group on military mental health training and serves as an advisor for several Department of Defense research panels focused on psychological health. Castro joined the faculty in 2013 after serving 33 years in the U.S. Army, where he obtained the rank of Colonel.He has authored more than 150 scientific articles and reports in numerous research areas.	NDA
Yan Namer *Chief Executive Officer, Corporate Secretary*	80%	50	Independent Contractor	Mr. Namer is an innovative thinker with broad-based expertise in operations, finance and business development. He has proven ability to quickly analyze key business drivers and develop strategies to grow the bottom-line. Entrepreneurial and driven Chief Executive, with more than 20 years' experience in numerous companies in domestic and international marketplace.	NDA
Josh Granek *Chief Scientific Officer*	80%	39	Independent Contractor	Josh Granek, BSc, MSc, PhD is an award-winning research scientist for the Department of National Defence. He has a background in the neuroscience of cognitive motor integration and has led the scientific validation of several mobile applications in order to enhance resilience training for optimized well-being and operational performance. He has filed an invention disclosure report.	NDA
Hamid Boland *Chief Technology Officer*	80%	43	Independent Contractor	Hamid Boland, is an award-winning certified project manager (PMP) with a BSc in Communications Engineers and an MEng in Technology Innovation Management. With 16 years of experience in communication engineering and software development in defence and security, he has led projects to develop and evaluate mobile applications related to the	NDA

				promotion of mental resiliency and workplace well-being. He has filed two invention disclosure reports.	
John Ross *Chief Financial Officer*	20%	63	Independent Contractor	John is a senior financial management professional with more than 30 years of private and public company experience. He is currently the part-time CFO of AMPD Ventures Inc. (CSE - since July 2019), U3O8 Corp. (TSXV - since June 2010), and Omai Gold Mines Corp. (since August 2021). He was the interim CEO (May 2019 to March 2020) and CFO (February 2017 to March 2020) of Hempco Food and Fiber Inc. (TSXV), which was acquired by Aurora Cannabis Inc. (NYSE) in August 2019. John was CFO of FNX Mining Company (TSX – 2002 to 2005) during the period when the market capitalization grew from $140 million to $575 million and of IAMGOLD (TSX – 1996 to 2002) when the market capitalization grew from $275 million to $800 million.	NDA

Notes

1. Each director and officer of the Resulting Issuer will devote such time as may from time be necessary in order to perform the work required in connection with acting in their capacity as a director or officer of the Resulting Issuer.

14. CAPITALIZATION

The following table sets out information regarding the Resulting Issuer's common shares:

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	72,552,000	92,193,607	N/A	N/A
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	41,150,000	55,798,320	56.7179%	60.5230%

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Total Public Float (A-B)	31,402,000	36,395,287	43.2821%	39.4770%
Freely-Tradeable Float Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	50,010,000	55,106,258	68.9299%	59.7723%
Total Tradeable Float ((A-C)	22,542,000	37,087,349	31.0701%	40.2276%

Note: The figures in the above chart are based on publicly available information and information collected from insiders and are calculated on the basis that the Transactions have been completed.

Public Securityholders (Registered)

Class of Security Size of Holding	Number of holders	Total number of securities
1 – 99 securities	53	1,013
100 – 499 securities	5	1,117
500 – 999 securities	36	18,126
1,000 – 1,999 securities	4	4,000
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	1	3,463
4,000 – 4,999 securities	-	-
5,000 or more securities	81	31,174,282
TOTAL	180	31,402,000

Public Securityholders (Beneficial)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1 – 99 securities	283	5,591
100 – 499 securities	85	16,018
500 – 999 securities	48	29,408
1,000 – 1,999 securities	11	11,687
2,000 – 2,999 securities	5	11,956
3,000 – 3,999 securities	1	3,463
4,000 – 4,999 securities	-	-
5,000 or more securities	88	31,123,878
TOTAL	521	31,402,000

Non-Public Securityholders (Registered)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	7	41,150,000
TOTAL	7	41,150,000

Convertible/Exchange Securities

The following table sets out information regarding all securities convertible or exchangeable into any class of listed securities.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Resulting Issuer Warrants	17,633,287[(1)]	17,633,287
Resulting Issuer Unit Warrants	1,004,160[(2)]	2,008,320[(3)]

Notes:

1. 5,000,000 Resulting Issuer Warrants are exercisable for $0.02 until June 1st, 2023, 81,287 are exercisable for $0.49 until May 27, 2024 and 12,552,000 are exercisable for $0.50 until June 29, 2023.
2. Exercisable for one unit consisting of one Resulting Issuer Share and one Resulting Issuer Warrant (exercisable for $0.50 until June 29, 2023) at a price of $0.25 until June 29, 2023.
3. Assuming the exercise of the Resulting Issuer Warrants underlying the Resulting Issuer Unit Warrants.

15. EXECUTIVE COMPENSATION

Upon completion of the Transactions, the Resulting Issuer may execute appropriate employment and service contracts with the CEO of the Company.

Statement of Executive Compensation

The compensation of the NEOs will include three major elements: (a) base consulting fees; (b) equity-based compensation; and (c) cash bonuses.

Base consulting fees

As all parties employed by the Company will operate as independent contractors, base consulting fees are intended to provide an appropriate level of fixed compensation that will assist in personnel retention and recruitment. Base consulting fees will be determined on an individual basis, taking into consideration the past, current and potential contribution to the Resulting Issuer's success, the position and responsibilities of the NEOs and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

The following table sets forth the anticipated compensation to be paid or awarded to the directors and the following executive officers of the Resulting Issuer upon completion of the Transaction: (i) the Chief Executive Officer, (ii) the Chief Financial Officer, and (iii) the Chief Strategic Officer.

Table of Compensation Excluding Compensation Securities							
Name & position	**Year**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Yan Namer *Chief Executive Officer, Director*	2021 2022	115,200 115,200	Nil Nil	Nil Nil	Nil Nil	Nil Nil	115,200 115,200
John Ross, *Chief Financial Officer*	2021 2022	55,000 55,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	55,000 55,000
Hugh Colin MacKay *Director*	2021 2022	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Rakesh Jetly *Director*	2021 2022	115,200 115,200	Nil Nil	Nil Nil	Nil Nil	Nil Nil	115,200 115,200
Andre Peschong *Director*	2021 2022	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Carl Castro *Director*	2021 2022	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Determination of Compensation

The Resulting Issuer Board has established a Compensation and Governance Committee to assist the Resulting Issuer Board in fulfilling its governance and supervisory responsibilities. The Resulting Issuer Board is expected to adopt a written charter for the Compensation and Governance Committee that will establish, among other things, the Compensation and Governance Committee's purpose and its responsibilities with respect to executive compensation. The charter of the Compensation Committee will provide that, among other things, the Compensation Committee will be responsible for assisting the Resulting Issuer Board in its oversight of executive compensation, management development and succession, director compensation and executive compensation disclosure.

It is anticipated that the independent directors of the Resulting Issuer will review and make recommendations to the Compensation Committee each year with respect to the executive compensation arrangements and employment agreements for the NEOs. The Resulting Issuer will consider implementing an equity incentive plan, once certain financial and operational goals of the Resulting Issuer are established.

The Resulting Issuer Board will consider industry standards and the financial situation of the Resulting Issuer when determining executive compensation. The Resulting Issuer Board will set the compensation level of the

NEOs in order to retain individuals of a high caliber and motivate their performance to achieve the Resulting Issuer's strategic objectives.

Benchmarking

The executive team is expected to establish and set the future compensation of the NEOs.

Compensation of Executives

The compensation of the NEOs will include three major elements: (a) base salaries; (b) equity-based compensation; and (c) cash bonuses.

Base Salaries – Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to the Resulting Issuer's success, the position and responsibilities of the NEOs and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

Equity-Based Compensation – There is currently no equity-based compensation. The Compensation and Governance Committee may establish an equity-based compensation once certain financial and operational goals of the Resulting Issuer are established.

Cash Bonuses – Annual bonuses will be awarded based on qualitative and quantitative performance standards and will reward performance of each NEO individually. The determination of an NEO's performance may vary from year to year depending on economic conditions and conditions in the health and well-being industry and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as revenues), the meeting of acquisition objectives and balance sheet performance.

Pension and Other Benefit Plans

The Resulting Issuer does not intend to implement a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to Named Executive Officers at, following, or in connection with retirement.

Summary of Executive Compensation

The following table describes the executive compensation paid or awarded to the NEO's (including Chief Executive Officer, Yan Namer and Chief Financial Officer, John Ross) and directors of the Resulting Issuer for the financial period from November 20, 2020 (date of incorporation) to October 31, 2021 prior to completion of the Transaction.

Table of Compensation Excluding Compensation Securities							
Name & position	**Year**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**

Yan Namer *Chief Executive Officer, Director*	2021	75,936	Nil	Nil	Nil	29,822	105,758[(1)]
John Ross, *Chief Financial Officer*	2021	18,128	Nil	Nil	Nil	10,844	28,972
Hugh Colin MacKay *Director*	2021	Nil	Nil	Nil	Nil	3,615	3,615
Rakesh Jetly *Director*	2021	75,936	Nil	Nil	Nil	27,111	103,047[(2)]
Andre Peschon g *Director*	2021	Nil	Nil	Nil	Nil	9,037	9,037
Carl Castro *Director*	2021	Nil	Nil	Nil	Nil	3,615	3,615

Notes:

1. Yan Namer provides his services as an independent contractor through S-C/Y-N Consultants Inc. S-C/Y-N Consultants Inc. is controlled by Yan Namer.
2. John Ross provides his services as an independent contractor through John C. Ross Consulting Inc. John C. Ross Consulting Inc. is controlled by John Ross.

<u>Employment, Termination and Change of Control Benefit</u>

The Resulting Issuer is party to employment agreements with the NEOs pursuant to which such NEO would be entitled to a termination or change of control benefit.

Each of the NEOs have basic termination entitlements to receive any accrued but unpaid base salary and accrued but unused vacation pay, which shall be paid within sixty (60) days following termination date; and reimbursement for unreimbursed business expenses properly incurred by the NEO, which shall be subject to and paid in accordance with the Company's expense reimbursement policy. Where required by termination circumstances, the NEO will be entitled to an enhanced separation package consisting of a lump sum cash payment equal to one (1) year's base salary in lieu of notice of termination. The Resulting Issuer may terminate the NEO's employment at any time for just cause, without notice or compensation. The NEO may resign from employment with the Resulting Issuer by providing three (3) month's prior written notice of the effective date of his resignation.

<u>Summary Compensation for Directors</u>

It is anticipated that the Resulting Issuer will pay compensation to its directors in the form of annual fees for attending meetings of the Resulting Issuer Board. Directors may receive additional compensation for acting as chairs of committees of the Resulting Issuer Board. Directors will also be entitled to receive Options and other applicable awards and will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Resulting Issuer Board, committees of the Resulting Issuer Board or meetings of the shareholders of the Resulting Issuer. It is also anticipated that the Resulting Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors pursuant to which the Resulting Issuer will agree to indemnify its directors to the extent permitted by applicable law.

Equity Compensation

There is currently no equity compensation. The Compensation and Governance Committee may establish an equity compensation once certain financial and operational goals of the Resulting Issuer are established.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Upon completion of the Transactions, no person who is expected to become a director or officer of the Resulting Issuer, nor any person who acted in such capacity in the last financial year, is expected to be indebted to the Resulting Issuer, nor will any indebtedness of such persons be the subject of any guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Resulting Issuer.

17. RISK FACTORS

An investment in the Resulting Issuer Shares should be considered highly speculative due to the nature of the Resulting Issuer's proposed business and the present stage of its development. In evaluating the Resulting Issuer and its new business, investors should carefully consider the following risk factors, in addition to the other information contained in this Listing Statement. These risk factors are not a definitive list of all risk factors associated with an investment in the Resulting Issuer or in connection with the Resulting Issuer's operations.

Additional risks and uncertainties that the Resulting Issuer is unaware of, or that the Resulting Issuer currently deems not to be material, may also become important factors that affect the Resulting Issuer. If any such risks actually occur, the Resulting Issuer's business, financial condition or results of operations could be materially adversely affected.

The Resulting Issuer's actual operating results may be very different from those expected as at the date of this Listing Statement.

Limited Operating History

The Resulting Issuer has a limited operating history upon which its business and future prospects may be evaluated. The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any developing business enterprise, including the risk that it will not achieve its operating goals, risks that it may not have sufficient capital to achieve its growth strategy, risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements, risks that its growth strategy may not be successful, risks that fluctuations in its operating results will be significant relative to its revenues, and risks relating to an evolving regulatory regime. In order for the Resulting Issuer to meet future operating and debt service requirements, it will need to be successful in its growth, marketing and sales efforts.

No Assurance of Commercial Success

The successful commercialization of the Application will depend on many factors, including, the Resulting Issuer's ability to establish and maintain working partnerships with industry participants in order to market the Application and the number of competitors within each jurisdiction within which the Resulting Issuer may from time to time be engaged. There can be no assurance that the Resulting Issuer or its industry partners will be successful in their respective efforts to develop and implement, or assist the Resulting Issuer in developing and implementing, a commercialization strategy for the ResultingIssuer's products.

No History of Profits

The Resulting Issuer does not have a history of profitability and there is no assurance that the Resulting Issuer will achieve profitability on a sustained basis, if at all. The Resulting Issuer's proposed operations are subject to all the business risks associated with developing enterprises. These include likely fluctuations in operating results as the Resulting Issuer makes significant investments in research, development and product opportunities, and reacts to developments in its market, including purchasing patterns of customers, and the entry of competitors into the market. The Resulting Issuer does not anticipate paying dividends in the near future and will only be able to pay dividends on any shares once its directors determine that it is financially able to do so.

The Resulting Issuer may experience difficulties in acquiring customers and gaining widespread adaption of the Application which would make it more difficult to generate profits. A failure by the Resulting Issuer to achieve a low-cost structure through economies of scale or improvements in processes and design could have a material adverse effect on the Resulting Issuer's business, prospects, results of operations and financial condition.

Difficulty to Forecast

The Resulting Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this stage when the Resulting Issuer's business is new and evolving. A failure in the demand for its service to materialize as a result of the client preference, technological change or other factors could have a material adverse effect on the proposed business, results of operations and financial condition of the Resulting Issuer.

Additional Financing

The continued development of the Resulting Issuer's business may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of the Resulting Issuer's current business strategy or the Resulting Issuer ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the Resulting Issuer Shares.

In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Resulting Issuer would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

Exchange rate fluctuations between the Canadian dollar, the U.S. dollar and other foreign currencies may negatively affect the future revenues of the Resulting Issuer

The Resulting Issuer plans to conduct business in various countries across the world. As the Resulting Issuer continues to expand internationally, it will become more exposed to the effects of fluctuations in currency exchange rates. This exposure is the result of deploying the virtual well-being platform to foreign countries where the functional currency is the local currency. Because the Resulting Issuer intends to in the future expand its operations to jurisdictions outside of Canada, it will likely conduct business in currencies other than Canadian dollars. As the Resulting Issuer will continue to report its results of operations in Canadian dollars, fluctuations in the exchange rates of these foreign currencies, including any fluctuations caused by geopolitical uncertainties, may hinder the ability of the Resulting Issuer to predict future results and earnings and materially impact the business, financial condition and operating results of the Resulting Issuer. The Resulting Issuer has not previously engaged in foreign currency hedging. If the Resulting Issuer decides to hedge its foreign currency exposure, it may not be able to completely eliminate the impact of fluctuations in the exchange rates. Moreover, the use of hedging instruments may introduce additional risks if the Resulting Issuer is unable to structure effective hedges with such instruments.

The Resulting Issuer faces exposure to exchange rate fluctuations as a result of its contracts with suppliers.

Foreign governments may restrict the Resulting Issuer’s ability to exchange local currencies for more marketable currencies and may limit the Resulting Issuer’s ability to pay dividends, to pay non-local currency accounts payable or to obtain currencies (other than the local currency) which may be more desirable to hold. Foreign governments may also simultaneously restrict the Resulting Issuer’s ability to increase prices in inflationary environments where local currencies are under significant pressure. Without the ability to increase prices to offset the impact of local currency devaluation, the Resulting Issuer’s ability to manage foreign exchange risk may be further limited.

If the Resulting Issuer is unable to comply with regulatory requirements and industry standards, including those regarding product safety, quality, efficacy and environmental impact, the Resulting Issuer could incur significant costs and suffer reputational harm which could adversely affect results of operations

The activities of the Resulting Issuer will be subject to compliance with various domestic and foreign laws and regulations including, but not limited to, in the areas of labour, advertising, digital content, consumer protection, real estate, billing, e-commerce, promotions, quality of services, telecommunications, mobile communications and media, television, intellectual property ownership and infringement, tax, import and export requirements, anti-corruption, foreign exchange controls and cash repatriation restrictions, data privacy requirements, anti-competition, environmental and health and safety.

Various jurisdictions may have different approval processes that may impose various testing requirements for the Resulting Issuer’s technology. Failure to obtain the necessary regulatory approvals for any activities could result in the Resulting Issuer being unable to develop or market products and may adversely affect its business.

The Resulting Issuer may not be able to comply with applicable regulations. Failure to comply with applicable regulations could result in the imposition of sanctions on the Resulting Issuer, including fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approval of products, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect regulatory approval and materially and adversely affect the Resulting Issuer’s business.

Even if services developed by the Resulting Issuer receive regulatory approval or clearance, they will be subject to ongoing reporting obligations and the products and the manufacturing operations will be subject to continuing regulatory review and inspection.

If the Resulting Issuer is slow or unable to adapt to changes in existing regulatory requirements or the adoption of new regulatory requirements or policies or fails to comply with regulatory requirements for any other reason, the Resulting Issuer may lose approval for a service, which may result in, among other things, the withdrawal of such service from the market, the interruption of operations and the imposition of fines.

Compliance with these laws, regulations and similar requirements may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance. This increases the costs of doing business, which could in turn make the Resulting Issuer’s services less attractive to customers, delay the introduction of new services or cause the Resulting Issuer to change or limit its business practices. The Resulting Issuer has implemented policies and procedures designed to ensure compliance with applicable laws and regulations, but there can be no assurance that the Resulting Issuer's employees, contractors, or agents will not violate the policies and procedures designed to ensure compliance with such laws and regulations.

Regulatory Risks

The Resulting Issuer will incur ongoing costs and obligations associated with compliance to data protection and privacy legislation including but not limited to, compliance with the Canadian Personal Information Protection and Electronic Documents Act (PIPEDA), the Canadian Privacy Act and the privacy laws of any applicable province in Canada. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Resulting Issuer's proposed business operations. In addition, changes in regulations could require extensive changes to its operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Litigation

The Resulting Issuer may be exposed to legal proceedings, with or without merit over the course of its operations. The Resulting Issuer cannot preclude the risk of claims being brought against it, such as in connection with intellectual property rights or business operations. In the event that the Resulting Issuer and/or its employees or agents are found to have not met the appropriate standard of care then this may have a material adverse effect on the Resulting Issuer overall.

Reliance on Founder and Management

The Resulting Issuer's future success will depend substantially on the continued services of its and its subsidiaries' executive officers, and its key personnel. If one or more of its executive officers or key personnel were unable or unwilling to continue in their present positions, the Resulting Issuer might not be able to replace them easily or at all. Any loss of the services of such individuals or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Resulting Issuer's business, operating results, financial condition or prospects, and the Resulting Issuer may be unable to find adequate replacements on a timely basis, or at all. The Resulting Issuer's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled individuals. Qualified individuals are in high demand, and the Resulting Issuer may incur significant costs to attract and retain them. In addition, the loss of any of the Resulting Issuer's senior management or key individuals could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all.

Taxes

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the Resulting Issuer Shares involves tax considerations that may differ for each shareholder. Each prospective shareholder is encouraged to seek professional tax advice in connection with any investment in the Resulting Issuer.

Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but not as yet enacted changes in tax law may adversely impact the Resulting Issuer's future financial performance and position.

Resulting changes in tax arrangements may adversely impact the Resulting Issuer's future financial performance and position. In addition, future changes to other laws and regulations or accounting standards, which apply to the Resulting Issuer from time to time, could materially adversely affect the Resulting Issuer's future financial performance and position.

Competition

The industry in which the Resulting Issuer is involved is subject to domestic and global competition. Although the Resulting Issuer will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may positively or negatively affect the operating and financial performance of the Resulting Issuer's business.

The Resulting Issuer will seek to mitigate these risks to the extent possible. However, The Resulting Issuer’s ability to mitigate such risks may be limited to by occurrences outside its control.

The Resulting Issuer's growth and financial performance is influenced by its ability to execute its growth strategy through both the successful acquisition of complementary assets and businesses, and its ability to derive net inflows from customers. As is reflected by the inherent importance of intellectual property within the digital health industry, the development of products in this industry is competitive. The level of competition that the Resulting Issuer is exposed to may also fluctuate whereby there is an increase in response to demand dynamics and new entrants into the market. If the Resulting Issuer is unable to adaptto changing market pressures or demands, with the result that it is forced to reduce pricing in response to the increased competition level, then the financial position of the Resulting Issuer may be adversely effected.

Ability to Attract or Maintain Critical Mass whether as a Result of Competition or Other Factors

If the Resulting Issuer is unable to attract or maintain a critical mass of Application users, whether as a result of competition or other factors, their technologies and businesses will become less appealing to users, and the Resulting Issuer’s financial results would be adversely impacted.

Technology Risks

The Resulting Issuer's business depends on technology and is subject to technological change. The Resulting Issuer, if not in a position to respond to such technological changes, may be unable to competeeffectively. Given the high level of competition within the digital health industry, the failure or delay in developing or adopting new technology competitively may result in a reduction in customer demand and in turn reduced financial and operation growth.

The technological changes within the digital health industry may require the Resulting Issuer to devote additional resources to adapt or improve its products. There is the risk that such resource allocation and investment in new initiatives may be unsuccessful or result in significant losses.

New Technology Risk

The Resulting Issuer is or will be developing new technologies. There is no assurance that widespread adoption of these new technologies will occur. A lack of expansion in the usage these technologies could adversely affect the Resulting Issuer.

Technology Company Risk

Many technology-related companies have incurred large losses since their inception and may continue to incur large losses in the hope of capturing market share and generating future revenues. Accordingly, many such companies expect to incur significant operating losses for the foreseeable future, and may never be profitable. The markets in which many technology companies compete face rapidly evolving industry standards, frequent new service and product announcements, introductions and enhancements, and changing customer demands. The failure of a technology company to adapt to such changes could have a material adverse effect on the company’s business. Additionally, the widespread adoption of new technology, networking, telecommunications technologies, or other technological changes could require substantial expenditures by a technology company to modify or adapt its services or infrastructure, which could have a material adverse effect on a technology company’s business.

Mobile Application Industry Risk

The Resulting Issuer operates in the mobile application industry. The mobile application industry can be significantly affected by intense competition, aggressive pricing, technological innovations, and product obsolescence. Companies in the mobile application industry are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological developments and the potential for limited earnings and/or falling profit margins. These companies also face the risks that new services, equipment or technologies will not be accepted by consumers and businesses or will become rapidly obsolete. These factors can affect the profitability of these companies and, as a result, the value of their securities. Also, patent protection is integral to the success of many companies in this industry, and profitability can be affected materially by, among other things, the cost of obtaining (or failing to obtain) patent approvals, the cost of litigating patent infringement and the loss of patent protection for products (which significantly increases pricing pressures and can materially reduce profitability with respect to such products). In addition, many software companies have limited operating histories. Prices of these companies' securities historically have been more volatile than other securities, especially over the short term technologies.

Government Regulation of the Internet, Mobile Devices, and E-commerce

The Resulting Issuer will be subject to general business regulations and laws as well as federal, provincial, and state regulations and laws specifically governing the Internet, mobile devices, and e-commerce that are constantly evolving. Existing and future laws and regulations, or changes thereto, may impede the growth of the Internet, mobile applications, e-commerce, or other online services, and increase the cost of providing online services, require us to change our business practices, or raise compliance costs or other costs of doing business. These regulations and laws, which continue to evolve, may cover taxation, tariffs, user privacy, data protection (including protection of personal health information), pricing and commissions, content, copyrights, distribution, social media marketing, advertising practices, mobile communications, electronic contracts and other communications, consumer protection, broadband residential Internet access, and the characteristics and quality of services. Any failure, or perceived failure, by the Resulting Issuer to comply with any of these laws or regulations could result in damage to the Resulting Issuer's reputation and brand, a loss in business, and proceedings or actions against us by governmental entities or others, which could adversely affect the Resulting Issuer's business, financial condition, and results of operations.

Mobile Operating Systems and Application Marketplaces

The Resulting Issuer depends in part on mobile operating systems, such as Android and iOS, and their respective application marketplaces to make our applications available to consumers that utilize the Application. Any changes in such systems and application marketplaces that degrade the functionality of the Resulting Issuer's application or give preferential treatment to the Resulting Issuer's competitors' applications could adversely affect the Resulting Issuer's platform's usage on mobile devices. If such mobile operating systems or application marketplaces limit or prohibit the Resulting Issuer from making their Application available to users, make changes that degrade the functionality of the Application, increase the cost of using the Application, impose terms of use unsatisfactory to the Resulting Issuer, or if the Resulting Issuer's competitors' placement in such mobile operating systems' application marketplace is more prominent than the placement of the Resulting Issuer's Application, the Resulting Issuer's user growth could slow. Any of the foregoing risks could adversely affect the Resulting Issuer's business, financial condition, and results of operations.

As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support the Resulting Issuer's Application or effectively roll out updates to their Application. Additionally, in order to deliver high-quality applications, the Resulting Issuer needs to ensure that their Application is designed to work effectively with a range of mobile technologies, systems, networks, and standards. The Resulting Issuer may not be successful in developing or maintaining relationships with key participants in the mobile industry that enhance users' experience. If consumers that utilize the Resulting Issuer's Application encounter any difficulty accessing or using the Application on their mobile devices or if the Resulting Issuer is unable to adapt to changes in popular mobile operating systems, it is expected that the Resulting Issuer's user growth and user engagement would be adversely affected.

Periodic Changes to Search Engine Algorithms

Periodic changes to search engine algorithms, which retrieve data from search indices and deliver ranked search results, produce changes in search engine results pages. Any changes to these algorithms and therefore search engine results pages could reduce visibility of, and traffic on, the Resulting Issuer's mobile applications or online presence and negatively impact its financial position and results of operations.

Damage to Reputation

Damage to the Resulting Issuer’s reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it easier for individuals and groups to communicate and share opinions and views regarding the Resulting Issuer and its activities, whether true or not. Although the Resulting Issuer believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Resulting Issuer's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Investments and Acquisitions

Future investment opportunities may be present in the market and the Resulting Issuer may pursue controlling and non-controlling interests in corporations that have market value and synergies. Risk exists there may be liabilities or onerous contracts not identified as part of the due diligence process. Risk also exists that the investment will not yield profits or add value to the Resulting Issuer as a parent. The Resulting Issuer operates in an industry which is rapidly growing and evolving, and as such, any potential acquisition or investment may be highly speculative.

Operational Failure

The Resulting Issuer’s business operates with procedures and controls that seek to prevent and promptly detect defects and to detect any process failures. While the Resulting Issuer will implement such operation failure mitigation processes, operational failures could still occur. Any operation error could have a material adverse effect on the Resulting Issuer’s business, financial position, results of operations and reputation.

Development, Manufacturing, Marketing, Selling or Distribution Risks

If the Resulting Issuer cannot successfully develop, manufacture, market, sell and distribute its products or services, or if the Resulting Issuer experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Resulting Issuer may not be able to develop market-ready commercial products or services at acceptable costs, which would adversely affect the Resulting Issuer's ability to effectively enter the market. A failure by the Resulting Issuer to achieve a low-cost structure through economies of scale or improvements in manufacturing or distribution processes would have a material adverse effect on the Resulting Issuer's commercialization plans and the Resulting Issuer's business, prospects, results of operations and financial condition.

Uncertainty of Use of Proceeds

Although the Resulting Issuer has set out its intended use of proceeds from this Offering, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Resulting Issuer to apply these funds effectively could have a material adverse effect on the Resulting Issuer 's business, including the Resulting Issuer 's ability to achieve its stated business objectives.

Unfavorable Publicity or Consumer Perception

The Resulting Issuer depends significantly on consumer perception regarding the safety and quality of its products and services. Consumer perception of products can be significantly influenced by adverse publicity in the form of published scientific research, media attention, social media, or other publicity, whether or not accurate, that associates consumption or use of the Resulting Issuer's products and services or any other similar product or service with illness or other adverse effects, or questions the benefits of the Resulting Issuer's or similar products and services or that claims that any such product or services are ineffective. A new product or service may initially be received favorably, resulting in high sales of that product, but sales may not be sustainable as consumer preferences change. Future scientific research or publicity could be unfavorable to the industries in which the Resulting Issuer operates or any of its particular products or services and may not be consistent with earlier favorable research or publicity. Unfavorable research or publicity could have a material adverse effect on the Resulting Issuer's ability to generate sales.

Promoting the Brand

Promoting the Resulting Issuer's brand will be critical to creating and expanding a customer base. Further, the Resulting Issuer may, in the future, introduce new products or services that its customers do not like, which may negatively affect the brand and reputation. If the Resulting Issuer fails to successfully promote its brand or if it incurs excessive expenses in this effort, its business and financial results from operations could be materially adversely affected.

No Guarantee of Development

The prospects for companies in the nutraceutical industry or mobile health and software industry are generally deemed uncertain, given the emerging nature of the industries and, accordingly, investments in nutraceutical or mobile health companies should be viewed as highly speculative. The achievement of the Company's long-term objectives will depend on the successful development and marketing of products and services currently under development. Many of the Company's products and services are currently in the research and development stage, which is the stage with the highest risk for a company in the nutraceutical industry. There is no guarantee that the Company's products or services will achieve commercial viability.

Cybersecurity

The Resulting Issuer will rely on digital and internet technologies to conduct its operations. This includes technologies used to process, transmit and store sensitive and confidential information and data. As a result, the Resulting Issuer and information in the possession of the Resulting Issuer may be exposed to cybersecurity risks such as risks of unauthorized access, use or disclosure of personal information of its clients or patients, risks of data corruption or destruction, and risks of service disruptions resulting from malicious cybersecurity attacks.

The Resulting Issuer's operations will depend in part on how well it protects its networks, equipment, information systems and software from threats including hardware damage, malware, cybersecurity attacks and theft, The Resulting Issuer's operations are expected to also depend on timely maintenance, repair and upgrades to its networks, equipment, information systems and software to mitigate these risks. A compromise of the Resulting Issuer's cybersecurity protections could compromise the ability of the Resulting Issuer to provide the services offered by it, lead to potential liability under privacy, security, consumer protection or other applicable laws, regulatory fines or penalties, or other risks that could have a material adverse effect on the business of the Resulting Issuer and its financial results and financial position. Cybersecurity threats can evolve at a rapid pace, and the Resulting Issuer will be required to expend significant resources to continue to modify and enhance its cybersecurity measures.

Confidential and Personal Information

The Resulting Issuer will have access to personal information of its clients and users, which may include personally identifiable information and confidential information regarding a client or user's health or medical histories. The Resulting Issuer will have systems and policies designed to protect this information. However, no system or policy is foolproof. In addition, although the Resulting Issuer may believe those systems and policies to be effective, there is no assurance that a court or regulatory authority will agree with that assessment. The unauthorized disclosure of information, or a finding that the Resulting Issuer's privacy policies and systems are insufficient or ineffective, could result in civil or criminal damages, fines or penalties.

Liability arising from Fraudulent or Illegal Activity

The Resulting Issuer is exposed to the risk that its employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional undertakings of unauthorized activities, or reckless or negligent undertakings of authorized activities, in each case on the Resulting Issuer's behalf or in its service that violate (i) various laws and regulations, including healthcare laws and regulations, (ii) laws that require the true, complete and accurate reporting of financial information or data, (iii) the terms of the Resulting Issuer's agreements with third parties. Such misconduct could expose the Resulting Issuer to, among other things, class actions and other litigation, increased regulatory inspections and related sanctions, and lost sales and revenue or reputational damage.

The Resulting Issuer cannot always identify and prevent misconduct by its employees and other third parties, including third party service providers, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown, unanticipated or unmanaged risks or losses or in protecting it from governmental investigations or other actions or lawsuits stemming from such misconduct. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal or administrative penalties, damages, monetary fines and contractual damages, reputational harm, diminished profits and future earnings or curtailment of its operations.

Operating Risk and Insurance Coverage

While theResulting Issuer may, in the future obtain insurance coverage to address all material risks to which it is exposed and is adequate and customary in its proposed state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Resulting Issuer is expected to be exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Resulting Issuer's liabilities or will be generally available in the future, or if available, that premiums will be commercially justifiable. If the Resulting Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Resulting Issuerwere to incur such liability at a time when it is not able to obtain liability insurance, its business, results ofoperations and financial condition could be materially adversely affected.

Costs of Operating as Public Company

As a public company, the Resulting Issuer will incur significant legal, accounting and other expenses. As a public company, the Resulting Issuer is subject to various securities rules and regulations, which impose various requirements on the Resulting Issuer, including the requirement to establish and maintain effective disclosure and financial controls and corporate governance practices. The Resulting Issuer's management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase the Resulting Issuer's legal and financial compliance costs and make some activities more time-consuming and costly.

Management of Growth

The Resulting Issuer may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Novel Coronavirus – "COVID-19"

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, including the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Resulting Issuer and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact the Resulting Issuer's operations, could cause delays relating to approval from Health Canada and equivalent organizations in other countries, could postpone research activities, and could impair the Resulting Issuer's ability to raise funds depending on COVID-19s effect on capital markets. To the knowledge of the Resulting Issuer's management as of the date hereof, COVID-19 does not present, at this time, any specific known impacts to the Resulting Issuer in relation to the Application launch and development timelines, business objectives or disclosed milestones related thereto. The Resulting Issuer is not currently aware of any changes in laws, regulations or guidelines, including tax and accounting requirements, arising from COVID-19 which would be reasonably anticipated to materially affect the Resulting Issuer's business.

Protection of Intellectual Property

The success of the Resulting Issuer's business depends, in part, on its continued ability to protect its intellectual property and to use its existing trademarks accordingly to increase brand awareness. The Resulting Issuer will depend on its trademarks to protect its brands and on its trade secrets to protect its products and production processes.

Given the dependence of the Resulting Issuer on intellectual property and the quality of its products and brands, in the event that the Resulting Issuer is unable to protect its intellectual property adequately, thenthe value of the Resulting Issuer's products and brands could be adversely affected. This may further impact the overall business, with respect to its financial position and overall probability and operational output.

Within the industry that the Resulting Issuer operates, there exists an ongoing risk of third parties claiming involvement in technological discoveries. The Resulting Issuer has taken steps to protect and confirm its interest in its intellectual property and will endeavour to implement all reasonable process to protect its intellectual property. The Resulting Issuer is not aware of any third party interests in relation to its intellectual property rights, however as stated above, the risk of third parties claiming involvement exists, which may result in litigation risks (see "*Litigation*" above), and there can be no assurance that the measures in place by the Resulting Issuer will be sufficient.

Third-Party Licenses

A substantial number of patents have already been issued to other digital health and wellness companies. To the extent that valid third-party patent rights cover the Resulting Issuer's products or services, the Resulting Issuer or its strategic collaborators would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services and payments under them would reduce the Resulting Issuer's profits from these products and services. The Resulting Issuer is currently unable to predict the extent to which it may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights and whether a license to such patents will be available on acceptable terms or at all. There may be patents in the U.S. or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. The Resulting Issuer's inability to obtain such licenses may hinder or eliminate its ability to manufacture and market its products.

Further, if the Resulting Issuer obtains third-party licenses but fails to pay annual maintenance fees, development and sales milestones, or it is determined that the Resulting Issuer does not use commerciallyreasonable efforts to commercialize licensed products, the Resulting Issuer could lose its licenses which could have a material adverse effect on its business and financial condition.

Third Party Product Risk

Where software is using third party products, those products may contain technical defects or vulnerabilities beyond the Resulting Issuer's control. Open-source technologies may also introduce defects and vulnerabilities to the technologies of the Resulting Issuer.

Dependence on Third Party Relationships

The Resulting Issuer will be highly dependent on a number of third-party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as currently anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed or that any strategy agreement will be specifically enforceable by the Issuer.

Future Capital Requirements

The future capital requirements of the Resulting Issuer will depend on many factors, including the success of the Resulting Issuer's growth strategy. While the Resulting Issuer believes that it has sufficient working capital to carry out its stated objectives and to satisfy the anticipated current working capital and other capital requirements set out in this Listing Statement, there can be no assurance that the Resulting Issuer's growth strategy will result in a net cash flow benefit, nor that its objectives can continue to be met in the future without securing further funding.

Dilution

The financial risk of the Resulting Issuer's future activities will be borne to a significant degree by purchasers of the Resulting Issuer Shares. If the Resulting Issuer issues Resulting Issuer Shares from itstreasury for financing purposes, control of the Resulting Issuer may change and purchasers may suffer additional dilution.

Negative Cash Flow from Operating Activities

Empatho has had negative cash flow from operating activities since it was incorporated in November 20, 2020. Shane has had negative cash flow from operating activities in financial year ending in December 31, 2020 and December 31, 2021. Significant capital investment will be required to achieve the Resulting Issuer's existing plans. The Resulting Issuer's net losses have had and will continue to have an adverse effect on, among other things, shareholder equity, total assets and working capital. The Resulting Issuer expects that losses may fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. The Resulting Issuer cannot predict when it will become profitable, if at all. Accordingly, the Resulting Issuer may be required to obtain additional financing in order to meet its future cash commitments.

Lack of Product Revenue

To date, the Resulting Issuer has not generated product revenue and cannot predict when and if it will generate product revenue. The Resulting Issuer's ability to generate product revenue and ultimately become profitable depends upon its ability, alone or with partners, to successfully develop its product candidates, obtain regulatory approval and commercialize products, including any of its current product candidates or other product candidates that it may develop, in-license or acquire in the future. The Resulting Issuer does not anticipate generating revenue from the sale of products for the foreseeable future.

Estimates or Judgements Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Resulting Issuer bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the pro forma financial statements of the Resulting Issuer set forth in Schedule "E" attached hereto, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Resulting Issuer's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause its operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Resulting Issuer. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

Internal Controls

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, internal controls over financial reporting are not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements.

Any failure to develop or maintain effective controls or any difficulties encountered in their implementation could harm the Resulting Issuer's results of operations or cause the Resulting Issuer to fail to meet its reporting obligations and may result in a restatement of its financial statements for prior periods. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in the Resulting Issuer's reported financial and other information, which would likely have a negative effect on the trading price of the Common Shares.

Risks Related to the Resulting Issuer SharesMarket for the Resulting Issuer Shares

There can be no assurance that an active trading market for the Resulting Issuer Shares will develop or, if developed, that any market will be sustained. The Resulting Issuer cannot predict the prices at which theResulting Issuer Shares will trade. Fluctuations in the market price of the Resulting Issuer Shares could cause an investor to lose all or part of its investment in Resulting Issuer Shares. Factors that could causefluctuations in the trading price of the Resulting Issuer Shares include:
(i) announcements of new offerings, products, services or technologies; commercial relationships, acquisitions or other events by the ResultingIssuer or its competitors;
(ii) price and volume fluctuations in the overall stock market from time to time;
(iii) significant volatility in the market price and trading volume of digital health and wellness companies;
(iv) fluctuations in the trading volume of the Resulting Issuer Shares or the size of the Resulting Issuer's public float;
(v) actual or anticipated changes or fluctuations in the Resulting Issuer's results of operations;
(vi) whether the Resulting Issuer's results of operations meet the expectations of securities analysts or investors;
(vii) actual or anticipated changes in the expectations of investors or securities analysts;
(viii) litigation involving the Resulting Issuer, its industry, or both;
(ix) regulatory developments;
(x) general economic conditions and trends;
(xi) major catastrophic events;
(xii) escrow releases, sales of large blocksof the Resulting Issuer Shares;
(xiii) departures of key employees or members of management; or
(xiv) anadverse impact on the Resulting Issuer from any of the other risks cited herein.

Significant Sales of Resulting Issuer Shares

Although Resulting Issuer Shares held by existing shareholders of the Resulting Issuer will be freely tradable under applicable securities legislation, the Resulting Issuer Shares held by the Resulting Issuer's directors, executive officers, Control persons and certain other securityholders will be subject to contractual lock-up restrictions and will also be subject to escrow restrictions pursuant to the policies of the CSE. Sales of a substantial number of the Resulting Issuer Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Resulting Issuer Shares and may make it more difficult for investors to sell Resulting Issuer Shares at a favourable time and price.

Market Price Volatility

The securities market in Canada has recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Resulting Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer. The value of the Resulting Issuer Shares distributed hereunder will be affected by such volatility.

Dilution and Future Sales of Common Shares

The Resulting Issuer may issue additional Resulting Issuer Shares in the future, which may dilute a shareholder's holdings in the Resulting Issuer. The Resulting Issuer's articles permit the issuance of an unlimited number of Resulting Issuer Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Resulting Issuer have discretion to determine the price and the terms of issue of further issuances. Moreover, if the Resulting Issuer issues stock options to purchase the Resulting Issuer Shares, and such stock options are exercised, an investor will incur additional dilution.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. The Resulting Issuer's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. In some cases, the Resulting Issuer's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs and that could adversely affect the Resulting Issuer's operations. These outside business interests could require significant time and attention of the Resulting Issuer's executive officers and directors.

In addition, the Resulting Issuer may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or companies with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer, and from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Lack of Public Market for Shares

There can be no assurance as to the liquidity of the trading market for the Resulting Issuer Shares. Even if a trading market develops for the Resulting Issuer Shares, those shares could trade at prices that may be higher or lower than historic prices or underlying asset value. The market price for the Resulting Issuer Shares may be affected by prevailing interest rates, results of operations and financial position, changes in general market conditions, fluctuations in the market for equity securities and numerous other factors beyond the control of the Resulting Issuer.

No Dividends

The Resulting Issuer's current policy is, and will be, to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Resulting Issuer. Therefore, the Resulting Issuer does not anticipate paying cash dividends on the Resulting Issuer Shares in the foreseeable future. The Resulting

Issuer's dividend policy will be reviewed from time to time by the Resulting Issuer Board in the context of its earnings, financial condition and other relevant factors. Until the time that the Resulting Issuer does pay dividends, which it might never do, its shareholders will not be able to receive a return on their Resulting Issuer Shares unless they sell them.

General Economic Risks

General economic conditions, movements in commodity prices, interest and inflation rates may have an adverse effect on the Resulting Issuer's activities, as well as on its ability to fund those activities.

Further, securities market conditions may affect the value of the Resulting Issuer's securities regardless of its operating performance. Securities market conditions are affected by many factors such as: (i) general economic outlook; (ii) interest rates and inflation rates; (iii) currency fluctuations; (iv) changes in investor sentiment toward particular market sectors (such as the digital health industry); (v) the demand for, and supply of, capital; and (vi) terrorism or other hostilities.

18. PROMOTERS

Other than Hybrid Financial Ltd., management is not aware of any person or company who could be characterized as a promoter of the Resulting Issuer within the two years immediately preceding the date of this Listing Statement.

In consideration for the Empatho Shares owned by Hybrid Financial Ltd., Hybrid Financial Ltd. was issued the following Resulting Issuer Shares in connection with the Transaction:

Name	Number and Percentage of Common Shares Owned After Transaction
Hybrid Financial Ltd.	13,900,000 (19.21%)

To date, Hybrid Financial Ltd. has received $542,000 from Empatho in connection with monthly fees pursuant to an agreement between the companies, including for services such as monthly reports and email tracking. Hybrid Financial Ltd. received a further $113,000 from Empatho in connection with a one-time fee for capital market services provided during Empatho's offering, such as calls to North American Investment Professionals and a customized database.

Other than the forgoing, no money, property, contracts, options, rights or other things of value have been or are expected to be received by Hybrid Financial Ltd. from the Resulting Issuer.

No promoter of the Resulting Issuer, is or has been, within the ten years preceding the date of this Listing Statement, a director, chief executive officer, chief financial officer of any company that:

a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or
b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this Listing Statement, an "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

19. LEGAL PROCEEDINGS

Legal Proceedings

To the knowledge of the Resulting Issuer, there are no legal proceedings material to the Resulting Issuer to which the Resulting Issuer is a party or of which any of its property is thesubject matter, and there are no such proceedings known to the Resulting Issuer to be contemplated.

Regulatory Actions

The Resulting Issuer is not subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Resulting Issuer entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessaryto provide full, true and plain disclosure of all material facts relating to the Resulting Issuer's securities or would be likely to be likely.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or unitholder or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Resulting Issuer Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement which has materially affected or is reasonably expected to materially affect the Resulting Issuer or a subsidiary of the Resulting Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

MNP LLP, having an address at 111 Richmond St W Suite 300, Toronto, ON M5H 2G4. MNP LLP was appointed as the auditor of the Resulting Issuer upon completion of the Transaction.

Transfer Agent and Registrar

Capital Transfer Agency ULC, of 390 Bay St. Suite 920, Toronto, ON M5H 2Y2, is the transfer agent who maintains the securities register and the register of transfers for the Resulting Issuer Shares

22. MATERIAL CONTRACTS

The Resulting Issuer has entered into the following material contracts other than contracts entered into in the ordinary course of business:

(a) Escrow Agreement dated December 13, 2021 among Shane, Capital Transfer Agency ULC, and certain insiders of the Resulting Issuer.

(b) Business Combination Agreement dated October 29, 2021 among Shane, Empatho and Subco.

(c) Subscription Receipt Agreement dated June 29, 2021 among Empatho, First Republic Capital Corporation and Garfinkle Biderman LLP.

(d) Warrant Indenture dated July 12, 2021 among Empatho and Capital Transfer Agency ULC.

(e) Supplemental Warrant Indenture dated December 13, 2021 among the Resulting Issuer and and Capital Transfer Agency ULC.

Copies of these agreements are or will be made available upon request from the Resulting Issuer at 222 Bay Street, P.O. Box 37, 2600, Toronto, Ontario, Canada, M5K 1B7 at any time during ordinary business hours.

23. INTEREST OF EXPERTS

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an Associate or Affiliate of the Resulting Issuer. The Auditor is independent of the Resulting Issuer in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of Ontario.

24. OTHER MATERIAL FACTS

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Resulting Issuer and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer and its securities.

25. FINANCIAL STATEMENTS

Financial statement of Shane and Empatho:

Schedule “A” contains the audited financial statements of Shane for the years ended December 31, 2020, 2019, and 2018 and the unaudited condensed interim financial statements for the nine-month period ended September 30, 2021.

Schedule “C” contains the audited financial statements of Empatho for the period from incorporation to October 31, 2021.

Schedule “E” contains a pro forma financial statement of the Resulting Issuer as at October 31, 2021 after giving effect to the Transaction as if it had been completed on that date.

Management Discussion and Analysis of Shane and Empatho:

Schedule “B” contains Shane’s annual MD&A for the years ended December 31, 2020, 2019, and 2018 and for the nine-month period ended September 30, 2021.

Schedule “D” contains Empatho’s MD&A for the period from incorporation to October 31, 2021.

CERTIFICATE OF EMPATHO HOLDINGS INC.

The foregoing contains full, true and plain disclosure of all material information relating to Empatho Holdings Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 21st day of December, 2021.

/s/ "Yan Namer"	*/s/ "John Ross"*
Yan Namer, CEO	John Ross, CFO
/s/ "Andre Peschong"	*/s/ "Rakesh Jetly"*
Andre Peschong, Director	Rakesh Jetly, Director

SCHEDULE "A"

(See attached)

SHANE RESOURCES LTD.
207-120 Sonnenschein Way
Saskatoon, SK
S7M 0W2

SHANE RESOURCES LTD.

Annual Financial Statements

For the years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

Stern & Lovrics LLP
Chartered Professional Accountants

Samuel V. Stern, BA, CPA, CA
George G. Lovrics, BComm, CPA, CA

Nazli Dewji, BA, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shane Resources Ltd.

Opinion

We have audited the financial statements of Shane Resources Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of operations and comprehensive loss, changes in shareholders equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that for the year ended December 31, 2020, the Company had a net loss and comprehensive loss of $52,542 (2019 – $88,106) and an accumulated deficit of $6,877,534 (2019 - $6,824,992). As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is George G. Lovrics.

Stern & Lovrics LLP

Toronto, Ontario
April 29, 2021

Chartered Professional Accountants
Licensed Public Accountants

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

SHANE RESOURCES LTD.

STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	December 31, 2020	December 31, 2019
ASSETS		
Current		
Cash	$ 19,182	$ -
Receivables	10,548	3,020
	$ 29,730	$ 3,020
LIABILITIES		
Current		
Accounts payable	$ 19,836	$ 31,000
	19,836	31,000
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 5)	6,887,428	6,797,012
Deficit	(6,877,534)	(6,824,992)
	9,894	(27,980)
	$ 29,730	$ 3,020

Nature of operations (Note 1)
Going Concern (Note 2)
Subsequent Event (Note 9)
The accompanying notes are an integral part of the annual financial statements.

Approved and authorized by the Board of Directors on April 29, 2021:

"Binyomin Posen"
Director

"Sendi Shorser"
Director

SHANE RESOURCES LTD.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the years ended	
	December 31, 2020	**December 31, 2019**
Operating costs for the year		
Public company fees	$ 975	$ 20,086
Management and consulting fees (Note 7)	-	28,500
Professional fees	51,567	39,520
Net loss and comprehensive loss for the year	$ 52,542	$ 88,106
Loss per share - basic and diluted	$ (0.00)	$ (0.00)
Weighted average common shares	21,705,021	1,892,185

The accompanying notes are an integral part of the annual financial statements.

SHANE RESOURCES LTD.

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the years ended	
	December 31, 2020	**December 31, 2019**
Cash flows used in operating activities		
Net loss for the year	$ (52,542)	$ (88,106)
Non-cash working capital item changes:		
Receivables	(7,528)	(2,394)
Accounts payable	3,836	18,500
	(56,234)	(72,000)
Cash flows provided by financing activities		
Issuance of share capital	75,416	72,000
	75,416	72,000
Change in cash during the year	19,182	-
Cash, beginning of year	-	-
Cash, end of year	$ 19,182	$ -
Cash (paid) received during the year for income taxes and interest	$ -	$ -

The accompanying notes are an integral part of the annual financial statements.

SHANE RESOURCES LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in Canadian Dollars)

	Number of Shares*	Capital Stock	Deficit	Total
Balance December 31, 2018	**662,231**	**$ 6,725,012**	**$ (6,736,886)**	**$ (11,874)**
Issuance of shares	2,141,754	72,000	-	72,000
Loss for the period	-	-	(88,106)	(88,106)
Balance December 31, 2019	**2,803,985**	**6,797,012**	**(6,824,992)**	**(27,980)**
Issuance of shares for cash, net of costs	17,892,661	70,879	-	70,879
Issuance of shares for cash	907,339	4,537	-	4,537
Issuance of shares for debt	3,000,000	15,000	-	15,000
Loss for the period	-	-	(52,542)	(52,542)
Balance December 31, 2020	**24,603,985**	**$ 6,887,428**	**$ (6,877,534)**	**$ 9,894**

*The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a one new for 40 old basis effective June 5, 2020. Fractional shares were rounded down. Prior year number of shares outstanding have been adjusted to reflect this change as if it had occurred at the beginning of the year.

The accompanying notes are an integral part of the annual financial statements.

1. Nature of Operations

Shane Resources Ltd. (the "Company") is a corporation incorporated under the laws of Saskatchewan.

On January 31, 2014, the shareholders, on a "majority of minority" basis, authorized the delisting of the Company's shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order of its cease trade order dated June 11, 2014, which allowed the Company complete the following transactions: (i) entered into a loan agreement with an arm's length lender in the amount of $10,000 which is convertible into 500,000 common shares of the Company at $0.02 per share and 500,000 warrants of the Company at an exercise price of $0.08 per share; (ii) issued 1,000,000 common shares at $0.02 per share to raise a total of $20,000; and (iii) issued 155,672 common shares at $0.02 per share for cash proceeds of $3,113 and 486,082 common shares at $0.08 for cash proceeds of $38,887.

As a result of the above transactions in 2019, Loomac Management Ltd. beneficially owned and controlled a total of 69% of the issued common shares of the Company. If Loomac Management Ltd. exercised all its warrants, it would have beneficially owned approximately 75% of the issued and outstanding common shares of the Company on a fully diluted basis, at that time.

On November 12, 2019, the Company announced that on November 8, 2019 the Financial and Consumers Affairs Authority, Securities Division of Saskatchewan issued an order revoking its previously issued cease trade order in respect of the securities of the Corporation.

In 2020, the Company completed the following transactions: (i) issued 17,892,661 common shares for proceeds of $89,463 before costs of $18,584 were applied against the proceeds; (ii) issued 907,339 common shares for proceeds of $4,537; (iii) issued 3,000,000 shares to settle creditor debts in the amount of $15,000.

As a result of the above transactions, at December 31, 2020, KW Capital Partners ("**KW**") beneficially owned and controlled a total of 36% of the issued common shares of the Company. If KW exercised all its warrants, it would have beneficially owned approximately 36% of the issued and outstanding common shares of the Company on a fully diluted basis, at that time.

2. Going Concern

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at December 31, 2020, the Company had a net loss of $52,542 (December 31, 2019 - $88,106) and an accumulated deficit of $6,877,534 (December 31, 2019 - $6,824,992). The Company's liquidity is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

The Company has not generated revenue from operations and will require additional financing to maintain its operations and activities. These material uncertainties and conditions may cast significant doubt as to the Company's ability to continue as a going concern.

The 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.

3. Basis of Presentation

Statement of compliance

These financial statements 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").

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issue by the Board of Directors on April 29, 2021.

Basis of measurement

These financial statements are presented in Canadian dollars, unless otherwise stated.

Critical accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Critical judgments in applying accounting policies

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 2.

4. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with IFRS and reflect the following significant accounting policies:

Financial Instruments

All financial assets not classified at amortized cost or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss ('FVTPL"). On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The Company classified cash and accounts receivable at amortized cost and accounts payable at amortized cost.

Impairment of financial assets:

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As at December 31, 2020 and December 31, 2019, the Company did not have any financial instruments recorded at fair value.

Impairment of long lived assets

At each financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted per share computations, assumptions are made regarding potential common shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the year, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probably that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probably that future taxable profit will allow the deferred tax asset to be recovered.

Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

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

Foreign currency translation

The functional currency and the reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currency are translated into Canadian dollars at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates.

Any gains or losses resulting from translation have been included in the statement of operations and comprehensive loss.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and other events from other than the Company's shareholders. Gains and losses that would otherwise be recorded as part of net earnings is presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, net loss was the same as comprehensive loss.

Changes in Accounting Policies

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for the Company's accounting period beginning on January 1, 2020. The following amendment has been adopted:

IFRS 16, Leases ("IFRS 16") On January 13, 2016, the IASB published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. On January 1, 2020, the Company adopted IFRS 16. The adoption of this standard does not have a material impact on the Company's consolidated financial statements.

5. Capital Stock and Reserves

On June 5, 2020 the Company completed a consolidation of its share capital on a one new for forty old basis. The share and per share amounts have been adjusted within these financial statements to reflect the share consolidation

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares issuable in series. The issued common shares in the Company are as follows:

(Expressed in Canadian Dollars)

	Common Shares #	Amount $
Balance, December 31, 2018	662,231	6,725,012
Issued for cash	2,141,754	72,000
Balance, December 31, 2019	2,803,985	6,797,012
Issued for cash, net of costs	17,892,661	70,879
Issued for cash	907,339	4,537
Issued for debt	3,000,000	15,000
Balance, December 31, 2020	24,603,985	6,887,428

On June 5, 2020, the Company effected a share consolidation, with forty pre-Consolidation common shares exchanged for one post-Consolidation share. Fractional shares were rounded down. Prior numbers of shares outstanding have been adjusted to reflect this change as if it had occurred at the beginning of the period.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to the conversion of a loan in the amount of $10,000 advanced by Loomac Management Ltd. to the Company, 500,000 units of the Company at a price of $0.02 per unit. Each unit consists of one common share and one common share purchase warrant ("warrant"), each warrant entitling the holder to purchase one additional common share at an exercise price of $0.08 per share until May 27, 2024. The common shares, the warrants and the common shares issuable upon exercise of the warrants are subject to a statutory four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to a private placement, beneficial ownership and control of 1,000,000 common shares at a price of $0.02 per share which have a four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan.

On June 25, 2019, the Company closed a private placement where the Company issued (i) 155,672 common shares, at a subscription price of $0.02 per common share; and (ii) 486,082 common shares, at a subscription price of $0.08 per common share. The common shares are subject to a statutory four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan.

On February 18, 2020, the Company issued 17,892,661 common shares for proceeds of $89,463. Costs of $18,584 were applied against the proceeds. The common shares are subject to a statutory four-month hold period.

On February 21, 2020, the Company issued 907,339 common shares for proceeds of $4,537. Concurrently, the Company issued 3,000,000 shares to settle creditor debts in the amount of $15,000. These shares were subject to a statutory four-month hold period.

(Expressed in Canadian Dollars)

Stock Options

The Company has established a share-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Company as well as persons providing ongoing services to the Company. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. Unless otherwise determined by the Board of Directors of the Company (the "Board"), the exercise price of options equals at least the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term in accordance with TSX Venture Exchange policy.

Options Granted

During the years ended December 31, 2020 and 2019, the Company granted no stock options and had no stock options outstanding.

Warrants

The following is a summary of warrants outstanding as at December 31, 2020 and December 31, 2019:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2019	-	$ -
Issued	500,000	0.08
Outstanding at December 31, 2020	500,000	0.08

As at December 31, 2020, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Contractual Life (years)	Expiry Date
500,000	$ 0.08	3.41	May 27, 2024

6. Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

(Expressed in Canadian Dollars)

	For the years ended December 31, 2020	December 31, 2019
Loss before income taxes	$ (52,542)	$ (88,106)
Combined federal and provincial statutory income tax rate	27%	27%
Expected income tax recovery at statutory tax rates	(14,186)	(24,000)
Share issue costs	(3,717)	-
Change in unrecognized deductible temporary differences	17,903	24,000
Total future income tax recovery	**$ -**	**$ -**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31 2020	Expiry	December 31 2019	Expiry
Property and equipment	$ 1,000	No expiry	$ 1,000	No expiry
Share issue costs	14,900	2021-2024	-	-
Non-capital losses available for future periods	464,000	2026-2039	412,000	2026-2038
Exploration and evaluation assets	417,000	No expiry	417,000	No expiry

Tax attributes are subject to review and potential adjustment by tax authorities.

7. Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

(Expressed in Canadian Dollars)

Remuneration attributed to key management personnel can be summarized as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Consulting and professional fees	$ -	$ 28,500
	$ -	$ 28,500

Other related parties

Fees during 2019 related to $5,000 for each director and $13,500 for CFO fees. As at December 31, 2020 and 2019 there were no accounts payable to these individuals.

8. Financial Instruments and Capital Risk Management

The Company's financial instruments consist of receivables, and accounts payable.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's receivables consist of GST/HST receivable due from the government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company as of December 31, 2020 has cash on hand of $19,182 and $19,836 in current liabilities. The Company is exposed to liquidity risk.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the interest rate is low, as the Company has no investments with variable interest rates.

b) Foreign currency risk

As at December 31, 2020, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

Capital management

The Company manages the capital structure and makes adjustments to it in light of 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 debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

9. Subsequent Event

On April 9, 2021, the Company announced it has entered a letter of intent ("**LOI**") with Empatho Corp. an Artificial Intelligence company with a presence in the virtual wellness sector, to complete a business transaction by way of reverse takeover. The final structure of the Company is to be determined following receipt of tax, corporate and securities law advice.

SHANE RESOURCES LTD.
207-120 Sonnenschein Way
Saskatoon, SK
S7M 0W2

SHANE RESOURCES LTD.

Annual Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

Stern & Lovrics LLP

Chartered Professional Accountants

Samuel V. Stern, BA, CPA, CA

George G. Lovrics, BComm, CPA, CA

Nazli Dewji, BA, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shane Resources Ltd.

Opinion

We have audited the financial statements of Shane Resources Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and comprehensive loss, changes in shareholders equity (deficiency) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that the Company had a working capital deficit of $27,980. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 27, 2019.

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is George G. Lovrics.

Stern & Lovrics LLP

Toronto, Ontario
April 29, 2020

Chartered Professional Accountants
Licensed Public Accountants

SHANE RESOURCES LTD.

STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	December 31, 2019	December 31, 2018
ASSETS		
Current		
Receivables	$ 3,020	$ 626
	$ 3,020	$ 626
LIABILITIES		
Current		
Accounts payable	$ 31,000	$ 12,500
	31,000	12,500
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 5)	6,797,012	6,725,012
Deficit	(6,824,992)	(6,736,886)
	(27,980)	(11,874)
	$ 3,020	$ 626

Nature of operations (Note 1)
Going Concern (Note 2)
Subsequent Event (Note 9)
The accompanying notes are an integral part of the annual financial statements.

Approved and authorized by the Board of Directors on April 29, 2020:

"Binyomin Posen"
Director

"Sendi Shorser"
Director

SHANE RESOURCES LTD.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the years ended December 31, 2019	December 31, 2018
Operating costs for the year		
Public company fees	$ 20,086	$ -
Management and consulting fees (Note 7)	28,500	12,500
Professional fees	39,520	-
Net loss and comprehensive loss for the year	$ 88,106	$ 12,500
Loss per share - basic and diluted	$ (0.00)	$ (0.00)
Weighted average common shares	75,688,915	26,490,750

The accompanying notes are an integral part of the annual financial statements.

SHANE RESOURCES LTD.

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the years ended December 31, 2019	For the years ended December 31, 2018
Cash flows used in operating activities		
Net loss for the year	$ (88,106)	$ (12,500)
Non-cash working capital item changes:		
Receivables	(2,394)	-
Payables and accrued liabilities	18,500	12,500
	(72,000)	-
Cash flows provided by financing activities		
Issuance of share capital	72,000	-
	72,000	-
Change in cash during the year	-	-
Cash, beginning of year	-	-
Cash, end of year	$ -	$ -
Cash (paid) received during the year for income taxes and interest	$ -	$ -

The accompanying notes are an integral part of the annual financial statements.

SHANE RESOURCES LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Deficit	Total
Balance December 31, 2017	**26,490,750**	**$ 6,725,012**	**$ (6,724,386)**	**$ 626**
Loss for the year	-	-	(12,500)	(12,500)
Balance December 31, 2018	**26,490,750**	**6,725,012**	**(6,736,886)**	**(11,874)**
Issuance of shares	85,670,160	72,000	-	72,000
Loss for the period	-	-	(88,106)	(88,106)
Balance December 31, 2019	**112,160,910**	**$ 6,797,012**	**$ (6,824,992)**	**$ (27,980)**

The accompanying notes are an integral part of the annual financial statements.

1. Nature of Operations

Shane Resources Ltd. (the "Company") is a corporation incorporated under the laws of Saskatchewan.

On January 31, 2014, the shareholders, on a "majority of minority" basis, authorized the delisting of the Company's shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order of its cease trade order dated June 11, 2014, which variation order: (i) authorized the Company to enter into a loan agreement with an arm's length lender in the amount of $10,000 which is convertible into 20,000,000 common shares of the Company at $0.0005 per share and 20,000,000 warrants of the Company at an exercise price of $0.002 per share; and (ii) authorized the Company to distribute common shares to raise a total of $62,000, of which the Company proposes to issue 46,226,875 common shares at $0.0005 per share and 19,443,285 common shares at $0.002 per share.

On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order (the "variation order") to vary a cease trade order issued against the Company on June 11, 2014 (the "CTO"), which variation order was solely for the purpose of allowing the Company to enter into the loan agreement, the conversion of the loan and the private placement. The securities issued pursuant to the conversion of loan and the private placement are subject to the CTO. There is no guarantee that the CTO will be fully revoked and until such time as the CTO is fully revoked, the securities will remain subject to the CTO.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to the conversion of a loan in the amount of $10,000 advanced by Loomac Management Ltd. to the company, 20,000,000 units of the Company at a price of $0.0005 per unit. Each unit consists of one common share and one common share purchase warrant ("warrant"), each warrant entitling the holder to purchase one additional common share at an exercise price of $0.002 per share until May 27, 2024. The common shares, the warrants and the common shares issuable upon exercise of the warrants are subject to a statutory four-month holder period and the CTO.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to a private placement, beneficial ownership and control of 40,000,000 common shares at a price of $0.0005 per share. The common shares are subject to a statutory four-month holder period and the CTO.

As a result of the above transactions, Loomac Management Ltd. now beneficially owns and controls a total of 60,000,000 common shares which represents 69.37% of the issued common shares of the Company. If

Loomac Management Ltd. exercises all the warrants, it would beneficially own 80,000,000 common shares of the Company, which would represent approximately 75.12% of the issued and outstanding common shares of the Company on a fully diluted basis.

On June 25, 2019, the Company has also closed the private placement where the Company issues (i) 6,226,875 common shares, at a subscription price of $0.0005 per common share; and (ii) 19,443,285 common shares, at a subscription price of $0.002 per common share. The common shares are subject to a statutory four month hold period and the CTO.

On November 12, 2019, the Company announced that on November 8, 2019 the Financial and Consumers Affairs Authority, Securities Division of Saskatchewan issued an order revoking its previously issued cease trade order in respect of the securities of the Corporation.

2. Going Concern

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at December 31, 2019, the Company had a working capital deficit of $27,980. The Company's liquidity is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

The Company has not generated revenue from operations and will require additional financing to maintain its operations and activities. These material uncertainties and conditions may cast significant doubt as to the Company's ability to continue as a going concern.

The 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.

3. Basis of Presentation

Statement of compliance

These financial statements 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").

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issue by the Board of Directors on April 29, 2020.

Basis of measurement

These financial statements are presented in Canadian dollars, unless otherwise stated.

Critical accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Critical judgments in applying accounting policies

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 2.

4. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with IFRS and reflect the following significant accounting policies:

Financial Instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:
(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss; and
(ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income or loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company has implemented the following classifications:

- Cash is classified as an asset at fair value and any period end change in fair value is recorded in profit or loss.
- All current liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken to profit and loss or other comprehensive income or loss (an irrevocable election at the time of recognition).

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

See Note 8 for additional information on the classification of the Company’s financial instruments.

Impairment of long lived assets

At each financial position reporting date the carrying amounts of the Company’s long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted per share computations, assumptions are made regarding potential common shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the year, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probably that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probably that future taxable profit will allow the deferred tax asset to be recovered.

Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

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

Foreign currency translation

The functional currency and the reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currency are translated into Canadian dollars at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates.

Any gains or losses resulting from translation have been included in the statement of operations and comprehensive loss.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and other events from other than the Company's shareholders. Gains and losses that would otherwise be recorded as part of net earnings is presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, net loss was the same as comprehensive loss.

Recent Accounting Pronouncements

On January 13, 2016, the IASB issued IFRS 16 – Leases, the new leases standard. The standard is effective for periods beginning on or after January 1, 2019. There was no material impact to the Company's financial statements as a result of adopting this new standard.

The Company has initially adopted *IFRS 15 Revenue from contracts with customers* and *IFRS 9 Financial instruments* from January 1, 2018. The effect of initially applying these standards did not have a material impact on the Company's financial statements. In the case of IFRS 15, because the Company does not have any revenue from contracts with customers the adoption of this standard did not have any effect on the Company's financial statements.

IFRS 9 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces *IAS 39 Financial instruments: recognition and measurement*. There was no material impact to the Company's financial statements as a result of transitioning to IFRS 9.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(a) Classification and measurement of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of "held to maturity", "loans and receivables" and "available for sale".

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the classification and measurement of financials assets is set out int the following paragraph.

A financial asset is classified as measured at "amortized cost", "fair value through other comprehensive income (FVOCI)" or "fair value through profit and loss (FVTPL)". The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets, which consist of receivables, are classified at FVTPL.

(b) Impairment of financial assets

An "expected credit loss (ECL)" model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of receivables.

The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets on the transition date given that the receivables are substantially all current and that the Company's financial assets are not of a nature which is subject to customer default.

5. Capital Stock and Reserves

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares issuable in series. As at December 31, 2019 the Company had 112,160,910 common shares outstanding and at December 31, 2018, the Company had 26,490,750 common shares outstanding

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to the conversion of a loan in the amount of $10,000 advanced by Loomac Management Ltd. to the Company, 20,000,000 units of the Company at a price of $0.0005 per unit. Each unit consists of one common share and one common share purchase warrant ("warrant"), each warrant entitling the holder to purchase one additional common share at an exercise price of $0.002 per share until May 27, 2024. The common shares, the warrants and the common shares issuable upon exercise of the warrants are subject to a statutory four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to a private placement, beneficial ownership and control of 40,000,000 common shares at a price of $0.0005 per share which have a four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan.

On June 25, 2019, the Company has also closed the private placement where the Company issues (i) 6,226,875 common shares, at a subscription price of $0.0005 per common share; and (ii) 19,443,285 common shares, at a subscription price of $0.002 per common share. The common shares are subject to a statutory four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan.

<u>Stock Options</u>

The Company has established a share-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Company as well as persons providing ongoing services to the Company. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. Unless otherwise determined by the Board of Directors of the Company (the "Board"), the exercise price of options equals at least the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term in accordance with TSX Venture Exchange policy.

(Expressed in Canadian Dollars)

Options Granted

During the years ended December 31, 2019 and 2018, the Company granted no stock options and had no stock options outstanding.

Warrants

The following is a summary of warrants outstanding as at December 31, 2019 and December 31, 2018:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2018	-	$ -
Issued	20,000,000	0.002
Outstanding at December 31, 2019	20,000,000	0.002

As at December 31, 2019, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Contractual Life (years)	Expiry Date
20,000,000	$ 0.002	4.41	May 27, 2024

(Expressed in Canadian Dollars)

6. Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

	For the years ended December 31, 2019	For the years ended December 31, 2018
Loss before income taxes	$ (88,106)	$ (12,500)
Combined federal and provincial statutory income tax rate	27%	27%
Expected income tax recovery at statutory tax rates	(24,000)	(3,000)
Permanent difference	-	-
Impact of future tax rates applied versus current statutory rate and other	-	-
Change in unrecognized deductible temporary differences	24,000	3,000
Total future income tax recovery	**$ -**	**$ -**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31 2018	Expiry	December 31 2018	Expiry
Property and equipment	$ 1,000	No expiry	$ 1,000	No expiry
Non-capital losses available for future periods	412,000	2026-2038	324,000	2026-2037
Exploration and evaluation assets	417,000	No expiry	417,000	No expiry

Tax attributes are subject to review and potential adjustment by tax authorities.

7. Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

(Expressed in Canadian Dollars)

Remuneration attributed to key management personnel can be summarized as follows:

	For the year ended December 31, 2019	December 31, 2018
Consulting and professional fees	$ 28,500	$ 7,500
	$ 28,500	$ 7,500

Other related parties

Fees during 2019 related to $5,000 for each director and $13,500 for CFO fees. As at December 31, 2019, $Nil (December 31, 2018, $7,500) was included in accounts payable due to the CFO of the Company.

8. Financial Instruments and Capital Risk Management

The Company's financial instruments consist of receivables, and accounts payable.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's receivables consist of GST/HST receivable due from the government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company as of December 31, 2019 has cash on hand of $Nil and $31,000 in current liabilities. The Company is exposed to liquidity risk.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the interest rate is low, as the Company has no investments with variable interest rates.

b) Foreign currency risk

As at December 31, 2019, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

Capital management

The Company manages the capital structure and makes adjustments to it in light of 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 debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

9. Subsequent Event

On February 18, 2020, the Company issued 715,706,455 common shares for proceeds of $89,463. The common shares are subject to a statutory four-month hold period.

On February 21, 2020, the Company issued 36,293,545 common shares for proceeds of $4,537. Concurrently, the Company issued 120,000,000 shares to settle creditor debts in the amount of $15,000. These shares were subject to a statutory four-month hold period.

SHANE RESOURCES LTD.
207-120 Sonnenschein Way
Saskatoon, SK
S7M 0W2

SHANE RESOURCES LTD.

Annual Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Shane Resources Ltd.

Opinion

We have audited the accompanying financial statements of Shane Resources Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2018 and 2017 and the statements of operations and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that the Company incurred a net loss of $12,500 during the year ended December 31, 2018 and, as of that date, the Company's total deficit was $6,736,886. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Erez Bahar.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

June 27, 2019

SHANE RESOURCES LTD.

STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	December 31, 2018	December 31, 2017
ASSETS		
Current		
Receivables	$ 626	$ 626
	$ 626	$ 626
LIABILITIES		
Current		
Accounts payable	$ 12,500	$ -
	$ 12,500	$ -
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 5)	6,725,012	6,725,012
Deficit	(6,736,886)	(6,724,386)
	(11,874)	626
	$ 626	$ 626

Nature of operations (Note 1)
Going Concern (Note 2)
Subsequent Event (Note 9)
The accompanying notes are an integral part of the annual financial statements.

Approved and authorized by the Board of Directors on June 27, 2019:

"KYLE KOZUSKA"
Director

"GREG BIRCH"
Director

SHANE RESOURCES LTD.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the years ended	
	December 31, 2018	**December 31, 2017**
Operating costs for the year		
Administrative Fees	$ 12,500	$ -
	12,500	-
Net loss and comprehensive loss for the year	$ 12,500	$ -
Loss per share - basic and diluted	$ (0.00)	$ (0.00)
Weighted average common shares	26,490,750	26,490,750

The accompanying notes are an integral part of the annual financial statements.

SHANE RESOURCES LTD.

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the years ended December 31, 2018	For the years ended December 31, 2017
Cash flows used in operating activities		
Net loss for the year	$ (12,500)	$ -
Non-cash working capital item changes:		
Payables and accrued liabilities	12,500	-
Change in cash during the year	-	-
Cash, beginning of year	-	-
Cash, end of year	$ -	$ -
Cash (paid) received during the year for income taxes and interest	$ -	$ -

The accompanying notes are an integral part of the annual financial statements.

SHANE RESOURCES LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Deficit	Total
Balance December 31, 2016	**26,490,750**	**$ 6,725,012**	**$ (6,724,386)**	**$ 626**
Loss for the year	-	-	-	-
Balance December 31, 2017	**26,490,750**	**6,725,012**	**(6,724,386)**	**626**
Loss for the year	-	-	(12,500)	(12,500)
Balance December 31, 2018	**26,490,750**	**$ 6,725,012**	**$ (6,736,886)**	**$ (11,874)**

The accompanying notes are an integral part of the annual financial statements.

1. Nature of Operations

Shane Resources Ltd. (the "Company") is a corporation incorporated under the laws of Saskatchewan.

On January 31, 2014, the shareholders, on a "majority of minority" basis, authorized the delisting of the Company's shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order of its cease trade order dated June 11, 2014, which variation order: (i) authorized the Company to enter into a loan agreement with an arm's length lender in the amount of $10,000 which is convertible into 20,000,000 common shares of the Company at $0.0005 per share and 20,000,000 warrants of the Company at an exercise price of $0.002 per share; and (ii) authorized the Company to distribute common shares to raise a total of $62,000, of which the Company proposes to issue 46,226,875 common shares at $0.0005 per share and 19,443,285 common shares at $0.002 per share.

2. Going Concern

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at December 31, 2018, the Company had a working capital deficit of $11,874. The Company's liquidity is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

The Company has not generated revenue from operations and will require additional financing to maintain its operations and activities. These material uncertainties and conditions may cast significant doubt as to the Company's ability to continue as a going concern.

The 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.

3. Basis of Presentation

Statement of compliance

These financial statements 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").

This is the first set of the Company's financial statements where IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in Note 4.

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issue by the Board of Directors on June 27, 2019.

Basis of measurement

These financial statements are presented in Canadian dollars, unless otherwise stated.

Critical accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Critical judgments in applying accounting policies

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 2.

4. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with IFRS and reflect the following significant accounting policies:

Financial Instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:
(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss; and
(ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income or loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company has implemented the following classifications:

- Cash is classified as an asset at fair value and any period end change in fair value is recorded in profit or loss.
- All current liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken to profit and loss or other comprehensive income or loss (an irrevocable election at the time of recognition).

4. Significant Accounting Policies (cont'd…)

Financial Instruments (cont'd…)

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

See Note 8 for additional information on the classification of the Company's financial instruments.

Impairment of long lived assets

At each financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted per share computations, assumptions are made regarding potential common shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the year, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

4. Significant Accounting Policies (cont'd…)

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probably that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probably that future taxable profit will allow the deferred tax asset to be recovered.

Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

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

4. Significant Accounting Policies (cont'd…)

Foreign currency translation

The functional currency and the reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currency are translated into Canadian dollars at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates.

Any gains or losses resulting from translation have been included in the statement of operations and comprehensive loss.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and other events from other than the Company's shareholders. Gains and losses that would otherwise be recorded as part of net earnings is presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, net loss was the same as comprehensive loss.

Recent Accounting Pronouncements

The Company has initially adopted *IFRS 15 Revenue from contracts with customers* and *IFRS 9 Financial instruments* from January 1, 2018. The effect of initially applying these standards did not have a material impact on the Company's financial statements. In the case of IFRS 15, because the Company does not have any revenue from contracts with customers the adoption of this standard did not have any effect on the Company's financial statements.

4. Significant Accounting Policies (cont'd…)

Recent Accounting Pronouncements (cont'd…)

IFRS 9 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces *IAS 39 Financial instruments: recognition and measurement*. There was no material impact to the Company's financial statements as a result of transitioning to IFRS 9.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(a) Classification and measurement of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of "held to maturity", "loans and receivables" and "available for sale".

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the classification and measurement of financials assets is set out int the following paragraph.

A financial asset is classified as measured at "amortized cost", "fair value through other comprehensive income (FVOCI)" or "fair value through profit and loss (FVTPL)". The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets, which consist of receivables, are classified at FVTPL.

(b) Impairment of financial assets

An "expected credit loss (ECL)" model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of receivables.

The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets on the transition date given that the receivables are substantially all current and that the Company's financial assets are not of a nature which is subject to customer default.

On January 13, 2016, the IASB issued IFRS 16 – Leases, the new leases standard. The standard is effective for periods beginning on or after January 1, 2019. The Company has analyzed the impact of adopting IFRS 16 and anticipates that there will be no material changes as a result of adopting this new standard.

5. Capital Stock and Reserves

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares issuable in series. As at December 31, 2018 and 2017, the Company had 26,490,750 common shares outstanding.

Stock Options

The Company has established a share-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Company as well as persons providing ongoing services to the Company. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. Unless otherwise determined by the Board of Directors of the Company (the "Board"), the exercise price of options equals at least the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term in accordance with TSX Venture Exchange policy.

Options Granted

During the years ended December 31, 2018 and 2017, the Company granted no stock options and had no stock options outstanding.

Warrants

The Company had no outstanding share purchase warrants as at or during the years ended December 31, 2018 and 2017.

(Expressed in Canadian Dollars)

6. Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

	For the years ended December 31, 2018	December 31, 2017
Loss before income taxes	$ (12,500)	$ -
Combined federal and provincial statutory income tax rate	27%	26%
Expected income tax recovery at statutory tax rates	(3,000)	-
Permanent difference	-	-
Impact of future tax rates applied versus current statutory rate and other	-	-
Change in unrecognized deductible temporary differences	3,000	-
Total future income tax recovery	**$ -**	**$ -**

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been remeasured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

The significant components of the Company’s temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31 2018	Expiry	December 31 2017	Expiry
Property and equipment	$ 1,000	No expiry	$ 1,000	No expiry
Non-capital losses available for future periods	324,000	2026-2037	324,000	2025-2036
Exploration and evaluation assets	417,000	No expiry	417,000	No expiry

Tax attributes are subject to review and potential adjustment by tax authorities.

(Expressed in Canadian Dollars)

7. Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the year ended December 31, 2018	December 31, 2017
Consulting and professional fees	$ 7,500	$ -
	$ 7,500	$ -

Other related parties

As at December 31, 2018, $7,500 (December 31, 2017, $nil) was included in accounts payable due to the CFO of the Company

8. Financial Instruments and Capital Risk Management

The Company's financial instruments consist of receivables, and accounts payable.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's receivables consist of GST/HST receivable due from the government of Canada. The Company does not believe it is exposed to significant credit risk.

8. Financial Instruments and Capital Risk Management (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company as of December 31, 2018 has no cash on hand and $12,500 in current liabilities. The Company is exposed to liquidity risk.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the interest rate is low, as the Company has no investments with variable interest rates.

b) Foreign currency risk

As at December 31, 2018, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

8. Financial Instruments and Capital Risk Management (cont'd…)

Capital management

The Company manages the capital structure and makes adjustments to it in light of 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 debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

9. Subsequent Event

On June 25, 2019 the Company announced that it has entered into a loan agreement (the "loan agreement") with an arm's length lender to borrow $10,000 (the "loan") which loan has been converted into 20,000,000 units of the Company at a price of $0.0005 per unit. Each unit consists of one common share and one common share purchase warrant ("warrant"), each warrant entitling the holder to purchase one additional common share at an exercise price of $0.002 per share until May 27, 2024. The common shares, the warrants and the common shares issuable upon exercise of the warrants are subject to a statutory four-month holder period and the CTO defined below.

The Company has also closed the private placement where the Company issues (i) 46,226,875 common shares, at a subscription price of $0.0005 per common share; and (ii) 19,443,285 common shares, at a subscription price of $0.002 per common share. The common shares are subject to a statutory four month hold period and the CTO defined below.

On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order (the "variation order") to vary a cease trade order issued against the Company on June 11, 2014 (the "CTO"), which variation order was solely for the purpose of allowing the Company to enter into the loan agreement, the conversion of the loan and the private placement. The securities issued pursuant to the conversion of loan and the private placement are subject to the CTO. There is no guarantee that the CTO will be fully revoked and until such time as the CTO is fully revoked, the securities will remain subject to the CTO.

SHANE RESOURCES LTD.

Condensed Interim Financial Statements

For the nine months ended September 30, 2021 and 2020

(unaudited)

(Expressed in Canadian Dollars)

SHANE RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	September 30, 2021	December 31, 2020
ASSETS		
Current		
Cash	$ 11,416	$ 19,182
Receivables	11,100	10,548
	$ 22,516	$ 29,730
LIABILITIES		
Current		
Accounts payable	$ 62,020	$ 19,836
	62,020	19,836
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 5)	6,887,428	6,887,428
Deficit	(6,926,932)	(6,877,534)
	(39,504)	9,894
	$ 22,516	$ 29,730

Nature of operations (Note 1)
Going Concern (Note 2)
Subsequent Event (Note 9)

Approved and authorized by the Board of Directors on November 23, 2021:

"*Binyomin Posen*"
Director

"*Sendy Shorser*"
Director

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

SHANE RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended		For the nine months ended	
	Sept. 30, 2021	**Sept. 30, 2020**	**Sept. 30, 2021**	**Sept. 30, 2020**
Operating costs for the period				
Public company fees	$ 200	$ 550	$ 4,213	$ 975
Management and consulting fees (Note 7)	-	-	-	-
Professional fees	19,064	15,043	45,185	47,169
Net loss and comprehensive loss for the period	$ 19,264	$ 15,593	$ 49,398	$ 48,144
Loss per share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average common shares	24,603,985	24,603,985	24,603,985	20,728,118

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

SHANE RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the nine months ended	
	Sept. 30, 2021	**Sept. 30, 2020**
Cash flows used in operating activities		
Net loss for the period	$ (49,398)	$ (48,144)
Non-cash working capital item changes:		
Receivables	(552)	(8,053)
Accounts payable	42,184	750
	(7,766)	(55,447)
Cash flows provided by financing activities		
Issuance of share capital	-	75,416
	-	75,416
Change in cash during the period	(7,766)	19,969
Cash, beginning of year	19,182	-
Cash, end of period	$ 11,416	$ 19,969
Cash (paid) received during the period for income taxes and interest	$ -	$ -

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

SHANE RESOURCES LTD.

INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

FOR THE PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

(Expressed in Canadian Dollars)

	Number of Shares*	Capital Stock	Deficit	Total
Balance December 31, 2019	2,803,985	$ 6,797,012	$ (6,824,992)	$ (27,980)
Issuance of shares for cash, net of costs	17,892,661	70,879	-	70,879
Issuance of shares for cash	907,339	4,537	-	4,537
Issuance of shares for debt	3,000,000	15,000	-	15,000
Loss for the period	-	-	(48,144)	(48,144)
Balance September 30, 2020	24,603,985	6,887,428	(6,873,136)	14,292
Loss for the period	-	-	(4,398)	(4,398)
Balance December 31, 2020	24,603,985	$ 6,887,428	(6,877,534)	9,894
Loss for the period	-	-	(49,398)	(45,398)
Balance September 30, 2021	24,603,985	$ 6,887,428	$ (6,926,932)	$ (35,504)

*The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a one new for 40 old basis effective June 5, 2020. Fractional shares were rounded down. Prior year number of shares outstanding have been adjusted to reflect this change as if it had occurred at the beginning of the year.

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

1. Nature of Operations

The Company is a corporation incorporated under the laws of Saskatchewan.

On January 31, 2014, the shareholders, on a "majority of minority" basis, authorized the delisting of the Company's shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan (the "**FCAA**") issued a variation order of its cease trade order dated June 11, 2014, which allowed the Company to complete the following transactions: (i) entered into a loan agreement with an arm's length lender in the amount of $10,000 which is convertible into 500,000 common shares of the Company at $0.02 per share and 500,000 warrants of the Company at an exercise price of $0.08 per share; (ii) issued 1,000,000 common shares at $0.02 per share to raise a total of $20,000; and (iii) issued 155,672 common shares at $0.02 per share for cash proceeds of $3,113 and 486,082 common shares at $0.08 for cash proceeds of $38,887.

As a result of the above transactions in 2019, Loomac Management Ltd. ("**Loomac**") beneficially owned and controlled a total of 69% of the issued common shares of the Company. If Loomac exercised all its warrants, it would have beneficially owned approximately 75% of the issued and outstanding common shares of the Company on a fully diluted basis, at that time.

On November 12, 2019, the Company announced that on November 8, 2019 the FCAA issued an order revoking its previously issued cease trade order in respect of the securities of the Company.

In 2020, the Company completed the following transactions: (i) issued 17,892,661 common shares for proceeds of $89,463 before costs of $18,584 were applied against the proceeds; (ii) issued 907,339 common shares for proceeds of $4,537; (iii) issued 3,000,000 shares to settle creditor debts in the amount of $15,000.

As a result of the above transactions, at December 31, 2020, KW Capital Partners ("**KW**") beneficially owned and controlled a total of 36% of the issued common shares of the Company. If KW exercised all its warrants, it would have beneficially owned approximately 36% of the issued and outstanding common shares of the Company on a fully diluted basis, at that time.

2. Going Concern

These financial statements have been prepared using International Financial Reporting Standards ("**IFRS**") applicable to a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at September 30, 2021, the Company had a net loss of $49,398 (December 31, 2020 - $52,542) and an accumulated deficit of $6,926,932 (December 31, 2020 - $6,877,534). The Company's liquidity is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

The Company has not generated revenue from operations and will require additional financing to maintain its operations and activities. These material uncertainties and conditions may cast significant doubt as to the Company's ability to continue as a going concern.

The 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.

3. Basis of Presentation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**") applicable to the preparation of interim financial statements, including IAS34, Interim financial reporting. The comparative information has also been prepared on this basis.

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issue by the Board of Directors on November 23, 2021.

Basis of measurement

These financial statements are presented in Canadian dollars, unless otherwise stated.

Critical accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Critical judgments in applying accounting policies

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 2.

4. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with IFRS and reflect the following significant accounting policies:

Financial Instruments

All financial assets not classified at amortized cost or fair value through other comprehensive income ("**FVOCI**") are measured at fair value through profit or loss ("**FVTPL**"). On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The Company classified cash and accounts receivable at amortized cost and accounts payable at amortized cost.

Impairment of financial assets:

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As at September 30, 2021 and December 31, 2020, the Company did not have any financial instruments recorded at fair value.

Impairment of long lived assets

At each financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted per share computations, assumptions are made regarding potential common shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the year, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

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

Foreign currency translation

The functional currency and the reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currency are translated into Canadian dollars at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates.

Any gains or losses resulting from translation have been included in the statement of operations and comprehensive loss.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company’s equity that results from transactions and other events from other than the Company’s shareholders. Gains and losses that would otherwise be recorded as part of net earnings is presented in other “comprehensive income” until it is considered appropriate to recognize into net earnings. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders’ equity which results from transactions and events from sources other than the Company’s shareholders. For the years presented, net loss was the same as comprehensive loss.

Changes in Accounting Policies

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for the Company's accounting period beginning on January 1, 2020. The following amendment has been adopted:

IFRS 16, Leases ("**IFRS 16**") On January 13, 2016, the IASB published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. On January 1, 2020, the Company adopted IFRS 16. The adoption of this standard does not have a material impact on the Company’s consolidated financial statements.

(Expressed in Canadian Dollars)

5. Capital Stock and Reserves

On June 5, 2020 the Company completed a consolidation of its share capital on a one new for forty old basis. The share and per share amounts have been adjusted within these financial statements to reflect the share consolidation.

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares issuable in series. The issued common shares in the Company are as follows:

	Common Shares **#**	Amount **$**
Balance, December 31, 2018	662,231	6,725,012
Issued for cash	2,141,754	72,000
Balance, December 31, 2019	2,803,985	6,797,012
Issued for cash, net of costs	17,892,661	70,879
Issued for cash	907,339	4,537
Issued for debt	3,000,000	15,000
Balance, September 30, 2021 and December 31, 2020	24,603,985	6,887,428

On June 5, 2020, the Company effected a share consolidation, with forty pre-Consolidation common shares exchanged for one post-Consolidation share. Fractional shares were rounded down. Prior numbers of shares outstanding have been adjusted to reflect this change as if it had occurred at the beginning of the period.

On May 27, 2019, the Company announced that Loomac acquired, pursuant to the conversion of a loan in the amount of $10,000 advanced by Loomac to the Company, 500,000 units of the Company at a price of $0.02 per unit. Each unit consists of one common share and one common share purchase warrant ("**Warrant**"), each warrant entitling the holder to purchase one additional common share at an exercise price of $0.08 per share until May 27, 2024. The common shares, the warrants and the common shares issuable upon exercise of the warrants are subject to a statutory four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the FCAA.

On May 27, 2019, the Company announced that Loomac acquired, pursuant to a private placement, beneficial ownership and control of 1,000,000 common shares at a price of $0.02 per share which have a four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan.

On June 25, 2019, the Company closed a private placement where the Company issued (i) 155,672 common shares, at a subscription price of $0.02 per common share; and (ii) 486,082 common shares, at a subscription price of $0.08 per common share. The common shares are subject to a statutory four-month hold period and cease trade order dated June 11, 2014 issued against the Company by the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan.

(Expressed in Canadian Dollars)

On February 18, 2020, the Company issued 17,892,661 common shares for proceeds of $89,463. Costs of $18,584 were applied against the proceeds. The common shares are subject to a statutory four-month hold period.

On February 21, 2020, the Company issued 907,339 common shares for proceeds of $4,537. Concurrently, the Company issued 3,000,000 shares to settle creditor debts in the amount of $15,000. These shares were subject to a statutory four-month hold period.

Stock Options

The Company has established a share-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Company as well as persons providing ongoing services to the Company. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. Unless otherwise determined by the Board of Directors of the Company (the "**Board**"), the exercise price of options equals at least the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term in accordance with TSX Venture Exchange policy.

Options Granted

During the nine-month period ended September 30, 2021 and the year ended December 31, 2020, the Company granted no stock options and had no stock options outstanding.

Warrants

The following is a summary of warrants outstanding as at September 30, 2021 and December 31, 2020:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at September 30, 2021 and December 31, 2020	500,000	$ 0.08

(Expressed in Canadian Dollars)

As at September 30, 2021, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Contractual Life (years)	Expiry Date
500,000	$ 0.08	2.66	May 27, 2024

6. Income Taxes

This note has not been updated from December 31, 2020.

7. Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the nine months ended Sept. 30, 2021	Sept. 30, 2020
Consulting and professional fees	$ -	$ -
	$ -	$ -

Other related parties

As at September 30, 2021 and December 31, 2020 there were no accounts payable to related parties.

8. Financial Instruments and Capital Risk Management

The Company's financial instruments consist of receivables, and accounts payable.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's receivables consist of GST/HST receivable due from the government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company as of September 30, 2021 has cash on hand of $11,416 and current liabilities of $62,020. The Company is exposed to liquidity risk.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the interest rate is low, as the Company has no investments with variable interest rates.

b) Foreign currency risk

As at September 30, 2021, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

Capital management

The Company manages the capital structure and makes adjustments to it in light of 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 debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

9. Subsequent Events

On June 30, 2021, pursuant to the terms of the letter agreement between the Company and Emptaho Corp., an Artificial Intelligence company with a presence in the virtual wellness sector ("**Empatho**"), dated April 9, 2021 (the "**Letter Agreement**"), in respect of a proposed business combination to complete a business transaction by way of reverse takeover between the Company and Emaptho (the "**Transaction**"), Empatho closed a private placement (the "**Offering**") through the issuance of 12,552,000 subscription receipts (each, a "**Subscription Receipt**") at $0.25 per Subscription Receipt. Pursuant to the terms of a subscription receipt agreement, on the completion of certain escrow conditions, each Subscription Receipt will be automatically converted, without payment of additional consideration, into a unit (a "**Subscription Unit**"), with each Subscription Unit being comprised of a common share (a "**Subscription Share**") and a Subscription Share purchase warrant (each, a "**Subscription Warrant**") of Empatho. On the completion of the Transaction, each Subscription Share and Subscription Warrant are to be immediately exchanged, for no additional consideration, for one common share of the resulting issuer and one common share purchase warrant of the resulting issuer.

In connection with the closing of the Offering, Empatho paid certain eligible persons cash commission of $251,040.00 and granted 1,004,160 finders and compensation warrants (each, a "**Compensation Warrant**") with each Compensation Warrant entitling the holder to acquire a units (each, a "**Unit**") of the resulting issuer, with each Unit being comprised of one common share of the resulting issuer and one common share purchase warrant of the resulting issuer. The Compensation Warrants are exercisable at a price of $0.25 per Unit for a period of twenty-four (24) months following the date of issuance.

On November 1, 2021, the Company announced it had entered a definitive business combination agreement ("**Business Combination Agreement**") with Empatho, to complete the Transaction. The non-diluted, pro forma ownership of the issuer resulting from the Transaction (the "**Resulting Issuer**") is expected to be approximately 71.59% former Empatho shareholders, 11.06% Shane shareholders, and 17.35% subscription receipt holders of Empatho, as disclosed in the Company's news release dated June 30, 2021. Under the terms of the Business Combination Agreement, the Company will consolidate all of its issued and outstanding common shares (the "**Shane Shares**") based on a ratio of one (1) post-consolidation Shane Share for every 6.15099 pre-consolidation Shane Shares.

SCHEDULE “B”

(See attached)

SHANE RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

This Management's Discussion and Analysis ("MD&A") covers the financial statements of Shane Resources Ltd. (the "Company") as at December 31, 2020, and for the year then ended (the "Financial Statements"). This MD&A should be read in conjunction with the audited annual financial statements and notes thereto for the years ended December 31, 2020 and 2019 (the "Annual Financial Statements"). The information contained in this report is current to April 29, 2021 and has been reviewed by the Company's auditors.

The accompanying consolidated financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Annual Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the Financial Statements and MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and MD&A, and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.

Additional information related to the Company is available on SEDAR at www.sedar.com.

BUSINESS OVERVIEW AND CORPORATE UPDATE

Description of the Business

The Company was a mineral exploration company engaged in the acquisition, exploration and development of mineral properties. Currently, the Company is pursuing a corporate transaction. The Company is incorporated under the laws of the Province of Saskatchewan.

Corporate Update and Outlook

On January 31, 2014, the shareholders, on a "majority of minority" basis, authorized the delisting of the Company's shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order of its cease trade order dated June 11, 2014, which allowed the Company complete the following transactions: (i) entered into a loan agreement with an arm's length lender in the amount of $10,000 which is convertible into 500,000 common shares of the Company at $0.02 per share and 500,000 warrants of the Company at an exercise price of $0.08 per share; (ii) issued 1,000,000 common shares at $0.02 per share to raise a total of $20,000; and (iii) issued 155,672 common shares at $0.02 per share for cash proceeds of $3,113 and 486,082 common shares at $0.08 for cash proceeds of $38,887.

As a result of the above transactions in 2019, Loomac Management Ltd. beneficially owned and controlled a total of 69% of the issued common shares of the Company. If Loomac Management Ltd. exercised all its warrants, it would have beneficially owned approximately 75% of the issued and outstanding common shares of the Company on a fully diluted basis, at that time.

On November 12, 2019, the Company announced that on November 8, 2019 the Financial and Consumers Affairs Authority, Securities Division of Saskatchewan issued an order revoking its previously issued cease trade order in respect of the securities of the Corporation.

In 2020, the Company completed the following transactions: (i) issued 17,892,661 common shares for proceeds of $89,463 before costs of $18,584 were applied against the proceeds; (ii) issued 907,339 common shares for proceeds of $4,537; (iii) issued 3,000,000 shares to settle creditor debts in the amount of $15,000.

As a result of the above transactions, at December 31, 2020, KW Capital Partners ("**KW**") beneficially owned and controlled a total of 36% of the issued common shares of the Company. If KW exercised all its warrants, it would have beneficially owned approximately 36% of the issued and outstanding common shares of the Company on a fully diluted basis, at that time.

Changes to Board of Directors and Management

On December 13, 2019, the Company announced that Kyle Kozuska, Michael Der, and Gregory Birchadve each resigned as directors of the Company, and that Lorilee Kozuska, and Kyle Kozuska had also resigned as, respectively, Chief Financial Officer and Secretary, and Chief Executive Officer. The Company has appointed Binyomin Posen, Ross Mitgang, and Sendy Shorser to the board of directors in order to fill the vacancies created by the foregoing resignations and to pursue other potential opportunities. In addition, Binyomin Posen has been appointed as Chief Executive Officer and Chief Financial Officer.

The change in directors and management was made to allow the Company to pursue other potential opportunities.

PERFORMANCE SUMMARY

Selected Annual Financial Information

The table below summarizes key operating data for the last three fiscal years.

	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Year ended Dec. 31, 2018
Revenue	$ -	$ -	$ -
Net loss	52,542	88,106	12,500
Basic & diluted loss per share	(0.00)	(0.00)	(0.00)
Total assets	29,730	3,020	626
Total liabilities	19,836	31,000	12,500
Weighted average shares outstanding	21,705,021	1,892,185	662,231

On June 5, 2020, the Company effected a share consolidation, with forty pre-Consolidation common shares exchanged for one post-Consolidation share. Fractional shares were rounded down. Prior numbers of shares outstanding have been adjusted to reflect this change as if it had occurred at the beginning of the period.

Selected Quarterly Financial Information

The following quarterly financial results for the eight most recent quarters have been prepared in accordance with IFRS as listed. The information should be read in conjunction with the Company's annual audited financial statements and the accompanying notes thereto.

	Total Assets	Working Capital (Deficiency)	Net Loss	Net Loss Per Share	Weighted Avg. Shares Outstanding
Dec. 31, 2020	$ 29,730	$ 9,894	$ 4,398	$ 0.000	24,603,985
Sept. 30, 2020	31,042	14,292	15,593	0.001	24,603,985
June 30, 2020	33,635	29,885	30,018	0.001	24,603,985
Mar. 31, 2020	70,653	59,903	2,533	0.000	12,959,917
Dec. 31, 2019	3,020	(27,980)	18,308	0.007	2,803,985
Sept. 30, 2019	4,083	(9,672)	29,951	0.011	2,803,985
June 30, 2019	62,478	20,279	36,421	0.029	2,803,985
Mar. 31, 2019	8,700	(15,300)	3,426	0.005	2,235,816

On June 5, 2020, the Company effected a share consolidation, with forty pre-Consolidation common shares exchanged for one post-Consolidation share. Fractional shares were rounded down. Prior numbers of shares outstanding have been adjusted to reflect this change as if it had occurred at the beginning of the period.

RESULTS OF OPERATIONS

Three months ended December 31, 2020 compared to the three months ended December 31, 2019

The net loss for the three months ended December 31, 2019 of $4,398 reflected legal and public company fees, and financial statement preparation and audit expense. The 2019 expense of $18,308 reflected legal and management fees, and financial statement preparation and audit expense. The 2020 and 2019 activity related to positioning the Company for a corporate transaction.

Year ended December 31, 2020 compared to the year ended December 31, 2019

Most of the $52,542 net loss for the year ended December 31, 2020 related to legal fees associated with rehabilitating the Company, while public company cost and audit costs were also significant expense items in the year. Most of the $88,106 net loss for the year ended December 31, 2019 related to public company cost, audit and legal fees associated with rehabilitating the Company, management and director fees.

SUBSEQUENT EVENT

On April 9, 2021, the Company announced it has entered a letter of intent ("**LOI**") with Empatho Corp. an Artificial Intelligence company with a presence in the virtual wellness sector, to complete a business transaction by way of reverse takeover. The final structure of the Company is to be determined following receipt of tax, corporate and securities law advice.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Consulting and professional fees	$ -	$ 28,500
	$ -	$ 28,500

Other related parties

The Company did not incur related party fees in 2020. Fees during 2019 related to $5,000 for each director and $13,500 for CFO fees. As at December 31, 2020, $Nil (December 31, 2019, $Nil) was included in accounts payable due to the CFO of the Company.

FINANCIAL CONDITION

Cash Flow

As at December 31, 2020, the Company held cash of $19,182 (2019 - $Nil). The Company raised $75,416 in 2020 and $72,000 in 2019 via private placements. Cash was used to fund operations and pay outstanding payable balances. Working capital changes mostly relate to the legal, and audit fees charged in 2020.

The proceeds will be applied to payment of outstanding payables and for general working capital. Cash has been applied as follows:

	Plan	Spent to Date
HST receivable	$ 10,000	$ 10,548
Regulatory fees	25,000	21,061
Operating costs	109,416	93,625
	144,416	125,234
Cash on hand	-	19,182
	$ 144,416	$ 144,416

Regulatory and operating costs are within expectations at this time. The HST variance is due to the timing between spending funds and receiving the funds from the government.

Critical Accounting Estimates and Changes in Accounting Policies

All significant critical accounting estimates are fully disclosed in Note 4 of the consolidated financial statements for the years ended December 31, 2020, and 2019.

Liquidity and Capital Resources

The Company had working capital of as of December 31, 2020 of $9,894 (2019 - negative working capital of $27,980). The Company's cash and cash equivalents of $19,182 as at December 31, 2020 and $Nil as of December 31, 2019.

Management is currently reviewing alternative sources of capital to meet its obligations and short-term working capital requirements. The Company could require substantial additional capital to fund any new project or to pursue other potential opportunities.

Historically, the Company has used the net proceeds from issuances of its securities to provide sufficient funds for it to meet its near-term exploration and development plans and other contractual obligations when due. As mentioned elsewhere in this MD&A, the Company is evaluating various strategic alternatives and, if it decides to pursue any such alternative, it may also require additional funds to carry out its strategic plans in amounts that cannot be determined as of the date hereof, which funds may also be unavailable to the Company on favorable terms or at all.

Financial Instruments and Financial Risk Factors

International financial reporting standards require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. As at December 31, 2020, and 2019, the Company has no financial instruments carried at fair value to classify in the fair value hierarchy.

As at December 31, 2020, and 2019, carrying amounts of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company’s credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and cash equivalents, and financial instruments included in amounts receivable is remote.

(b) Liquidity Risk

The Company attempts to have sufficient liquidity to meet its obligations when due. As at December 31, 2020, the Company had cash and cash equivalents of $19,182 (December 31, 2019 - $Nil) available to settle current liabilities of $19,836 (December 31, 2019 - $31,000). The Company’s accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

The Company has no cash and cash equivalents balances and no variable interest-bearing debt. The Company’s current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign Exchange Risk

While the Company’s functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at December 31, 2020, the Company does not hold foreign currency balances.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(d) Sensitivity Analysis

The Company may hold balances in United States dollars that give rise to foreign exchange risk. Based on management’s knowledge and experience of the financial markets, the Company does not believe there would be any material movements as a result of changes in interest rates.

Off-Balance Sheet Arrangements

As at December 31, 2020, there were no off-balance sheet arrangements.

Outstanding Share Data

The common stock, warrants and stock options of the Company which were outstanding as at April 29, 2021, December 31, 2020, and December 31, 2019 were as follows:

	April 29, 2021	December 31, 2020	December 31, 2019
Common Shares	24,603,985	24,603,985	2,803,985
Warrants	500,000	500,000	—
Stock Options	—	—	—
Fully diluted	25,103,985	25,103,985	2,803,985

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the Company.

RISK FACTORS

Until a business combination is completed, the Company's risk factors are those related to a successful corporate transaction. The ability of the Company to continue operations is dependent upon its ability to find and close a corporate transaction. Other risk exposures and the impact on the Company's financial instruments are summarized below.

The risks, objectives, policies and procedures from previous years have been adjusted to reflect the pursuit of a corporate transaction.

Dependence on Key Individuals

The Company's business and operations are dependent on retaining the services of a small number of key individuals. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these individuals. The loss of one or more of these individuals could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key individuals.

Capital Management

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the pursuit of a corporate transaction. The Board does not establish quantitative return on capital criteria for Management, but rather relies on the expertise of the Company's Management to sustain future development of the business.

The Company will continue to assess corporate opportunities with the intent to realize value.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. A significant change in the Company's approach to capital management in the year ended December 31, 2019 was the change to officers and directors. The incoming group is currently pursuing alternatives to finance the Company. The Company is not currently subject to externally imposed capital requirements.

Corporate Transactions

The Company could pursue corporate transactions with the ultimate goal to effect a business combination. There is no assurance that a such a transaction could be reached or, even if a transaction is entered into, the transaction will close on the disclosed terms or at all.

Financing

The Company does not currently have any operations generating cash. The Company is therefore dependent upon debt and equity financing to carry out its plans. There can be no assurance that such financing will be available to the Company.

FORWARD LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements.

Forward-looking statements are based upon certain assumptions and other important factors regarding present and future business strategies and the environment in which the Company will operate in the future, which could prove to be significantly incorrect. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and/or its subsidiary to be materially different from those expressed or implied by such forward-looking statements.

The Company is pursuing a course of action to pursue a corporate transaction. This course of action may require additional capital. There is no guarantee that the Company will be successful in finding a corporate transaction, or if such transaction is found, that the transaction can be successfully completed. There is no guarantee that, should additional funds be required, such funds would be available to the Company or that if such funds were available the terms would not be onerous.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

SHANE RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

This Management's Discussion and Analysis ("MD&A") covers the financial statements of Shane Resources Ltd. (the "Company") as at December 31, 2019, and for the year then ended (the "Financial Statements"). This MD&A should be read in conjunction with the audited annual financial statements and notes thereto for the years ended December 31, 2019 and 2018 (the "Annual Financial Statements"). The information contained in this report is current to April 29, 2020 and has been reviewed by the Company's auditors.

The accompanying consolidated financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Annual Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the Financial Statements and MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and MD&A, and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.

Additional information related to the Company is available on SEDAR at www.sedar.com.

BUSINESS OVERVIEW AND CORPORATE UPDATE

Description of the Business

The Company was a mineral exploration company engaged in the acquisition, exploration and development of mineral properties. Currently, the Company is pursuing a corporate transaction. The Company is incorporated under the laws of the Province of Saskatchewan.

Corporate Update and Outlook

On January 31, 2014, the shareholders, on a "majority of minority" basis, authorized the delisting of the Company's shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order of its cease trade order dated June 11, 2014, which variation order: (i) authorized the Company to enter into a loan agreement with an arm's length lender in the amount of $10,000 which is convertible into 20,000,000 common shares of the Company at $0.0005 per share and 20,000,000 warrants of the Company at an exercise price of $0.002 per share; and (ii) authorized the Company to distribute common shares to raise a total of $62,000, of which the Company proposes to issue 46,226,875 common shares at $0.0005 per share and 19,443,285 common shares at $0.002 per share.

On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order (the "variation order") to vary a cease trade order issued against the Company on June 11, 2014 (the "CTO"), which variation order was solely for the purpose of allowing the Company to enter into the loan agreement, the conversion of the loan and the private placement. The securities issued pursuant to the conversion of loan and the private placement are subject to the CTO. There is no guarantee that the CTO will be fully revoked and until such time as the CTO is fully revoked, the securities will remain subject to the CTO.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to the conversion of a loan in the amount of $10,000 advanced by Loomac Management Ltd. to the company, 20,000,000 units of the Company at a price of $0.0005 per unit. Each unit consists of one common share and one common share purchase warrant ("warrant"), each warrant entitling the holder to purchase one additional common share at an exercise price of $0.002 per share until May 27, 2024. The common shares, the warrants and the common shares issuable upon exercise of the warrants are subject to a statutory four-month holder period and the CTO.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to a private placement, beneficial ownership and control of 40,000,000 common shares at a price of $0.0005 per share. The common shares are subject to a statutory four-month holder period and the CTO.

As a result of the above transactions, Loomac Management Ltd. now beneficially owns and controls a total of 60,000,000 common shares which represents 69.37% of the issued common shares of the Company. If Loomac Management Ltd. exercises all the warrants, it would beneficially own 80,000,000 common shares of the Company, which would represent approximately 75.12% of the issued and outstanding common shares of the Company on a fully diluted basis.

On June 25, 2019, the Company has also closed the private placement where the Company issues (i) 6,226,875 common shares, at a subscription price of $0.0005 per common share; and (ii) 19,443,285 common shares, at a subscription price of $0.002 per common share. The common shares are subject to a statutory four month hold period and the CTO.

On November 12, 2019, the Company announced that on November 8, 2019 the Financial and Consumers Affairs Authority, Securities Division of Saskatchewan issued an order revoking its previously issued cease trade order in respect of the securities of the Corporation.

Changes to Board of Directors and Management

On December 13, 2019, the Company announced that Kyle Kozuska, Michael Der, and Gregory Birchadve each resigned as directors of the Company, and that Lorilee Kozuska, and Kyle Kozuska had also resigned as, respectively, Chief Financial Officer and Secretary, and Chief Executive Officer. The Company has appointed Binyomin Posen, Ross Mitgang, and Sendy

Shorser to the board of directors in order to fill the vacancies created by the foregoing resignations and to pursue other potential opportunities. In addition, Binyomin Posen has been appointed as Chief Executive Officer and Chief Financial Officer.

The change in directors and management was made to allow the Company to pursue other potential opportunities.

PERFORMANCE SUMMARY

Selected Annual Financial Information

The table below summarizes key operating data for the last three fiscal years.

	Year ended Dec. 31, 2019	Year ended Dec. 31, 2018	Year ended Dec. 31, 2017
Revenue	$ -	$ -	$ -
Net loss	88,106	12,500	-
Basic & diluted loss per share	(0.00)	(0.00)	(0.00)
Total assets	3,020	626	626
Total liabilities	31,000	12,500	-
Shares outstanding	112,160,910	26,490,750	26,490,750

Selected Quarterly Financial Information

The following quarterly financial results for the eight most recent quarters have been prepared in accordance with IFRS as listed. The information should be read in conjunction with the Company's annual audited financial statements and the accompanying notes thereto.

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	Mar.31, 2019
Total assets	$ 3,020	$ 4,083	$ 62,478	$ 8,700
Working capital (deficiency)	(27,980)	(9,672)	20,279	(15,300)
Net loss	18,308	29,951	36,421	3,426
Loss per share	0.000	0.000	0.000	0.000
Weighted average shares outstanding	112,160,910	112,160,910	50,608,870	26,490,750

	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar.31, 2018
Total assets	$ 626	$ 626	$ 626	$ 626
Working capital (deficiency)	(11,874)	-	-	-
Net loss	12,500	-	-	-
Loss per share	$0.000	$0.000	$0.000	$0.000
Weighted average shares outstanding	26,490,750	26,490,750	26,490,750	26,490,750

RESULTS OF OPERATIONS

Three months ended December 31, 2019 compared to the three months ended December 31, 2018

The net loss for the three months ended December 31, 2019 of $18,308 reflected legal and management fees, and financial statement preparation and audit expense. The 2018 expense was legal and accounting fees. The Company was mostly dormant in 2018, with 2019 activity related to positioning the Company for a corporate transaction.

Year ended December 31, 2019 compared to the year ended December 31, 2018

Most of the $88,106 net loss for the year ended December 31, 2019 related to public company cost, audit and legal fees associated with rehabilitating the Company, management and director fees. The 2018 year reflected only legal and accounting fees.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Consulting and professional fees	$ 28,500	$ 7,500
	$ 28,500	$ 7,500

Other related parties

Fees during 2019 related to $5,000 for each director and $13,500 for CFO fees. As at December 31, 2019, $Nil (December 31, 2018, $7,500) was included in accounts payable due to the CFO of the Company.

FINANCIAL CONDITION

Cash Flow

As at December 31, 2019, the Company held cash of $Nil (2018 - $Nil). The Company raised $72,000 via private placements in 2019. Cash was used to fund operations and pay outstanding payable balances. Working capital changes mostly relate to the legal, management and audit fees charged in 2019.

Critical Accounting Estimates and Changes in Accounting Policies

All significant critical accounting estimates are fully disclosed in Note 4 of the consolidated financial statements for the years ended December 31, 2019, and 2018.

Liquidity and Capital Resources

The Company had negative working capital of as of December 31, 2019 of $27,980 (2018 - negative working capital of $11,874). The Company’s cash and cash equivalents of $Nil as at December 31, 2019 and $Nil as of December 31, 2018.

Management is currently reviewing alternative sources of capital to meet its obligations and short-term working capital requirements. The Company could require substantial additional capital to fund any new project or to pursue other potential opportunities.

Historically, the Company has used the net proceeds from issuances of its securities to provide sufficient funds for it to meet its near-term exploration and development plans and other contractual obligations when due. As mentioned elsewhere in this MD&A, the Company is evaluating various strategic alternatives and, if it decides to pursue any such alternative, it may also require additional funds to carry out its strategic plans in amounts that cannot be determined as of the date hereof, which funds may also be unavailable to the Company on favorable terms or at all.

Financial Instruments and Financial Risk Factors

International financial reporting standards require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. As at December 31, 2019, and 2018, the Company has no financial instruments carried at fair value to classify in the fair value hierarchy.

As at December 31, 2019, and 2018, carrying amounts of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company’s credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and cash equivalents, and financial instruments included in amounts receivable is remote.

(b) Liquidity Risk

The Company attempts to have sufficient liquidity to meet its obligations when due. As at December 31, 2019, the Company had cash and cash equivalents of $Nil (December 31, 2018 - $nil) available to settle current liabilities of $31,000 (December 31, 2018 - $12,500). The Company's accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

The Company has no cash and cash equivalents balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign Exchange Risk

While the Company's functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at December 31, 2019, the Company does not hold foreign currency balances.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(d) Sensitivity Analysis

The Company may hold balances in United States dollars that give rise to foreign exchange risk. Based on management's knowledge and experience of the financial markets, the Company does not believe there would be any material movements as a result of changes in interest rates.

Off-Balance Sheet Arrangements

As at December 31, 2019, there were no off-balance sheet arrangements.

Outstanding Share Data

The common stock, warrants and stock options of the Company which were outstanding as at April 29, 2020, December 31, 2019, and December 31, 2018 were as follows:

	April 29, 2020	December 31, 2019	December 31, 2018
Common Shares	984,160,910	112,160,910	26,490,750
Warrants	20,000,000	20,000,000	—
Stock Options	—	—	—
Fully diluted	1,004,160,910	132,160,910	26,490,750

On February 18, 2020, the Company issued 715,706,455 common shares for proceeds of $89,463. On February 21, 2020, the Company issued 36,293,545 common shares for proceeds of $4,537. Concurrently, the Company issued 120,000,000 shares to settle creditor debts in the amount of $15,000.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the Company.

RISK FACTORS

Until a business combination is completed, the Company's risk factors are those related to a successful corporate transaction. The ability of the Company to continue operations is dependent upon its ability to find and close a corporate transaction. Other risk exposures and the impact on the Company's financial instruments are summarized below.

The risks, objectives, policies and procedures from previous years have been adjusted to reflect the pursuit of a corporate transaction.

Dependence on Key Individuals

The Company's business and operations are dependent on retaining the services of a small number of key individuals. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these individuals. The loss of one or more of these individuals could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key individuals.

Capital Management

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the pursuit of a corporate transaction. The Board does not establish quantitative return on capital criteria for Management, but rather relies on the expertise of the Company's Management to sustain future development of the business.

The Company will continue to assess corporate opportunities with the intent to realize value.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. A significant change in the

Company's approach to capital management in the year ended December 31, 2019 was the change to officers and directors. The incoming group is currently pursuing alternatives to finance the Company. The Company is not currently subject to externally imposed capital requirements.

Corporate Transactions

The Company could pursue corporate transactions with the ultimate goal to effect a business combination. There is no assurance that a such a transaction could be reached or, even if a transaction is entered into, the transaction will close on the disclosed terms or at all.

Financing

The Company does not currently have any operations generating cash. The Company is therefore dependent upon debt and equity financing to carry out its plans. There can be no assurance that such financing will be available to the Company.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
SHANE RESOURCES LTD.
FOR THE YEAR ENDED DECEMBER 31, 2018

This Management's Discussion and Analysis ("MD&A") covers the financial statements of Shane Resources Ltd. (the "Company") as at December 31, 2018, and for the year then ended (the "Financial Statements"). This MD&A should be read in conjunction with the audited annual financial statements and notes thereto for the years ended December 31, 2018 and 2017 (the "Annual Financial Statements"). The information contained in this report is current to June 27, 2019 and has been reviewed by the Company's auditors.

The accompanying consolidated financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Annual Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the Financial Statements and MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and MD&A, and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.
Additional information related to the Company is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

DESCRIPTION OF BUSINESS AND OVERVIEW

On January 31, 2014, the shareholders, on a “majority of minority” basis, authorized the delisting of the Company’s shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order of its cease trade order dated June 11, 2014, which variation order: (i) authorized the Company to enter into a loan agreement with an arm’s length lender in the amount of $10,000 which is convertible into 20,000,000 common shares of the Company at $0.0005 per share and 20,000,000 warrants of the Company at an exercise price of $0.002 per share; and (ii) authorized the Company to distribute common shares to raise a total of $62,000, of which the Company proposes to issue 46,226,875 common shares at $0.0005 per share and 19,443,285 common shares at $0.002 per share.

On June 25, 2019 the Company announced that it has entered into a loan agreement (the “loan agreement”) with an arm’s length lender to borrow $10,000 (the “loan”) which loan has been converted into 20,000,000 units of the Company at a price of $0.0005 per unit. Each unit consists of one common share and one common share purchase warrant (“warrant”), each warrant entitling the holder to purchase one additional common share at an exercise price of $0.002 per share until May 27, 2024. The common shares, the warrants and the common shares issuable upon exercise of the warrants are subject to a statutory four-month holder period and the CTO defined below.

The Company has also closed the private placement where the Company issues (i) 46,226,875 common shares, at a subscription price of $0.0005 per common share; and (ii) 19,443,285 common shares, at a subscription price of $0.002 per common share. The common shares are subject to a statutory four month hold period and the CTO defined below.

On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order (the “variation order”) to vary a cease trade order issued against the Company on June 11, 2014 (the “CTO”), which variation order was solely for the purpose of allowing the Company to enter into the loan agreement, the conversion of the loan and the private placement. The securities issued pursuant to the conversion of loan and the private placement are subject to the CTO. There is no guarantee that the CTO will be fully revoked and until such time as the CTO is fully revoked, the securities will remain subject to the CTO.

PERFORMANCE SUMMARY

There are no business activities during the current fiscal year.

RESULTS OF OPERATIONS

For the year ended December 31, 2018

The following analysis of the Company's operating results in the year ended December 31, 2018, includes a comparison against the previously completed year ended December 31, 2017.

Revenue:

The company has no revenue, as there are no active business operations.

Expenses:

General and administration costs for the year ended December 31, 2018 were $12,500 compared to $nil for the year ended December 31, 2017. The increase in costs is reflective of the Company's legal and accounting fees in the current year.

Loss for the year

The net loss for the year ended December 31, 2018 was $12,500 as compared to $nil, for the year ended December 31, 2017. This represents an increase of net loss of $12,500 and is primarily due to the items discussed above.

SELECTED ANNUAL INFORMATION

	Year ended Dec. 31/18	Year ended Dec. 31/17	Year ended Dec. 31/16
Gain (loss) from other items	$ (12,500)	$ -	$ -
Net loss	$ 12,500	$ -	$ -
Basic & diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)
Total assets	$ 626	$ 626	$ 626

SUMMARY OF QUARTERLY RESULTS

The following quarterly financial data is derived from the annual audited financial statements of Shane Resources Ltd. for the three month periods ended on the dates indicated below. The information should be read in conjunction with the Company's annual audited financial statements and the accompanying notes thereto.

	Dec. 31/18	Sept. 30/18	June 30/18	Mar.31/18
Total assets	$ 626	$ 626	$ 626	$ 626
Working capital (deficiency)	(11,874)	-	-	-
Shareholders' equity	(11,874)	626	626	626
Net loss	12,500	-	-	-
Loss per share	$0.000	$0.000	$0.000	$0.000

	Dec. 31/17	Sept. 30/17	June 30/17	Mar.31/17
Total assets	$ 626	$ 626	$ 626	$ 626
Working capital (deficiency)	-	-	-	-
Shareholders' equity	626	626	626	626
Net loss (income)	-	-	-	-
Loss (earnings) per share	$0.000	$0.000	$0.000	$0.000

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2018	December 31, 2017	December 31, 2016
Working capital (deficiency)	$(11,874)	$ -	$ -
Deficit	(6,694,287)	(6,681,787)	(6,681,787)

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The Company is not exposed to significant interest, currency, or credit risk arising from financial instruments

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing. If the Company is not successful in raising sufficient capital, the Company may have to curtail or otherwise limit its operations. From time to time the Company works to raise additional capital through private placements or other equity financing. See "Risk Factors" of this MD&A.

As of December 31, 2018, the Company has no cash and $12,500 in current liabilities. The Company intends to raise capital by future financings. However, current market conditions make it difficult to raise funds by private placements of shares. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. These factors all cast doubt about the liquidity of the Company and its ability to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the Company.

CAPITAL STOCK

The authorized capital stock of the company is an unlimited number of common shares and an unlimited number of preferred shares issuable in series. As at June 27, 2019, and December 31, 2018, the Company had 26,490,750 common shares outstanding with a value of $6,725,012.

Options

The Company has established a share-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors and employees of the Company as well as persons providing ongoing services to the Company. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. Unless otherwise determined by the board of directors of the Company (the "Board"), the exercise price of options equals the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term in accordance with TSX Venture Exchange policies.

The Company had no outstanding stock options of the Company as at June 27, 2019, December 31, 2018, and 2017.

Warrants

The Company had no outstanding share purchase warrants of the Company as at June 4, 2019, December 31, 2018, and 2017.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
Consulting and professional fees	$ 7,500	$ -
	$ 7,500	$ -

Other related parties

As at December 31, 2018, $7,500 (December 31, 2017, $nil) was included in accounts payable due to the CFO of the Company.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount payable on the statement of financial position. The Company's other financial instrument, cash, is measured at fair value based on level one quoted prices in active markets for identical assets or liabilities.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is all held at large Canadian financial institutions in interest bearing accounts. The Company has no investment in asset-backed commercial paper.

The Company's receivables consist mainly of receivables from related companies and GST/HST receivable due from the government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company as of December 31, 2018 does not have cash and has $12,500 in current liabilities. The Company intends to raise capital by future financings; however, the low price of the Company's common shares and current market conditions may make it difficult to raise funds by private placements of shares.

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 equity prices.

a) Interest rate risk

   Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

   The risk that the Company will realize a loss as a result of a decline in the fair value of its financial instruments is low, as the Company has no short-term investments included in cash and equivalents.

b) Foreign currency risk

   As at December 31, 2018, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

   Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

RISK FACTORS

Financing

The Company does not currently have any operations generating cash. The Company is therefore dependent upon debt and equity financing to carry out its plans. There can be no assurance that such financing will be available to the Company.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the board of directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the board of directors and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

The board of directors is currently composed of three directors, Messrs. Kyle Kozuska, Michael Der and Gregory Birch. NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding.

The board of directors is responsible for determining whether a director is an independent director. Kyle Kozuska, as a member of management, is not an independent director. Michael Der, as a lawyer providing legal services to the Company, is not an independent director. Gregory Birch is an independent director of the Company, as he does not hold a management position with the Company. Mr. Birch has no ongoing interest or relationship with the Company other than serving as a director.

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Board promotes ethical business conduct through the nomination of board members it considers ethical. The Board has also established a "whistleblower" policy which details complaint procedure for financial concern.

In addition, as the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of *The Business Corporations Act* (Saskatchewan) (the "**SBCA**"), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination of Directors

The Company's management is continually in contact with individuals involved in public sector issuers. From these sources the Company has made numerous contacts and in the event that the Company were in a position to nominate any new directors, such individuals would be brought to the attention of the board of directors. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

Compensation

The Board has the responsibility for determining the compensation of the CEO and does so with reference to industry standards and the Company's financial situation. The Board has the responsibility for determining the compensation of the directors who currently are not compensated in their capacity as directors but do receive stock options.

Other Board Committees

The Company does not have any committees other than an Audit Committee.

Assessments

Being a venture issuer with limited administration resources, the Board works closely with management and, accordingly, are in a position to assess individual director's performance on an ongoing basis.

AUDIT COMMITTEE

Pursuant to the provisions of Section 165 of the SBCA, the Company is required to have an Audit Committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company.

The Company must also, pursuant to the provisions of National Instrument 52-110 - *Audit Committees* ("**NI 52- 110**"), have a written charter which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers. A copy of the Company's Audit Committee Charter is attached as Schedule "A".

Composition of the Audit Committee

For the purposes of the following, the terms "Independent" and "Financially Literate" have the meaning ascribed to them in NI 52-110. The following are the members of the Audit Committee:

(a) Kyle Kozuska, Not Independent, Financially Literate;
(b) Michael Der, Not Independent, Financially Literate; and
(c) Gregory Birch, Independent, Financially Literate.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Kyle Kozuska – Mr. Kyle Kozuska is an independent business consultant, and has reviewed the financial performance of corporations for many years.

Michael Der – Mr. Michael Der is a commercial and securities lawyer who specializes in transactions involving listed issuers.

Gregory Birch – Mr. Gregory Birch is an independent businessman who holds a CGA designation along with a Bachelor of Administration from Simon Fraser University. He provides consulting services to public and private companies in a variety of industries.

Audit Committee Oversight
At no time since the commencement of the Company's most recent completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions
At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures
The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Schedule "A" under the heading "*External Auditors*".

External Auditor Service Fees
The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	**Audit Fees**	**Audit Related Fees(1)**	**Tax Fees(2)**	**All Other Fees(3)**
2018	nil	nil	nil	nil
2017	nil	nil	nil	nil

Notes:

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) Fees for services other than disclosed in any other column.

Schedule "A"

AUDIT COMMITTEE CHARTER

Mandate
The company is relying on the exemption contained in Part 6.1 of National Instrument 52-110. The primary function of the audit committee (the "**Audit Committee**") is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Audit

Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

Composition
The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting.

Meetings
The Audit Committee shall meet at least four times annually, or more frequently if circumstances dictate. The Committee also discusses items by telephone and signs resolutions in lieu of meetings, as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the CEO and the external auditors in separate sessions.

Responsibilities and Duties
To fulfill its responsibilities and duties, the Audit Committee shall:

<u>Documents/Reports Review</u>

(a) Review and update this Charter annually.

(b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors. Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

<u>External Auditors</u>

(a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.

(b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.

(c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

(d) Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.

(e) Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

(f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

(g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

(i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

a. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

b. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

c. such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

(a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

(b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

(c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

(d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

(e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

(f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

(g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

(h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

(i) Review certification process.

(j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Addendum "A" to the Audit Committee Charter
Whistle Blower Policy

Introduction

Shane Resources Ltd. ("**Shane Resources**" or the "**Company**") is committed to the highest standards of openness, honesty and accountability. In line with that commitment, we expect employees and others that we deal with who have serious concerns about any aspect of the Company's activities and operations to come forward and voice those concerns.

Employees are often the first to realize that there may be something seriously wrong within a Company. However, they may decide not to express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Company. They may also fear recrimination, harassment or victimization. In these circumstances, they may feel it would be easier to ignore the concern rather than report what may just be a suspicion of wrong-doing.

This policy document makes it clear that employees can report wrong-doings or suspected wrong-doings without fear of victimization, subsequent discrimination or disadvantage. This Whistle Blowing Policy is intended to encourage and enable employees to raise serious concerns within the Company rather than overlooking a problem or seeking a resolution of the problem outside the Company.

This Policy applies to all employees and those contractors working for Shane Resources. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding the Company's business conduct.

The Policy is also intended as a clear statement that if any wrongdoing by the Company or any of its employees or by any of its contractors or suppliers is identified and reported to the Company, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine and implement the means of ensuring that such wrongdoing can be prevented in future.

A whistleblowing or reporting mechanism invites all employees and other stakeholders to act responsibly to uphold the reputation of their organization and maintain public confidence. Encouraging a culture of openness within the organization will also help this process. This Policy aims to ensure that serious concerns are properly raised and addressed within the Company.

Background

1. What is Whistleblowing?

Employees are usually the first to know when something is going seriously wrong. A culture of turning a "blind eye" to such problems means that the alarm is not sounded and those in charge do not get the chance to take action before real damage is done. Whistleblowing can therefore be described as giving information about potentially illegal and/or underhanded practices i.e. wrong doing.

2. What is wrong doing?

Wrong doing involves any unlawful, illegal or otherwise improper behavior and can include:

- An unlawful act whether civil or criminal;
- Breach of or failure to implement or comply with any approved policy of Shane Resources, including the internal financial controls approved by Shane Resources;
- Knowingly breaching federal or provincial laws or regulations;
- Unprofessional conduct or conduct that is not consistent with recognized, established standards of practice;
- Questionable accounting or auditing practices;
- Dangerous practice likely to cause physical harm/damage to any person/property;
- Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to the Company;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination in the course of employment or provision of services.

This list is not definitive, but is intended to give an indication of the kind of conduct which might be considered as "wrong doing".

3. Who is protected?

This Policy is set in the context of the regulatory provisions of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). Any employee who makes a disclosure or raises a concern under this Policy will be protected if the employee:

- Discloses the information in good faith;
- Believes it to be substantially true;
- Does not act maliciously or make knowingly false allegations; and
- Does not seek any personal or financial gain.
-

4. Who should you contact?

Anyone with a complaint or concern about the Company should try to contact the Chief Executive Officer or Chief Financial Officer at (604) 562-5516.

5. How the Company will respond?

The Company will respond positively to your concerns. Where appropriate, the matters raised may:

(a) be investigated by management, the Board of Directors, internal audit (when implemented), or through the disciplinary process;

(b) be referred to the police;

(c) be referred to the external auditor or external legal counsel;

(d) form the subject of an independent inquiry.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

Within ten working days of a concern being raised, the responsible officer will write to you:

(a) acknowledging that the concern has been received;
(b) indicating how he/she proposes to deal with the matter;
(c) giving an estimate of how long it will take to provide a response;
(d) telling you whether any initial enquiries have been made; and
(e) telling you whether further investigations will take place and if not, why not.

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Company will seek further information from you.

The Company will take steps to minimize any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Company will arrange for you to receive advice about the procedure.

The Company accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

6. Time Frames

Concerns will be investigated as quickly as possible. It should be borne in mind that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be borne in mind that the seriousness and complexity of any complaint may have an impact on the time taken to investigate a matter. A designated person will indicate at the outset the anticipated time frame for investigating the complaint.

7. Prevention of Recriminations, Victimization or Harassment

The Company will not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported to the Company a serious and genuine concern that they may have about an apparent wrongdoing.

8. Confidentiality and Anonymity

The Company will respect the confidentiality of any whistle blowing complaint received by the Company where the complainant requests that confidentiality. However, it must be appreciated that it will be easier to follow up and to verify complaints if the complainant is prepared to give his or her name.

9. False and Malicious Allegations

The Company is proud of its reputation with the highest standards of honesty. It will therefore ensure that substantial and adequate resources are put into investigating any complaint which it receives. However, the Company will regard the making of any deliberately false or malicious allegations by any employee of the Company as a serious disciplinary offence which may result in disciplinary action, up to and including dismissal for cause.

SHANE RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

This interim management's discussion and analysis (the "**Interim MD&A**") covers the financial statements of Shane Resources Ltd. (the "**Company**" or "**Shane**") nine-month period ended September 30, 2021, and for the period then ended (the "**Interim Financial Statements**"). This Interim MD&A should be read in conjunction with the audited annual financial statements and notes thereto for the years ended December 31, 2020 and 2019 (the "**Annual Financial Statements**").

The Interim MD&A of Shane for the nine months ended September 30, 2021 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last management's discussion and analysis, being the annual management's discussion and analysis (the "**Annual MD&A**") for the fiscal year ended December 31, 2020.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's Annual MD&A, the Annual Financial Statements, together with the notes thereto, and the Interim Financial Statement, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited Interim Financial Statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

The information contained in this report is current to November 23, 2021 and has been approved by the Company's board of directors (the "**Board**").

The Company's certifying officers are responsible for ensuring that the Interim Financial Statements and Interim MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the Interim Financial Statements and Interim MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board approves the Interim Financial Statements and Interim MD&A, and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.

Additional information related to the Company is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

This Interim MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “budgeted”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statements.

Forward-looking statements are based upon certain assumptions and other important factors regarding present and future business strategies and the environment in which the Company will operate in the future, which could prove to be significantly incorrect. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and/or its subsidiary to be materially different from those expressed or implied by such forward-looking statements.

The Company is pursuing a course of action to pursue a corporate transaction. This course of action may require additional capital. There is no guarantee that the Company will be successful in finding a corporate transaction, or if such transaction is found, that the transaction can be successfully completed. There is no guarantee that, should additional funds be required, such funds would be available to the Company or that if such funds were available the terms would not be onerous.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW AND CORPORATE UPDATE

Description of the Business

The Company was a mineral exploration company engaged in the acquisition, exploration and development of mineral properties. Currently, the Company is pursuing a corporate transaction. The Company is incorporated under the laws of the Province of Saskatchewan.

Corporate Update and Outlook

On January 31, 2014, the shareholders, on a “majority of minority” basis, authorized the delisting of the Company’s shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan (the "**FCAA**") issued a variation order of its cease trade order dated June 11, 2014, which allowed the Company complete the following transactions: (i) entered into a loan agreement with an arm's length lender in the amount of $10,000 which is convertible into 500,000 common shares of the Company at $0.02 per share and 500,000 warrants of the Company at an exercise price of $0.08 per share; (ii) issued 1,000,000 common shares at $0.02 per share to raise a total of $20,000; and (iii) issued 155,672 common shares at $0.02 per share for cash proceeds of $3,113 and 486,082 common shares at $0.08 for cash proceeds of $38,887.

As a result of the above transactions in 2019, Loomac Management Ltd. ("**Loomac**") beneficially owned and controlled a total of 69% of the issued common shares of the Company. If Loomac exercised all its warrants, it would have beneficially owned approximately 75% of the issued and outstanding common shares of the Company on a fully diluted basis, at that time.

On November 12, 2019, the Company announced that on November 8, 2019 the FCAA issued an order revoking its previously issued cease trade order in respect of the securities of the Corporation.

In 2020, the Company completed the following transactions: (i) issued 17,892,661 common shares for proceeds of $89,463 before costs of $18,584 were applied against the proceeds; (ii) issued 907,339 common shares for proceeds of $4,537; (iii) issued 3,000,000 shares to settle creditor debts in the amount of $15,000.

As a result of the above transactions, at September 30, 2021 and December 31, 2020, KW Capital Partners ("**KW**") beneficially owned and controlled a total of 36% of the issued common shares of the Company. If KW exercised all its warrants, it would have beneficially owned approximately 36% of the issued and outstanding common shares of the Company on a fully diluted basis, at that time.

Changes to the Board and Management

On December 13, 2019, the Company announced that Kyle Kozuska, Michael Der, and Gregory Birchadve each resigned as directors of the Company, and that Lorilee Kozuska, and Kyle Kozuska had also resigned as, respectively, Chief Financial Officer and Secretary, and Chief Executive Officer. The Company has appointed Binyomin Posen, Ross Mitgang, and Sendy Shorser to the Board in order to fill the vacancies created by the foregoing resignations and to pursue other potential opportunities. In addition, Binyomin Posen has been appointed as Chief Executive Officer and Chief Financial Officer.

The change in directors and management was made to allow the Company to pursue other potential opportunities.

PERFORMANCE SUMMARY

Selected Annual Financial Information

The table below summarizes key operating data for the last three fiscal years.

	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Year ended Dec. 31, 2018
Revenue	$ -	$ -	$ -
Net loss	52,542	88,106	12,500
Basic & diluted loss per share	(0.00)	(0.00)	(0.00)
Total assets	29,730	3,020	626
Total liabilities	19,836	31,000	12,500
Weighted average shares outstanding	21,705,021	1,892,185	662,231

On June 5, 2020, the Company effected a share consolidation, with forty pre-Consolidation common shares exchanged for one post-Consolidation share. Fractional shares were rounded down. Prior numbers of shares outstanding have been adjusted to reflect this change as if it had occurred at the beginning of the period.

Selected Quarterly Financial Information

The following quarterly financial results for the eight most recent quarters have been prepared in accordance with IFRS as listed. The information should be read in conjunction with the Company's annual audited financial statements and the accompanying notes thereto.

	Total Assets	Working Capital (Deficiency)	Net Loss	Net Loss Per Share	Weighted Avg. Shares Outstanding
Sept. 30, 2021	$ 22,516	$ (20,240)	$ 19,264	$ 0.001	24,603,985
June 30, 2021	23,467	(20,240)	18,580	0.000	24,603,985
Mar. 31, 2021	25,526	(1,661)	11,555	0.000	24,603,985
Dec. 31, 2020	29,730	9,894	4,398	0.000	24,603,985
Sept. 30, 2020	31,042	14,292	15,593	0.001	24,603,985
June 30, 2020	33,635	29,885	30,018	0.001	24,603,985
Mar. 31, 2020	70,653	59,903	2,533	0.000	12,959,917
Dec. 31, 2019	3,020	(27,980)	18,308	0.007	2,803,985

On June 5, 2020, the Company effected a share consolidation, with forty pre-Consolidation common shares exchanged for one post-Consolidation share. Fractional shares were rounded down. Prior numbers of shares outstanding have been adjusted to reflect this change as if it had occurred at the beginning of the period.

RESULTS OF OPERATIONS

Three months ended September 30, 2021 compared to the three months ended September 30, 2020

The net loss for the three months ended September 30, 2021 of $19,264 (September 30, 2020 - $15,993) mostly reflected legal work to rehabilitate the listing, pursue a corporate transaction, financial statement preparation and an audit expense accrual.

Nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

The Company reported a net loss for the nine months ended September 30, 2021 of $49,398 (September 30, 2020 - $48,144), reflecting legal expenses to rehabilitate the filing and look for corporate transactions, financial statement preparation and an audit expense accrual.

SUBSEQUENT EVENTS

On April 9, 2021, the Company announced it has entered a letter of intent ("**LOI**") with Empatho Corp. ("**Empatho**") an Artificial Intelligence company with a presence in the virtual wellness sector, to complete a business transaction by way of reverse takeover (the "**Transaction**"). The final structure of the Company is to be determined following receipt of tax, corporate and securities law advice.

Pursuant to the terms of the LOI, on June 30, 2021, Empatho closed a private placement (the "**Offering**") through the issuance of 12,552,000 subscription receipts (each, a "**Subscription Receipt**") at $0.25 per Subscription Receipt. Pursuant to the terms of a subscription receipt agreement, on the completion of certain escrow conditions each Subscription Receipt will be automatically converted, without payment of additional consideration, into a unit (a "**Subscription Unit**"), with each Subscription Unit being comprised of a common share (a "**Subscription Share**") and a Subscription Share purchase warrant (each, a "**Subscription Warrant**") of Empatho. On the completion of the Transaction, each Subscription Share and Subscription Warrant are to be immediately exchanged, for no additional consideration, for one common share of the resulting issuer and one common share purchase warrant of the resulting issuer.

In connection with the closing of the Offering, Empatho paid certain eligible persons cash commission of $251,040.00 and granted 1,004,160 finders and compensation warrants (each, a "**Compensation Warrant**") with each Compensation Warrant entitling the holder to acquire a units (each, a "**Unit**") of the resulting issuer, with each Unit being comprised of one common share of the resulting issuer and one common share purchase warrant of the resulting issuer. The Compensation Warrants are exercisable at a price of $0.25 per Unit for a period of twenty-four (24) months following the date of issuance.

On November 1, 2021, the Company announced it has entered a definitive business combination agreement ("**Business Combination Agreement**") with Empatho to complete the Transaction. The non-diluted, pro forma ownership of the issuer resulting from the Transaction (the "**Resulting Issuer**") is expected to be approximately 71.59% former Empatho shareholders, 11.06% Shane shareholders, and 17.35% subscription receipt holders of Empatho, as disclosed in the Company's news release dated June 30, 2021. Under the terms of the Business Combination Agreement, the Company will consolidate all of its issued and outstanding common shares (the "**Shane Shares**") based on a ratio of one (1) post-consolidation Shane Share for every 6.15099 pre-consolidation Shane Shares.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the nine months ended	
	Sept. 30, 2021	**Sept. 30, 2020**
Consulting and professional fees	$ -	$ -
	$ -	$ -

Other Related Parties

As at September 30, 2021 and December 31, 2020 there were no accounts payable to related parties.

FINANCIAL CONDITION

Cash Flow

As at September 30, 2021, the Company held cash of $11,416 (December 31, 2020 - $19,182). The Company raised $75,416 in 2020 and $72,000 in 2019 via private placements. Cash was used to fund operations and pay outstanding payable balances. Other working capital changes mostly relate to the legal, and audit fees charged in 2021 and 2020.

The proceeds will be applied to payment of outstanding payables and for general working capital. Cash has been applied as follows:

	Plan	**Spent to Date**
HST receivable	$ 10,000	$ 11,100
Regulatory fees	25,000	27,978
Operating costs	109,416	93,922
	144,416	133,000
Cash on hand	-	11,416
	$ 144,416	$ 144,416

Regulatory and operating costs are within expectations at this time. The HST variance is due to the timing between spending funds and receiving the funds from the government.

Critical Accounting Estimates and Changes in Accounting Policies

All significant critical accounting estimates are fully disclosed in Note 4 of the consolidated financial statements for the years ended December 31, 2020, and 2019.

Liquidity and Capital Resources

The Company had negative working capital of as of September 30, 2021 of $39,504 (December 31, 2020 - working capital of $9,894). The Company’s cash and cash equivalents was $11,416 as at September 30, 2021 and $19,182 as of December 31, 2020.

Management is currently reviewing alternative sources of capital to meet its obligations and short-term working capital requirements. The Company could require substantial additional capital to fund any new project or to pursue other potential opportunities.

Historically, the Company has used the net proceeds from issuances of its securities to provide sufficient funds for it to meet its near-term exploration and development plans and other contractual obligations when due. As mentioned elsewhere in this MD&A, the Company is evaluating various strategic alternatives and, if it decides to pursue any such alternative, it may also require additional funds to carry out its strategic plans in amounts that cannot be determined as of the date hereof, which funds may also be unavailable to the Company on favorable terms or at all.

Financial Instruments and Financial Risk Factors

IFRS require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. As at September 30, 2021 and December 31, 2020, the Company has no financial instruments carried at fair value to classify in the fair value hierarchy.

As at September 30, 2021 and December 31, 2020, carrying amounts of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company’s credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and cash equivalents, and financial instruments included in amounts receivable is remote.

(b) Liquidity Risk

The Company attempts to have sufficient liquidity to meet its obligations when due. As at September 30, 2021, the Company had cash and cash equivalents of $11,416 (December 31, 2020 - $19,182) available to settle current liabilities of $62,020 (December 31, 2020 - $19,836). The Company's accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

The Company has no cash and cash equivalents balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign Exchange Risk

While the Company's functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at September 30, 2021, the Company does not hold foreign currency balances.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(d) Sensitivity Analysis

The Company may hold balances in United States dollars that give rise to foreign exchange risk. Based on management's knowledge and experience of the financial markets, the Company does not believe there would be any material movements as a result of changes in interest rates.

Off-Balance Sheet Arrangements

As at September 30, 2021, there were no off-balance sheet arrangements.

Outstanding Share Data

The common stock, warrants and stock options of the Company which were outstanding as at the date of this MDA, September 30, 2021, and December 31, 2020 were as follows:

	November 23, 2021	September 30, 2021	December 31, 2020
Common Shares	24,603,985	24,603,985	24,603,985
Warrants	500,000	500,000	500,000
Stock Options	—	—	—
Fully diluted	25,103,985	25,103,985	25,103,985

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

As previously stated in this Interim MD&A, the Company entered into the LOI. On November 1, 2021, the Company announced it has entered a definitive business combination agreement

RISK FACTORS

Until a business combination is completed, the Company's risk factors are those related to a successful corporate transaction. The ability of the Company to continue operations is dependent upon its ability to find and close a corporate transaction. Other risk exposures and the impact on the Company's financial instruments are summarized below.

The risks, objectives, policies and procedures from previous years have been adjusted to reflect the pursuit of a corporate transaction.

Dependence on Key Individuals

The Company's business and operations are dependent on retaining the services of a small number of key individuals. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these individuals. The loss of one or more of these individuals could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key individuals.

Capital Management

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the pursuit of a corporate transaction. The Board does not establish quantitative return on capital criteria for Management, but rather relies on the expertise of the Company's Management to sustain future development of the business.

The Company will continue to assess corporate opportunities with the intent to realize value.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. A significant change in the Company's approach to capital management in the year ended December 31, 2019 was the change to officers and directors. The incoming group is currently pursuing alternatives to finance the Company. The Company is not currently subject to externally imposed capital requirements.

Corporate Transactions

The Company is pursuing a corporate transaction with the ultimate goal to effect a business combination. There is no assurance that a such a transaction will be reached or, even if a transaction is entered into, the transaction will close on the disclosed terms, or at all.

Financing

The Company does not currently have any operations generating cash. The Company is therefore dependent upon debt and equity financing to carry out its plans. There can be no assurance that such financing will be available to the Company.

SCHEDULE “C”

(See attached)

EMPATHO CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM NOVEMBER 20, 2020 (DATE OF INCORPORATION) TO OCTOBER 31, 2021

(IN CANADIAN DOLLARS)

EMPATHO CORP.

CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 2021

CONTENTS

Independent Auditor's Report

To the Shareholders of Empatho Corp.:

Opinion

We have audited the consolidated financial statements of Empatho Corp. and its subsidiary (the "Corporation"), which comprise the consolidated statement of financial position as at October 31, 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the period from November 20, 2020 (date of incorporation) to October 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at October 31, 2021, and its financial performance and its cash flows for the period from November 20, 2020 (date of incorporation) to October 31, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Corporation incurred a net loss during the period from November 20, 2021 (date of incorporation) to October 31, 2021 and, as of that date, the Corporation had a working capital deficiency and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Toronto, Ontario
December 21, 2021

Chartered Professional Accountants
Licensed Public Accountants

MNP

EMPATHO CORP.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at		**October 31, 2021**
	Notes	**$**
ASSETS		
CURRENT		
Cash		231,201
Restricted cash	10	3,017,740
Amounts receivable and prepaids		137,420
TOTAL ASSETS		3,386,361
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	8	1,431,346
Subscription receipt liability	10	3,138,000
TOTAL LIABILITIES		4,569,346
SHAREHOLDERS' DEFICIT		
Capital stock	5	1,132,188
Contributed surplus	5	180,739
Accumulated deficit		(2,495,912)
		(1,182,985)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		3,386,361

Nature of Operations and Going Concern (Note 1)

Subsequent events (Note 10)

APPROVED ON BEHALF OF THE BOARD

(signed) "Yan Namer" — Yan Namer
Director

(signed) "Rakesh Jetly" — Rakesh Jetly
Director

See the accompanying notes to the consolidated audited financial statements

EMPATHO CORP.
CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

For the Period from November 20, 2020 (Date of Incorporation) to October 31, 2021

	Notes	$
EXPENSES		
Consulting fees	8	310,308
Stock-based compensation	5	180,739
Research and development		1,151,825
General and administrative		99,888
Professional fees		361,954
Investor relations		389,850
Foreign exchange		1,348
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		2,495,912
NET LOSS PER SHARE – Basic and diluted		$0.06
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – Basic and diluted		43,699,420

See the accompanying notes to the consolidated audited financial statements

EMPATHO CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
(All Amounts are in Canadian Dollars)

For the Period from November 20, 2020 (Date of Incorporation) to October 31, 2021

	Number of Common Shares	Capital Stock	Contributed Surplus	Accumulated Deficit	Shareholders' Deficit
Balance, November 20, 2020	-	$ -	$ -	$ -	$ -
Issuance of common shares, net of costs	51,800,000	1,132,188	-	-	1,132,188
Issuance of warrants	-	-	180,739	-	180,739
Net loss for the period	-	-	-	(2,495,912)	(2,495,912)
Balance, October 31, 2021	51,800,000	$ 1,132,188	$ 180,739	$ (2,495,912)	$ (1,182,985)

See the accompanying notes to the consolidated audited financial statements

EMPATHO CORP.

CONSOLIDATED STATEMENT OF CASH FLOW

(All Amounts are in Canadian Dollars)

For the Period from November 20, 2020 (Date of Incorporation) to October 31, 2021

OPERATING ACTIVITIES	
Net loss for the period	$ (2,495,912)
Stock-based compensation	180,739
Items not affecting cash:	
Increase in prepaids and receivables	(17,160)
Increase in accounts payable	1,431,346
	(900,987)
FINANCING ACTIVITIES	
Issuance of common shares, net of issuance costs	1,132,188
Subscription receipts, net of issuance costs	3,017,740
	4,149,928
Change in cash and restricted cash	3,248,941
Opening cash and restricted cash	-
Closing cash and restricted cash	$ 3,248,941

See the accompanying notes to the consolidated audited financial statements

1. Nature of Organization and Going Concern

Description of the Business
Empatho Corp. (the "Corporation") was incorporated under the Canada Business Corporations Act on November 20, 2020 ("date of incorporation").

Empatho Corp.'s registered office is at 222 Bay Street, P.O. Box 37, Suite 2600, Toronto, Ontario, Canada, M5K 1B7 and head office address is 40 King Street West, Suite 1700 Toronto, Ontario M5H 1H1.

The consolidated financial statements of the Corporation for the period from November 20, 2020 to October 31, 2021 were authorized for issuance in accordance with a resolution of the directors on December 21, 2021.

Although the Corporation has commenced operations, it has no assets other than cash and amounts receivable and prepaid balances. The principal business of the Corporation will be to enhance personal wellbeing through the use of proprietary artificial intelligence.

These consolidated financial statements have been prepared on the basis of a going concern which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. The Corporation's ability to continue as a going concern is dependent on being able to raise the necessary funding to continue operations, through public equity, debt financings, joint arrangements and other contractual arrangements, or being able to operate profitably in the future. The Corporation has incurred losses since inception and as at October 31, 2021 has working capital deficiency of $1,182,985 and an accumulated deficit of $2,495,912. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Corporation. If the Corporation is unable to obtain sufficient funding, the ability of the Corporation to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles as a going concern will be in doubt. These uncertainties may cast significant doubt upon the Corporation's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Corporation be unable to continue in existence.

2. Basis of Preparation

Statement of Compliance
The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements are the Corporation's first consolidated financial statements prepared under IFRS and the first consolidated financial statements prepared since the date of incorporation.

Basis of Measurement
These consolidated financial statements were prepared on a going concern basis, under the historical cost convention except for financial instruments classified at fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period.

Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 4.

Basis of consolidation
The audited consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(i) Subsidiaries - The following companies have been consolidated within the audited annual consolidated financial statements:

Company	**Registered**	**Principal Activity**
Empatho Corp.	Canada	Artificial Intelligence Application
Empatho Labs Inc. (1)	Ontario	Dormant

(1) 100% owned by ultimate shareholder - Empatho Corp.

Functional and presentation currency
These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. The functional currency of the Corporation's subsidiary is also Canadian dollars.

3. Summary of Significant Accounting Policies

Cash
Cash consists of deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Share-based payment transactions
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which the options vest. The offset to the recorded cost is share-based payment reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserve is transferred to share capital. Upon expiry, the value is transferred to deficit.

At the end of each reporting period, the Corporation revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of operations such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of operations.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Income Taxes
Income tax expense comprises current and deferred tax. Tax is recognized in the statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Income Tax
Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax
Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such

assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Earnings (Loss) Per Share
The Corporation presents basic earnings (loss) per share for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders on the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments
The following table shows the classification of the Corporation's financial instruments under IFRS 9:

Financial assets	
Cash	FVTPL
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Subscription receipt liability	Amortized cost

The Corporation classifies its financial assets in one of the following categories: (1) at fair value through profit or loss ("FVTPL"), (2) at amortised cost or (3) at fair value through other comprehensive income ("FVTOCI"). The classification depends on the purpose for which the financial assets were acquired, the business model in which they are managed and their cash flow characteristics. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss in the period in which they arise.

Amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current or non-current based on their maturity date.

Financial assets at FVTOCI
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Impairment of financial assets at amortized cost
The Corporation recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Corporation measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Corporation measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Corporation recognizes in the statements of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Corporation also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value hierarchy

The Corporation uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Cash has been measured at fair value using Level 1 inputs. The carrying value of accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

Recent Accounting Pronouncements
Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Corporation's consolidated financial statements, except as follows:

IAS 1, Presentation of Financial Statements
In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively. The Corporation is currently evaluating the impact of these amendments on its consolidated financial statements and will apply the amendments from the effective date.

4. Summary of Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

(All Amounts are in Canadian Dollars)

Significant estimates and judgements made in preparation of these consolidated financial statements include:

Going Concern
Management applies judgement in its assessment of going concern and uncertainties of the Corporation's ability to raise additional capital and/or obtain financing to advance the business.

Share-based payments
Management determines costs for share-based payments using the Black-Scholes option pricing model. The fair value of the market-based and performance-based share awards are determined at the date of grant and incorporates Black- Scholes input assumption's including the future volatility of the stock price, expected dividend yield, and expected life. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Recognition and valuation of deferred tax assets
The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future or whether taxable temporary differences will reverse such that deferred tax assets can be utilized. Recognition therefore involves a degree of estimation and judgement regarding the future financial performance or the timing of the reversed deferred tax liabilities where deferred tax assets have been recognized.

5. Capital Stock

Common Shares

The Corporation is authorized to issue an unlimited number of common shares.

During the period ended October 31, 2021, the Corporation issued the following common shares:

	Number	$
Balance, November 20, 2020	-	-
Shares issued on incorporation (i)	100,000	2,000
Founder shares for cash, net of issuance costs (ii)	41,200,000	608,188
Shares for cash, net of issuance costs (iii)	10,500,000	522,000
Balance, October 31, 2021	51,800,000	1,132,188

i. The Corporation issued 100,000 shares for cash of $100 on incorporation. The subscription price of the shares issued on incorporation was later adjusted to $0.02, resulting in further cash of $1,900 received.
ii. During the period ended October 31, 2021, the Corporation originally issued 41,200,000 common shares at a price of $0.005 per common share for gross proceeds of $206,000. The subscription price of the Founder shares was later adjusted and further balances of $402,188, net of costs of $12,696 were received.
iii. During the period ended October 31, 2021, the Corporation raised $525,000 via subscriptions at a price of $0.05 per share. Costs of $3,000 were incurred related to this placement.

Warrants

On June 1, 2021, the Corporation issued 5,000,000 common share purchase warrants (each referred to herein as a "Founders Warrant") to certain founders, executives and consultants of the Corporation. Each Founders Warrant is exercisable into one common share of the Corporation at an exercise price of $0.02 for a period of two-years, maturing on June 1, 2023. The fair value of these Founders Warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumption: Share price of $0.05; expected dividend yield 0%; risk-free interest rate of 0.32%; volatility of 100% and an expected life of two years. The fair value assigned to these warrants was $180,738 and was recognized in the statement of loss and comprehensive loss during the period ended October 31, 2021.

6. Capital Risk Management

The Corporation manages its capital stock as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue to operate and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new common shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing efforts, the Corporation does not pay out dividends.

The Corporation expects its current capital resources will be sufficient to carry its operations. The Corporation is not subject to any externally or internally imposed capital requirements as at October 31, 2021.

The Corporation's capital under management as at October 31, 2021 is $1,132,188.

7. Financial Instruments and Risk Management

Risk Management

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

Liquidity Risk

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is equity financing, which is used to finance working capital and capital expenditure requirements, and to meet the Corporation's financial obligations associated with financial liabilities. The Corporation's accounts payable and accrued liabilities generally have contracted maturities of less than 30 days and are subject to normal trade terms.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Corporation does not trade in financial instruments and is not exposed to significant interest rate price risk as at October 31, 2021.

Market Risk

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: credit risk, currency risk and other price risk.

Credit Risk

Credit risk arises from the possibility that debtors may not be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Corporation's credit risk is on its cash. Management assesses credit risk related to cash as remote.

Currency Risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Corporation does not have any material transactions denominated in foreign currency and is not exposed to foreign currency risk as at October 31, 2021.

Other Price Risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk as at October 31, 2021.

(All Amounts are in Canadian Dollars)

8. Transactions with Related Parties

Related parties include the Board of Directors, Key Management Personnel, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation directly or indirectly, including any directors (executive and non-executive) and corporate officers of the Corporation.

Remuneration attributed to key management in the period from November 20, 2021 to October 31, 2021 can be summarized as follows:

	For the period ended October 31, 2021	
Consulting fees	$	279,459
Stock-based compensation	$	105,732
	$	385,191

At October 31, 2021, $255,284 was payable to key management. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties. The amounts payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the period ended October 31, 2021, certain key management participated in private placements completed by the Corporation, resulting in a total of 9,250,000 common shares issued in exchange for consideration totaling $139,871.

During the period ended October 31, 2021, a consulting company participated in a private placement completed by the Corporation, resulting in a total of 12,900,000 common shares issued in exchange for consideration totaling $386,502. The consulting company who participated in private placement also earned investor relations fees during the period ended October 31, 2021 totaling $384,200. At October 31, 2021, $384,200 was payable to the consulting company. During the period ended October 31, 2021, the consulting company also advanced $81,925 to the Corporation as a deposit on future products or services to be provided by the Corporation. The advance is included in accounts payables and accrued liabilities in the consolidated statement of financial position. Subsequent to period end, the consulting company also earned a finder's fee in the form of shares on closing of the business combination (note 10).

During the period ended October 31, 2021, certain related parties received a total of 2,925,000 Founders Warrants of the Company (note 5). In connection with the Founders Warrant's issued to related parties, share-based compensation totaling $105,732 was recognized in the consolidated statement of loss and comprehensive loss.

9. Income Taxes

(a) The items causing the Corporation's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 12.2%, for the period November 20, 2020 to October 31, 2021, are as follows:

	2021 $
Loss before income taxes	2,495,912
Expected income tax recovery	(304,501)
Permanent differences	22,050
Share issuance costs	(1,915)
Change in unrecognized deductible temporary differences	284,366
Deferred income tax recovery	-

(All Amounts are in Canadian Dollars)

(b) Unrecognized deferred tax assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2021
	$
Non-capital loss carry-forwards	2,315,173
Share issuance costs	12,557

Deferred tax assets have not been recognized in respect of these items because it is not possible to establish that future taxable profit will be available against which the Corporation can use the benefits.

10. Subsequent Events

Letter of Intent and Definitive Business Agreement

On June 29, 2021, the Corporation closed a private placement (the “Offering”) through the issuance of 12,552,000 subscription receipts (each, a “Subscription Receipt”) at $0.25 per Subscription Receipt. Pursuant to the terms of a subscription receipt agreement, on the completion of certain escrow conditions each Subscription Receipt will be automatically converted, without payment of additional consideration, into a unit (a “Subscription Unit”), with each Subscription Unit being comprised of a common share (a “Subscription Share”) and a Subscription Share purchase warrant (each, a “Subscription Warrant”) of the Corporation. On the completion of the reverse takeover transaction, each Subscription Share and Subscription Warrant are to be immediately exchanged, for no additional consideration, for one common share of the resulting issuer and one common share purchase warrant of the resulting issuer. Each common purchase warrant will be exercisable for one common share of the resulting issuer for an exercise price of $0.50, with an expiry date of 24 months after issuance. As of October 31, 2021, Cash is held in escrow pending the completion of the conditions.

In connection with the closing of the Offering, Empatho paid or will pay certain eligible persons cash commission of $251,040 and granted 1,004,160 finders and compensation warrants (each, a “Compensation Warrant”) with each Compensation Warrant entitling the holder to acquire a unit (each, a “Unit”) of the resulting issuer, with each Unit being comprised of one common share of the resulting issuer and one common share purchase warrant of the resulting issuer. The Compensation Warrants are exercisable at a price of $0.25 per Unit for a period of twenty-four (24) months following the date of issuance. Each common share purchase warrant shall be exercisable into one additional common share of the Corporation at a price of $0.50, with an expiry date of 24 months after issuance. Costs of $120,260 have been incurred to date related to the placement and included in amounts receivable and prepaids on the consolidated statement of financial position.

On October 29, 2021, the Corporation announced it has entered a definitive business combination agreement with Shane Resources Ltd. to complete a business transaction by way of reverse takeover (the “Proposed Transaction”). The Proposed Transaction will be structured as a “three-cornered amalgamation” among Shane Resources Ltd., Shane Resources Ltd.’s wholly-owned subsidiary and the Corporation.

Upon completion of the Proposed Transaction, an additional 4,000,000 Post-Consolidated Shares (“Finder Shares”) shall be issued to finders at no additional cost. A consulting company, considered a related party, who participated in private placement and also earned investor relations fees, received 1,000,000 of the 4,000,000 Founder Shares.

On December 14, 2021, the Company announced it completed the Proposed Transaction and the escrowed funds had been released.

SCHEDULE “D”

(See attached)

The following management's discussion and analysis ("**MD&A**") should be read in conjunction with the Corporation's consolidated financial statements and notes thereto for the period ended October 31, 2021 (the "financial statements"). This MD&A was prepared by management of Empatho Corp. (the "**Corporation**"), and was approved by the Board of Directors on December 21, 2021. Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

BASIS OF PRESENTATION

This MD&A and the financial statements have been prepared in Canadian dollars, unless otherwise indicated, and in accordance with International Financial Reporting Standards ("**IFRS**").

FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute "forward-looking information". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking information. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward- looking statements. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

OVERALL PERFORMANCE

BUSINESS OF THE CORPORATION

The Corporation was incorporated pursuant to the provisions of the Canada Business Corporations Act on November 20, 2020 (date of incorporation). Between December 17, 2020 and October 31, 2021, the Corporation issued 51,800,000 common shares at prices of $0.001 per common share and $0.05 per common share, for proceeds, net of costs, of $1,132,188. Further, on June 30, 2021, the Corporation closed a private placement of $3,138,000 through an issuance of 12,552,000 subscription receipts. On completion of certain escrow conditions, each subscription receipt can be exchanged for a unit of the Corporation when it becomes publicly traded. Each unit contains one share and one share purchase warrant. Each warrant will be exercisable at a price of $0.50 until June 29, 2023. Funds will be held in trust until the Corporation is publicly traded.

In connection with the closing of the Offering, Empatho paid or will pay certain eligible persons cash commission of $251,040 and granted 1,004,160 finders and compensation warrants (each, a "**Compensation Warrant**") with each Compensation Warrant entitling the holder to acquire a units (each, a "**Unit**") of the resulting issuer, with each Unit being comprised of one common share of the resulting issuer and one common share purchase warrant of the resulting issuer. The Compensation Warrants are exercisable at a price of $0.25 per Unit for a period of twenty-four (24) months following the date of issuance. Each common share purchase warrant shall be exercisable into one additional common share of the Corporation at a price of $0.50, with an expiry date of 24 months after issuance. Costs of $120,260 have been incurred to date related to the placement.

The principal business of the Corporation will be to enhance personal well-being through the use of proprietary artificial intelligence (AI).

Going Concern

The Corporation is in its first year of operations. While the Corporation intends to build a product to enhance personal wellbeing through the use of proprietary artificial intelligence (AI), there is no guarantee that the Corporation will succeed in this objective, or if the product will be commercially successful.

The Corporation has incurred losses since inception and as at October 31, 2021 has working capital deficiency of $1,182,985 and an accumulated deficit of $2,495,912. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Corporation. If the Corporation is unable to obtain sufficient funding, the ability of the Corporation to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles as a going concern will be in doubt. These uncertainties may cast significant doubt upon the Corporation's ability to continue as a going concern. The Corporation's financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Corporation be unable to continue in existence. Such adjustments could be material.

SELECTED ANNUAL FINANCIAL HIGHLIGHTS

The financial results of the Corporation for the financial period ended October 31, 2021 are summarized as follows:

For the period from November 20, 2020 to October 31, 2021 (in Canadian $ except for per share amounts)	
Total Revenue	$ -
Operating Expenses	2,495,912
Net Income (Loss)	(2,495,912)
Earnings (Loss) per Share-Basic	$ -
Earnings (Loss) per Share-Diluted	$ -
Weighted average shares outstanding	43,699,420
Total Assets	$ 3,386,361
Total Short Term Liabilities	$ 4,569,346
Shares outstanding	51,800,000

DISCUSSION OF OPERATIONS

During the period ended October 31, 2021, the Corporation had a net loss of $2,495,912.

Consulting fees of $310,308 were expensed during the period, related to the activities of the CEO, CFO and two directors. These balances remained outstanding at October 31, 2021 and at the date of this MDA. Stock-based compensation of $180,739 relates to the issuance of 5,000,000 Founder Warrants. Product research and development spending was $1,151,825 during the period.

Significant product development spending areas include:

- $312,207 for preliminary research, including a Research Coordinator/Project Assistant, 2 Research Assistants, scale validation, data collection/analysis for the PsychAI platform, a Senior Psychologist and an iOS developer;
- $278,999 for machine learning / artificial intelligence development, including an AI/Algorithm Developer, AI Developer & Analyst, Senior ML/AI Biostatistician, and AI/ML contracting;
- $433,582 for front-end and back-end development, including project management, software development, business analysis / process design, quality assurance / testing, and infrastructure & database administration;
- $95,711 for design, including a lead designer and product manager;
- $29,473 for branding and copywriting, including visual elements, brand collateral, marketing collateral, marketing strategy, presentation style & templates, and website; and
- $1,854 for other miscellaneous expenditures such as hardware for testing and demo, licenses and company user accounts (Apple, Github, Invision, Zoom, Slack, Asana, DocuSign, among others).

The Corporation incurred $389,850 of fees related to investor relations efforts for its placement and CSE Application. Professional fees of $361,954 include legal and audit expenses.

Currently the only assets of the Corporation are cash, restricted cash and a prepaid balance.

DISCLOSURE OF OUTSTANDING SHARE DATA

During the period ended October 31, 2021, the Corporation issued 51,800,000 common shares. The Corporation originally issued 100,000 at a price per common share of $0.001, and 41,200,000 common shares were issued at a price of $0.005. Later, the Corporation increased the subscription price and raised a further $404,088, net of costs of $12,696, related to these shares. The Corporation also issued 10,500,000 common shares at a price of 0.05 per common share. Costs of $3,000 were incurred related to the $0.05 placement round. During the period ended October 31, 2021, the Corporation issued 5,000,000 founder warrants.

As of October 31, 2021 and the date of this MD&A, the Corporation has the following securities outstanding on a fully diluted basis:

	December 21, 2021	October 31, 2021
Common shares	72,552,000	51,800,000
Warrants		
Founder warrants	5,000,000	5,000,000
Subscription receipt warrants	12,552,000	-
Compensation Units(1)	1,004,160	-
Shane warrants	81,287	-
Fully diluted	**91,189,447**	**56,800,000**

(1) Compensation Units are exercisable at into one common share and one common share purchase warrant, with each warrant convertible into one additional share at a price of $0.50 until June 29, 2023.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2021, the Corporation had cash of $231,201, restricted cash of $3,017,740 and a net working capital deficit of $1,182,985. The Corporation had amounts payable of $1,431,346 and subscription receipts liabilities of $3,138,000 at October 31, 2021.

OFF-BALANCE SHEET ARRANGEMENTS

As at October 31, 2021, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

Related parties include the Board of Directors, Key Management Personnel, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation directly or indirectly, including any directors (executive and non-executive) and corporate officers of the Corporation.

Remuneration attributed to key management in the period from November 20, 2021 to October 31, 2021 can be summarized as follows:

		For the period ended October 31, 2021
Consulting fees	$	279,459
Stock-based compensation	$	105,732
	$	385,191

At October 31, 2021, $255,284 was payable to key management. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties. The amounts payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the period ended October 31, 2021, certain key management participated in private placements completed by the Corporation, resulting in a total of 9,250,000 common shares issued in exchange for consideration totaling $139,871.

During the period ended October 31, 2021, a consulting company participated in a private placement completed by the Corporation, resulting in a total of 12,900,000 common shares issued in exchange for consideration totaling $386,502. The consulting company who participated in private placement also earned investor relations fees during the period ended October 31, 2021 totaling $384,200. At October 31, 2021, $384,200 was payable to the consulting company. During the period ended October 31, 2021, the consulting company also advanced $81,925 to the Corporation as a deposit on future products or services to be provided by the Corporation. The advance is included in accounts payables and accrued liabilities in the consolidated statement of financial position. Subsequent to period end, the consulting company earned a finder's fee in the form of shares on closing of the business combination, receiving 1,000,000 of the 4,000,000 Founder Shares.

During the period ended October 31, 2021, certain related parties received a total of 2,925,000 Founders Warrants of the Company (note 5). In connection with the Founders Warrant's issued to related parties, share-based compensation totaling $105,732 was recognized in the consolidated statement of loss and comprehensive loss.

PROPOSED TRANSACTIONS

As at October 31, 2021, the Corporation entered a proposed corporate transaction as described below.

Pursuant to the terms of the Letter of Agreement, on June 30, 2021, the Corporation closed a private placement (the "**Offering**") through the issuance of 12,552,000 subscription receipts (each, a "**Subscription Receipt**") at $0.25 per Subscription Receipt. Pursuant to the terms of a subscription receipt agreement, on the completion of certain escrow conditions each Subscription Receipt will be automatically converted, without payment of additional consideration, into a unit (a "**Subscription Unit**"), with each Subscription Unit being comprised of a common share (a "**Subscription Share**") and a Subscription Share purchase warrant (each, a "**Subscription Warrant**") of Empatho. On the completion of the Transaction, each Subscription Share and Subscription Warrant are to be immediately exchanged, for no additional consideration, for one common share of the resulting issuer and one common share purchase warrant of the resulting issuer. Cash is held in escrow pending the completion of the conditions. Costs of $120,260 have been incurred to date related to the placement.

In connection with the closing of the Offering, Empatho paid or will pay certain eligible persons cash commission of $251,040 and granted 1,004,160 finders and compensation warrants (each, a "**Compensation Warrant**") with each Compensation Warrant entitling the holder to acquire a units (each, a "**Unit**") of the resulting issuer, with each Unit being comprised of one common share of the resulting issuer and one common share purchase warrant of the resulting issuer. The Compensation Warrants are exercisable at a price of $0.25 per Unit for a period of twenty-four (24) months following the date of issuance. Each common share purchase warrant shall be exercisable into one additional common share of the Corporation at a price of $0.50, with an expiry date of 24 months after issuance.

On October 29, 2021, the Corporation announced it has entered a definitive business combination agreement with Shane Resources Ltd. to complete a business transaction by way of reverse takeover (the "Proposed Transaction"). The Proposed Transaction will be structured as a "three-cornered amalgamation" among Shane Resources Ltd., Shane Resources Ltd.'s wholly-owned subsidiary and the Corporation.

Upon completion of the Proposed Transaction, an additional 4,000,000 Post-Consolidated Shares ("Finder Shares") shall be issued to finders at no additional cost. A consulting company, considered a related party, who participated in private placement and also earned investor relations fees, received 1,000,000 of the 4,000,000 Founder Shares.

On December 14, 2021, the Company announced it completed the Proposed Transaction and the escrowed funds had been released.

CRITICAL ACCOUNTING ESTIMATES & CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Corporation's critical accounting estimates are explained in Note 3 of the financial statements.

Notes to the financial statements of the Corporation for the period ended October 31, 2021 are available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial instruments consist of cash and cash equivalents, deferred financing costs, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from financial instruments.

RISKS AND UNCERTAINTIES

The risk factors are discussed in the section entitled “Risk Factors” in the Company's Form 2A Listing Statement dated December 21, 2021.

SCHEDULE "E"

(See attached)

EMPATHO CORP.

PRO FORMA FINANCIAL STATEMENTS

FOR THE PERIOD FROM NOVEMBER 20, 2020 (DATE OF INCORPORATION) TO OCTOBER 31, 2021

(IN CANADIAN DOLLARS)

Empatho Corp. Proforma Statement of Financial Position
(Expressed in Canadian dollars - Unaudited)

	Empatho Corp. October 31, 2021	Shane Resources Ltd. September 30, 2021	Pro Forma Adjustments	Note	Pro Forma Consolidated October 31, 2021
ASSETS					
Current assets					
Cash	$ 231,201	$ 11,416	$ 3,017,740	2	$ 3,101,877
			30,000	2	
			(188,480)	2	
Restricted cash	3,017,740	-	(3,017,740)	2	-
GST receivable	-	11,100	-		11,100
Prepaid	137,420	-	(120,260)	2	17,160
Total current assets	3,386,361	22,516	(278,740)		3,130,137
Total assets	$ 3,386,361	$ 22,516	$ (278,740)		$ 3,130,137
EQUITY (DEFICIENCY) AND					
Current liabilities					
Amounts payable	$ 1,431,346	$ 62,020	$ 345,000	2	$ 1,838,366
Subscription receipts liability	3,138,000	-	(3,138,000)	2	-
Total current liabilities	4,569,346	62,020	(2,793,000)		1,838,366
Total liabilities	4,569,346	62,020	(2,793,000)		1,838,366
Equity					
Share capital	1,132,188	6,887,428	(6,887,428)	2	5,285,753
			2,096,449	2, 3	
			1,000,000	2	
			1,000,000	2	
			57,116	2	
Contributed surplus	180,739	-	732,811	2, 3	922,152
			8,602	2, 2	
Deficit	(2,495,912)	(6,926,932)	6,926,932	2	(4,916,134)
			(2,420,222)	2	
Total equity	(1,182,985)	(39,504)	2,514,260		1,291,771
Total equity and liabilities	$ 3,386,361	$ 22,516	$ (278,740)		$ 3,130,137

Empatho Corp. Proforma Statement Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

Period ended October 31, 2021	**Empatho Corp.**	**Shane Resources**	**Pro Forma Adjustments**	**Note**	**Pro Forma Consolidated**
Expenses					
Consulting fees	$ 310,308	$ -	$ -		$ 310,308
Stock-based compensation	180,739	-	-		180,739
Research	1,151,825	-	-		1,151,825
General and administrative	99,888	4,213	-		104,101
Professional fees	361,954	45,185	-		407,139
Investor relations	389,850	-	-		389,850
Listing costs	-	-	1,075,222	2	2,420,222
			1,000,000	2	
			345,000	2	
Foreign exchange	1,348	-	-		1,348
Loss for the period	(2,495,912)	(49,398)	(2,420,222)		(4,965,532)
Other Comprehensive income	-	-	-		-
Total Comprehensive Loss	$(2,495,912)	$ (49,398)	$ (2,420,222)		$ (4,965,532)
Weighted Average number of common shares outstanding *	43,699,420	24,603,985	(20,603,985)	2	64,451,420
			12,552,000	2	
			4,000,000	2	
			200,000	2	
Loss per share – basic and fully diluted	$0.06	$0.00			$0.08
Post Consolidation Share count – pro forma	51,800,000	4,000,000	12,552,000	2	72,552,000
			4,000,000	2	
			200,000	2	

*** Shane shares converted to reflect post RTO numbers**

1. BASIS OF PREPARATION

The accompanying unaudited pro forma consolidated financial statements of Shane Resources Ltd. ("**Shane**" or the "**Company**") have been prepared to illustrate the impact of the acquisition of Empatho Corp. ("**Empatho**") by Shane.

It is management's opinion that these unaudited consolidated pro forma financial statements include all adjustments necessary for the fair presentation of the transactions described herein and are in accordance with International Financial Reporting Standards ("**IFRS**") applied on a basis consistent with the Company's accounting policies. These pro forma consolidated financial statements are not intended to reflect the financial position of the Company that would have actually resulted had the transactions been affected on the dates indicated above. Actual amounts recorded upon consummation of the transactions will differ from those recorded in these unaudited pro forma consolidated financial statements and the differences may be material.

Accounting policies used in the preparation of the unaudited pro forma financial statements are consistent with those used in the financial statements of Empatho for the period from November 20, 2020 to October 31, 2021. The unaudited pro forma financial statements should be read in conjunction with the audited consolidated financial statements for the period ended October 31, 2021 and the notes included therein, of Empatho.

The unaudited consolidated pro forma statement of financial position and statement of comprehensive loss have been prepared by management and include information from:

(a) The audited consolidated statement of financial position of Empatho as at October 31, 2021 and the statement of loss and comprehensive loss for the period from November 20, 2020 (Date of Incorporation) to October 31, 2021.
(b) The unaudited condensed interim financial statements of the Shane Resources Ltd. as at and for the period ended September 30, 2021.

The unaudited pro forma statement of financial position and statement of comprehensive loss has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Proposed Transaction been in effect at the date indicated. The Proposed Transaction is presumed to have occurred on October 31, 2021.

2. PRO FORMA TRANSACTIONS AND ADJUSTMENTS

On April 9, 2021, the Corporation announced it has entered a letter of intent ("**LOI**") with Shane Resources Ltd., previously a mineral exploration company with no current activities or operations, to complete a business transaction by way of reverse takeover. On October 12, 2021, the terms of the LOI were changed to extend the exclusivity period to the earlier of December 7, 2021, the date of execution of a Definitive Agreement, or the termination of the LOI.

On November 1, 2021, the Corporation announced it had entered a definitive business combination agreement ("**Business Combination Agreement**") with Shane, to complete the **Transaction**. The non-diluted, pro forma ownership of the issuer resulting from the Transaction (the "Resulting Issuer") is expected to be approximately 71.4% former Empatho shareholders, 5.8% Shane shareholders, 5.5% Finder Shares, and 17.3% subscription receipt holders of Empatho. Under the terms of the Business Combination Agreement, Shane will consolidate all of its issued and outstanding common shares (the "**Shane Shares**") and warrants ("**Shane Warrants**") based on a ratio of one (1) post-consolidation Shane Share for every 6.15099 pre-consolidation Shane Shares.

Pursuant to the Transaction, Shane will consolidate all of its common shares ("**Shane Shares**") on the basis that the Company's outstanding shares are 4,000,000 prior to the Amalgamation, being 7.2% of the issued and outstanding shares of the consolidated entity at the time of the Amalgamation Agreement and before the concurrent financing. Shane shareholders shall also receive 200,000 post-consolidated stock options (“**Shane Options**”), exercisable into one (1) post-consolidated Shane Share at a price of $0.15 per share up until October 31, 2022. The Shane Options have been exercised at the date of this Pro Forma.

(Expressed in Canadian Dollars – Unaudited)

Upon completion of the transaction, an additional 4,000,000 Post-Consolidated Shares (“**Finder Shares**”) shall be issued to finders at no additional cost.

Holders of outstanding Common Shares in the capital of Empatho ("**Empatho Shares**") shall receive a number of Shane Post-Consolidation Shares for each one (1) Empatho Share held and the Empatho Shares will be cancelled.

Upon completion of the amalgamation and being listed on the CSE, Shane will carry on business of Empatho as “Empatho Corp.” (the “**Resulting Issuer**”).

The following are the pro forma assumptions and adjustments relating to the Transaction.

As a result of the share exchange between Shane and Empatho described above, the former shareholders of Empatho will acquire control of the Company. Management has evaluated that Shane does not meet the definition of a business as defined by IFRS 3. Consequently, the Transaction will be accounted as an acquisition of Shane’s net assets and reporting issuer status. The Shane share capital and retained earnings will be eliminated in the proforma consolidation. The cost of the transaction in excess of the net assets of Shane will be reflected as listing expenses.

The assets and liabilities of Shane assumed on the recapitalization are as follows:

Cash	$ 11,416
GST Receivable	11,100
Amounts Payable	(62,020)
	$ (39,504)

The share capital and deficit eliminations of Shane assumed on the recapitalization are as follows:

Share capital	$ (6,877,428)
Deficit	6,926,932
	$ 39,504

The net liabilities of Shane of $39,504 assumed on the recapitalization are included as part of the listing expense. The Company recorded listing fees of $2,420,222, comprised of $1,035,718 of consideration for Shane shares, options and warrants, and $1,345,000 of transaction costs, comprised Finder Shares valued at $1,000,000 and $345,000 in the form of cash as follows:

Consideration of Shane Shares	$ 1,000,000
Consideration of options	27,116
Consideration of warrants	8,602
Total consideration	1,035,718
Add net liabilities assumed	39,504
Identifiable assets	$ 1,075,222
Consideration (see above)	$ 1,075,222
Consideration of Finder Shares	1,000,000
Legal and transaction costs	345,000
Total listing expenses	$ 2,420,222

(Expressed in Canadian Dollars – Unaudited)

The fair value of the post consolidated Shane share count of 4,000,000 and Finder Share count of 4,000,000 issued common shares of the Company was estimated using $0.25 per share.

Shane warrants will be converted to 81,287 post-consolidation warrants. Each warrant will be exercisable at a price of $0.49 until May 27, 2024. A value of $8,062 was ascribed to these warrants, using a Black Scholes valuation method and the following inputs; share price of $0.25; expected dividend yield 0%; risk-free interest rate of 0.32%; volatility of 100% and an expected life of two and one half years.

Shane will issue 200,000 post-consolidated stock options. Each stock option will be exercisable at a price of $0.15 until October 31, 2022. A value of $27,116 was ascribed to these warrants, using a Black Scholes valuation method and the following inputs; share price of $0.25; expected dividend yield 0%; risk-free interest rate of 0.32%; volatility of 100% and an expected life of one and one half years. As of the date of the listing statement, the 200,000 Shane Options were exercised in full, converting into 200,000 post-consolidated Shane shares for gross proceeds of $30,000. Upon exercise, the value of the Shane Options totaling $27,116 was transferred from contributed surplus to share capital.

Legal and transaction costs include an estimated $300,000 for legal fees, $15,000 for accounting fees, $20,000 for Regulatory fees and $10,000 for all other expenses.

Listing expenses include the consideration of shares and warrants and the legal and transaction costs.

The Company has issued 12,552,000 subscription receipts at $0.25 per share, for gross proceeds of $3,138,000. Each subscription receipt can be exchanged for a unit of the Company when it becomes publicly traded. Each unit contains one share and one share purchase warrant. Each warrant will be exercisable at a price of $0.50 until June 29, 2023. Estimated costs of $308,740, accounted for as $120,260 in prepaid and $188,480 (as a reduction of cash in pro forma adjustments) have been deducted from this balance to leave net proceeds of $2,829,260. The Company also issued 1,004,160 finder units exercisable at a price of $0.25 until June 29, 2023. Each finder unit is comprised of one share and one share purchase warrant exercisable at a price of $0.50 until June 29, 2023. The proceeds have been allocated as $2,096,449 to share capital and $732,811 to contributed surplus based on a value of $614,560 estimated for the warrants and $118,251 estimated for finder units. Proceeds are being held in trust until the Company is listed for trading.

The warrants and finder units described above were valued using a Black Scholes valuation method with the following inputs; share price of $0.25; expected dividend yield 0%; risk-free interest rate of 0.32%; volatility of 100% and an expected life of one and one half years.

3. SHARE CAPITAL

Authorized – unlimited common shares without par value.

Share capital in the unaudited consolidated pro forma financial statements is comprised of the following:

	Number of Shares*	**Share Capital $**	**Reserves $**
Shane's balance as at September 30, 2021	4,000,000	1,000,000	35,718
Empatho's balance as at October 31, 2021	51,800,000	1,132,188	180,739
Concurrent placement	12,552,000	2,096,449	732,811
Finder Shares	4,000,000	1,000,000	-
Exercise of Shane Options	200,000	57,116	(27,116)
	72,552,000	5,285,753	922,152

*Shares are calculated on a post consolidation basis

**Shane Shares are calculated by assuming a consolidation of the pre-consolidated shares outstanding such that Shane shareholders receive 7.2% of the post-amalgamation shares in the Company, before the concurrent financing.
***The combined Canadian federal and provincial pro rata effective income tax rate for the Company is expected to be 12.2%.