

**SILVER PHOENIX RESOURCES INC.**

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

For the nine months ended September 30, 2022 and 2021

# **SILVER PHOENIX RESOURCES INC.**

(An Exploration Stage Company)

(the “Company” or “Silver Phoenix”)

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As at and for the nine months ended September 30, 2022**

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Management of Silver Phoenix Resources Inc. is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim consolidated financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

**SILVER PHOENIX RESOURCES INC.**

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	September 30, 2022	December 31, 2021
<b>Assets</b>		
Current Assets		
Cash	\$ 2,159	\$ 3,343
Amounts receivable	12,100	9,354
Marketable securities (Note 4)	1	1
	<b>14,260</b>	12,698
Non-current Assets		
Exploration and evaluation assets (Note 5)	1	1
	<b>14,261</b>	12,699
<b>Total Assets</b>	<b>\$ 14,261</b>	<b>\$ 12,699</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 248,005	\$ 73,015
Loan payable (Note 6)	186,311	96,931
	<b>434,316</b>	169,946
<b>Equity (Deficiency)</b>		
Share capital (Note 7)	3,273,079	3,273,079
Equity reserve (Note 7)	363,699	363,699
Deficit	(4,056,833)	(3,794,025)
	<b>(420,055)</b>	<b>(157,247)</b>
<b>Total Liabilities and Equity</b>	<b>\$ 14,261</b>	<b>\$ 12,699</b>

Nature and continuance of operations (Note 1)

Commitments (Note 11)

Proposed Transaction (Note 12)

Approved on Behalf of the Board on November 24, 2022:

“Scott Ackerman”

Scott Ackerman – CEO and Director

“Doug McFaul”

Doug McFaul – CFO and Director

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

**SILVER PHOENIX RESOURCES INC.**

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
<b>Expenses</b>				
Exploration expenses (Note 5)	\$ 10,026	\$ -	\$ 10,026	\$ -
Finance expense (Note 6)	3,839	1,203	9,380	2,267
General and administrative	44	18	105	79
Management fees	36,000	36,000	108,000	108,000
Professional fees	43,747	6,206	116,305	8,224
Transfer agent and filing fees	7,590	8,313	18,992	23,997
<b>Net loss and comprehensive loss</b>	<b>(101,246)</b>	<b>(51,740)</b>	<b>(262,808)</b>	<b>(142,567)</b>
<b>Weighted average number of common shares outstanding</b>	<b>8,411,564</b>	<b>8,411,564</b>	<b>8,411,564</b>	<b>8,344,562</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>

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

**SILVER PHOENIX RESOURCES INC.**

## Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	<b>Number of Common Shares<sup>1</sup></b>	<b>Share Capital</b>	<b>Equity Reserve</b>	<b>Deficit</b>	<b>Total Shareholders' Equity (Deficiency)</b>
<b>Balance, December 31, 2021</b>	8,411,564	\$ 3,273,079	\$ 363,699	\$ (3,794,025)	\$ (157,247)
Net loss and comprehensive loss	-	-	-	(262,808)	(262,808)
<b>Balance, September 30, 2022</b>	<b>8,411,564</b>	<b>\$ 3,273,079</b>	<b>\$ 363,699</b>	<b>\$ (4,056,833)</b>	<b>\$ (420,055)</b>
<b>Balance, December 31, 2020</b>	7,711,564	\$ 3,010,579	\$ 363,699	\$ (3,595,016)	\$ (220,738)
Exercise of warrants	700,000	262,500	-	-	262,500
Net loss and comprehensive loss	-	-	-	(142,567)	(142,567)
<b>Balance, September 30, 2021</b>	<b>8,411,564</b>	<b>\$ 3,273,079</b>	<b>\$ 363,699</b>	<b>\$ (3,737,583)</b>	<b>\$ (100,805)</b>

<sup>1</sup>On June 30, 2021, the Company completed a consolidation of the Company's shares on a 5 old for 1 new share basis. All share and per share information has been retroactively adjusted to reflect the share consolidation.

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

**SILVER PHOENIX RESOURCES INC.**

## Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the nine months ended	
	September 30,	
	2022	2021
<b>Cash (used in) provided by:</b>		
<b>Operating Activities</b>		
Loss for the period	\$ (262,808)	\$ (142,567)
Items not affecting cash:		
Accrued interest expense (Note 6)	9,380	928
Changes in non-cash working capital items:		
Amounts receivable	(2,746)	7,512
Accounts payable and accrued liabilities	174,990	(145,843)
	<b>(81,184)</b>	<b>(279,970)</b>
<b>Financing Activities</b>		
Loan from credit facility (Note 6)	80,000	17,000
Proceeds from issuance of common shares (Note 7)	-	262,500
	<b>80,000</b>	<b>279,500</b>
<b>Change in cash for the period</b>	<b>(1,184)</b>	<b>(470)</b>
Cash, beginning of the period	3,343	1,096
<b>Cash, end of the period</b>	<b>\$ 2,159</b>	<b>\$ 626</b>
<b>Supplemental cash flow information:</b>		
Interest paid	\$ -	\$ -
Income taxes	\$ -	\$ -

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

## **SILVER PHOENIX RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Silver Phoenix Resources Inc. (the “Company”) was incorporated on February 14, 2003 under the Company Act (British Columbia). The Company is an exploration stage company engaged in acquiring, exploring and developing mineral properties, principally located in British Columbia, Canada. The Company is listed on the Canadian Securities Exchange, under the trading symbol SP. The address of the Company’s corporate office and principal place of business is 1600 – 609 Granville Street, Vancouver, B.C., V7Y 1C3, and the registered and records office is located at 2200 – 885 West Georgia Street, Vancouver, B.C., V6C 3E8.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. As of September 30, 2022, the Company has not generated revenues from its principal activities and is considered to be in the exploration stage.

#### Going Concern

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception, has working capital deficiency of \$420,056 and an accumulated deficit of \$4,056,833 at September 30, 2022. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Company’s continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests. The Company has been successful in the past in raising funds for operations by issuing shares but there is no assurance that it will be able to continue to do so in the future.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

## SILVER PHOENIX RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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### 2. BASIS OF PRESENTATION

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. Accordingly, these condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent audited annual financial statements of the Company as at and for the year ended December 31, 2021. The Board of Directors authorized these condensed interim consolidated financial statements for issue on November 24, 2022.

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent audited annual financial statements as at and for the year ended December 31, 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Principles of consolidation

These consolidated financial statements include accounts of the Company and the following subsidiaries:

Name of subsidiary	Province and Country of incorporation	Percentage ownership	Principal activity
2432998 Alberta Ltd.	Alberta, Canada	100%	Inactive <sup>(1)</sup>
14060407 Canada Inc.	Canada	100%	Inactive <sup>(1)</sup>

<sup>(1)</sup> Subsidiaries were incorporated on May 20, 2022 for the sole purpose of the Proposed Transaction (Note 12) and were inactive during the period.

All intercompany balances and transactions have been eliminated on consolidation.

#### (b) Basis of Measurement

These condensed unaudited interim consolidated financial statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for the statements of cash flows.

## SILVER PHOENIX RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Critical Accounting Estimates, Judgment and Assumptions

The preparation of these financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions 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. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

#### Exploration and Evaluation Expenditure

The application of the Company's accounting policy for deferred development expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumption about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

#### Share-based Compensation

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

#### Recovery of Deferred Tax Assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimate of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Company operations could limit the ability of the Company to obtain tax deductions in future periods.

## SILVER PHOENIX RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

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### 4. MARKETABLE SECURITIES

As at September 30, 2022, the Company owns 475,000 common shares (2021 - 475,000 shares) of Armadillo Resources Ltd. During the year ended December 31, 2013, the shares of Armadillo Resources Ltd. were halted from trading. As a result, the marketable securities were written down to \$1.

### 5. EXPLORATION AND EVALUATION ASSETS

<b>September 30, 2022</b>	Big Showing	Total
	\$	\$
Acquisition costs:		
Opening balance, January 1, 2022	1	1
Balance, September 30, 2022	1	1

  

<b>December 31, 2021</b>	Big Showing	Total
	\$	\$
Acquisition costs:		
Opening balance, January 1, 2021	1	1
<b>Balance, December 31, 2021</b>	<b>1</b>	<b>1</b>

#### Big Showing Property, British Columbia

On February 14, 2003, the Company entered into an agreement to acquire a 100% interest in the Big Showing Property for mineral claims for a total area of 1,000 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the former President and a director of the Company (“William Murray”) and 10% from an individual who became a director of the Company on November 1, 2006.

During the year ended December 31, 2018, due to a lack of available funding, the Company temporarily ceased exploration of the Big Showing Property and considered to instead explore opportunities to sell the property. Accordingly, the Company wrote the property down to \$1 by recording an impairment charge of \$82,488 against the carrying value of the property.

During the current period, the Company completed exploration and development work on the property of \$10,026 (2021 - \$nil) in order to keep the claims in good standing. The Company continues to actively pursue opportunities to sell the property, and, dependent upon the availability of funding, is also considering plans to recommence further exploration activities. During the year ended December 31, 2021, the Company made a payment instead of exploration and development work of \$5,711 to the Ministry of Finance in order to keep the claims in good standing, and this amount is included in expenses in net loss.

## SILVER PHOENIX RESOURCES INC.

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### 5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

On June 28, 2022, the Company entered into a mineral claim purchase agreement (the “Big Showing Agreement”) with 1369307 B.C. Ltd. (“1369307 BC”), a private company controlled by William Murray, whereby subject to closing of the Proposed Transaction (Note 12), the Company has agreed to sell the Big Showing Property to 1369307 BC for \$40,000. In the event that the Proposed Transaction does not close, the Company will not proceed with the sale of the Big Showing Property.

### 6. LOAN PAYABLE

On June 1, 2020, the Company entered into a credit facility agreement (the “Agreement”) with The Emprise Special Opportunities Fund (2017) Limited Partnership (“LP2017”) whereby LP2017 agreed to lend up to an aggregate principal amount of \$100,000. Any amounts advanced under this credit facility accrue simple interest calculated daily at a rate of 10% per annum and are due on demand. Subsequently, the Agreement was amended on January 1, 2021 and LP2017 agreed to lend up to an aggregate principal amount of \$250,000.

As at September 30, 2022, the Company utilized \$174,000 (2021 - \$194,000) of the credit facility. Interest expense for the nine months ended September 30, 2022 was \$12,311 (2021 - \$2,267). As at September 30, 2022, there is \$186,311 (2021 - \$96,931) owing.

### 7. SHARE CAPITAL

#### (a) Authorized

Unlimited common shares without par value.

#### (b) Shares issued

	Number of Common shares
Balance as at December 31, 2020	7,711,564
Exercise of warrants	700,000
<b>Balance as at December 31, 2021 and September 30, 2022</b>	<b>8,411,564</b>

On January 28, 2021, the Company issued 700,000 common shares through exercise of warrants at a price of \$0.375 per common share.

#### (c) Share consolidation

On June 30, 2021, the Company completed a consolidation of the Company’s shares on a 5 old for 1 new share basis. All share and per share information has been retroactively adjusted to reflect the share consolidation.

**SILVER PHOENIX RESOURCES INC.**

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**7. SHARE CAPITAL (CONTINUED)****(d) Stock options**

The Company has a stock option plan whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option is five years and vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than ¼ of the options vesting in any three-month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with stock exchange on which the common shares are listed.

A summary of the Company's stock option activity is as follows:

	Number of Stock Options	Weighted Average Exercise Price
<b>Balance as at December 31, 2020 and 2021</b>	<b>262,068</b>	<b>\$ 0.725</b>
Cancelled	(262,068)	\$ 0.725
<b>Balance as at September 30, 2022</b>	<b>-</b>	<b>-</b>

On March 18, 2022, the Company cancelled a total of 262,068 stock options through an Omnibus Option Cancellation Agreement.

**(e) Warrants**

A summary of the Company's share purchase warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance as at December 31, 2020</b>	<b>5,000,000</b>	<b>\$ 0.375</b>
Exercised	(700,000)	\$ 0.375
<b>Balance as at December 31, 2021 and September 30, 2022</b>	<b>4,300,000</b>	<b>\$ 0.375</b>

As at September 30, 2022, the following share purchase warrants were issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date	Weighted Average contractual life (years)
4,300,000	\$ 0.375	February 28, 2024	1.42

## **SILVER PHOENIX RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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### **8. RELATED PARTY TRANSACTIONS AND BALANCES**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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. During the period ended September 30, 2022, the Company paid \$nil (2021 - \$nil) for key management compensation.

During the year ended December 31, 2020, the Company secured a credit facility with a majority shareholder, LP2017, (Note 6) which is a related party balance. As at September 30, 2022, there is \$186,311 owing (2021 – \$96,931).

### **9. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises all the components of shareholders' equity.

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. The Company's investment policy is to invest its cash in financial instruments of high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

### **10. FINANCIAL INSTRUMENTS**

The fair value of the Company's amounts receivable, accounts payable and loan payable, approximate their carrying values due to the short-term nature of the instruments. The Company's other financial instruments, being cash and marketable securities are classified as FVTPL.

#### **Financial Risk Factors**

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(i) *Credit risk*

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

## SILVER PHOENIX RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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### 10. FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial Risk Factors (continued)

##### (ii) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company has a working capital deficiency of \$420,056 (2021 - \$157,248) and requires additional funds to meet its current obligations. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at September 30, 2022, the Company has no sources of revenue to fund its operating expenditures or fund any identified business acquisition and as such requires additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital, or debt financing. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern as disclosed in Note 1. Consequently, the Company is currently exposed to a significant level of liquidity risk.

##### (iii) *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.

###### i. Interest rate risk

As of September 30, 2022, the Company did not have any investments in investment-grade short-term deposit certificates, and interest exposure with respect to its cash balances is minimal.

As at September 30, 2022, the Company has a loan bearing interest at a fixed rate of 10% and as such is not exposed to interest rate fluctuations.

###### ii. Price risk

The Company is exposed to price risk with respect to equity prices. 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. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

###### iii. Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

### 11. COMMITMENTS

On November 30, 2018, the Company entered into a management services agreement with Emprise Management Services Corp. The agreement requires payments of \$12,000 per month. The contract is payable monthly and may be terminated by both parties by giving six months' notice.

**SILVER PHOENIX RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

**12. PROPOSED TRANSACTION**

The Company entered into an amalgamation and share exchange agreement dated as of July 14, 2022, with Atlas Biotechnologies Inc., AgMedica Bioscience Inc. and Cambrosia Ltd. and the ordinary shareholders of Cambrosia (collectively, the “Target”) to complete a business combination that will result in a reverse takeover of the Company by the shareholders of the Targets (the “Proposed Transaction”).

Upon completion of the Proposed Transaction, the combined entity will continue to carry on the businesses presently carried on by the Targets and will change its name to Atlas Global Health Inc. or such other name as the parties may agree.

Completion of the Proposed Transaction is subject to a number of conditions, including, but not limited to, exchange acceptance of the Proposed Transaction. The Proposed Transaction cannot close until the required shareholder approval is obtained in respect of the applicable matters. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.