

2555663 Ontario Limited
(operating as “Li-Metal Corp.)

Condensed Interim Financial Statements
For the three and nine months ended September 30, 2021
and 2020

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Condensed Interim Statement of Financial Position

(Unaudited, expressed in Canadian dollars)

As at September 30, 2021 and December 31, 2020

	September 30, 2021 \$	December 31, 2020 \$
Assets		
Current assets		
Cash and cash equivalents	2,916,066	3,047,978
Sales tax receivables	186,118	74,796
Subscription’s receivable	-	192,843
Prepaid expenses	139,863	66,621
Total current assets	3,242,048	3,382,238
Non-current assets		
Property and equipment (Note 7)	1,741,613	284,402
Total Assets	4,983,661	3,666,640
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	102,003	113,824
Shareholder advances	1,793	-
Derivative Liability	242,605	-
Convertible debentures (Note 9)	3,662,275	-
Total current liabilities	4,008,676	113,824
Long-Term liabilities		
Customer deposits	17,652	-
Government assistance	40,000	40,000
Total Liabilities	4,066,329	153,824
Shareholders’ Equity		
Share capital (Note 10)	7,330,277	6,393,604
Contributed surplus	752,751	752,751
Retained deficit	(7,165,696)	(3,633,539)
Total Shareholders’ Equity	917,332	3,512,816
Total Liabilities and Shareholders’ Equity	4,983,661	3,666,640

Going concern (Note 2)

Subsequent events (Note 13)

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited, expressed in Canadian dollars)

For the Three and Nine Months Ended September 30, 2021 and 2020

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Expenses				
Research and development	518,742	229,773	1,083,613	414,541
Salaries and wages	194,090	52,217	506,135	119,549
Rent	82,737	-	82,737	-
Professional fees	669,368	24,832	1,273,565	40,017
Office and general	32,672	11,453	50,805	13,166
Shipping and delivery	72,803	365	104,503	5,402
Travel and Accommodations	6,882	814	8,328	2,158
Insurance	3,860	6,413	7,526	6,413
Meals & Entertainment	4,019	116	5,223	889
Dues and subscriptions	28,471	3,123	31,463	5,152
Interest and bank charges	1,937	688	4,837	976
Interest and other income	(1,330)	-	(3,887)	-
Foreign exchange losses	(81,993)	-	(63,968)	-
Amortization of property and equipment	88,773	-	198,670	-
Change in fair value of convertible debenture (Note 9)	-	-	242,605	-
	1,621,031	329,794	3,532,155	608,263
Loss before income taxes	(1,621,031)	(329,794)	(3,532,155)	(608,263)
Income tax expense	-	-	-	-
Net loss and comprehensive loss for the period	(1,621,031)	(329,794)	(3,532,155)	(608,263)
Weighted average number of common shares	3,296,059	2,962,167	3,296,059	2,962,167
Basic and diluted loss per share	(0.49)	(0.11)	(1.07)	(0.21)

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

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Condensed Interim Statement of Changes in Equity

(Unaudited, expressed in Canadian dollars)

As at September 30, 2021 and December 31, 2020

	Share Capital	Contributed Surplus	Retained Deficit	Total Shareholders’ Equity
	\$	\$	\$	\$
Balance - January 1, 2020	1,217,670	-	(672,142)	545,528
Private placements (Note 10)	2,825,623	-	-	2,825,623
Net loss and comprehensive loss	-	-	(608,263)	(608,263)
Balance – September 30, 2020	4,043,293	-	(1,280,405)	2,762,888
Balance - January 1, 2021	6,393,604	752,751	(3,633,541)	3,512,814
Private placements (Note 10)	936,673	-	-	936,673
Net loss and comprehensive loss	-	-	(3,532,155)	(3,532,155)
Balance – September 30, 2021	7,330,277	752,751	(7,165,696)	917,332

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

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Condensed Interim Statements of Cash Flows

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

	September 30, 2021	September 30, 2020
	\$	\$
OPERATING ACTIVITIES		
Net loss	(3,532,155)	(608,263)
Items not affecting cash and cash equivalents		
Amortization of property and equipment	198,670	-
Change in fair value of convertible debenture	242,605	-
Net changes in non-cash working capital		
Other receivables	81,522	(27,853)
Prepaid expenses	45,817	-
Customer deposits	(101,409)	-
Accounts payable and accrued liabilities	(11,822)	(2,716)
Net cash used in operating activities	<u>(3,076,771)</u>	<u>(638,832)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,655,881)	(207,881)
Net cash used in investing activities	<u>(1,655,881)</u>	<u>(207,881)</u>
FINANCING ACTIVITIES		
Proceeds from convertible debentures	3,662,275	-
Shareholder advances	1,793	(221)
Government assistance	-	40,000
Retained Earnings	-	32,695
Issuance of share capital	936,672	2,792,927
Net cash generated from financing activities	<u>4,600,741</u>	<u>2,865,401</u>
Net cash increase for the period	(131,912)	2,018,688
Cash and cash equivalents – Beginning of period	3,047,978	453,050
Cash and cash equivalents – End of period	<u>2,916,066</u>	<u>2,471,738</u>

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

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Notes to the Condensed Interim Financial Statements

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

1. Nature of Business

2555663 Ontario Limited was incorporated under the Business Corporations Act (Ontario) on January 17, 2017 and is operating as Li-Metal Corp. (Li-Metal or the Company). Li-Metal is a company that leverages its innovative lithium metal and anode technologies to provide a low-cost, technically superior and environmentally friendly solution for next generation solid state lithium batteries.

COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide.

It is not possible to reliably estimate the duration and severity of the consequences of COVID-19, as well as the impact on the financial position and results of the Company for future periods. The impact of COVID-19 did not have a material impact on operations of the Company. Despite not being adversely affected, the Company was eligible to receive government assistance for the CEBA loans in the amount of \$40,000.

2. Going Concern

The Company is in the early stages of operation and at present, its operations do not generate cash flow. For the three and nine months ended September 30, 2021, the Company incurred a net loss of \$1,621,031 and \$3,532,155 (three and nine months ended September 30, 2020 - \$329,794 and \$608,263) and accumulated deficit was \$7,165,696 (December 31, 2020 - \$3,633,539). The Company is pursuing additional equity financing as well as a public listing on a recognized Canadian stock exchange.

The Company's ability to continue as a going concern is dependent on its capacity to obtain adequate financing on reasonable terms from lenders, shareholders and other investors in order to develop its assets; and to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to successfully complete the current offering otherwise it may be unable to meet its obligations. These factors indicate the existence of material uncertainty which may cast significant doubt on its ability to continue as a going concern. After reviewing the current cash position and having considered the Company's ability to raise funds in the short term, the directors have adopted the going concern basis in preparing its financial statements.

On July 14, 2021, the Company and Eurotin Inc., announced that they have entered into an amalgamation agreement dated July 13, 2021 (the “**Amalgamation Agreement**”) between the Company, Eurotin Inc. and 2848302 Ontario Inc. (“**Subco**”), a wholly-owned subsidiary of Eurotin Inc., which sets forth the terms and conditions upon which Eurotin Inc. will acquire the Company by way of a reverse take-over (the “**RTO**”). Upon completion of the RTO, the combined entity (the “**Resulting Issuer**”) will continue to carry on the business of Li-Metal.

In addition, and in connection with the Amalgamation Agreement and the RTO, the Company intends to complete private placement financing to raise aggregate gross proceeds of a minimum of US\$7,500,000 (the “**Financings**”). Please look at Note 9 Convertible Debenture and Financing.

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Notes to the Condensed Interim Financial Statements

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

2. Going Concern (continue)

The accompanying condensed interim financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

3. Basis of Presentation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2020.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company’s condensed interim financial statements are consistent with those applied to the Company’s financial statements for the year ended December 31, 2020.

These condensed interim financial statements are presented in Canadian dollars (“Cdn \$”), which is also the functional currency of the Company. These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on November 29, 2021.

4. Summary of Significant Accounting Policies

Except as noted below, these interim financial statements follow the same accounting policies as the Company’s annual audited financial statements for the year ended December 31, 2020. For a complete list of accounting policies applied by the Company, see note 4 of the Company’s annual audited financial statements for the year ended December 31, 2020.

Convertible Debentures

Convertible debentures are a financial instrument which may contain multiple component which require consideration of whether they are liability or equity components. During the quarter, the Company entered into convertible debentures which contain a host debt instrument and an embedded derivative liability representing the variability associated with an equity conversion feature in US dollars which is not the functional currency of the Company. The Company has designated the whole instruments to be measured at fair value through profit and loss. At initial recognition, the value of the convertible debenture is equal to the amount of proceeds. Subsequent to initial recognition, the convertible debenture including the host debt instrument and derivative features are measured at fair value through profit and loss using valuation techniques.

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Notes to the Condensed Interim Financial Statements

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

5. Significant judgements and sources of estimation uncertainty

1) Convertible debentures

The Company incorporates various estimates in the calculation of the fair value of the convertible debentures using a valuation model where the inputs include the equity value of the Company, market rate of interest, terms of instrument and volatility. The estimates are based on the Company’s own experience as well as similar companies operating in the same or similar industry. Judgement is involved in determining the equity value of the Company’s shares as the Company is privately held. Management has estimated the Company’s share price by reference to recent share transactions.

2) Stock-based compensation

The determination of the fair value of stock-based compensation is not based on historical cost but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Company’s share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Stock-based compensation incorporates an expected forfeiture rate and is estimated based on historical forfeitures and expectations of future forfeitures and is adjusted if the actual forfeiture rate differs from the expected rate.

The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm’s length transaction, given that there is no market for the options, and they are not transferable. It is management’s view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

3) Income taxes and deferred taxes

The Company is subject to income tax laws in various jurisdictions. Tax laws are complex and potentially subject to different interpretations by the taxpayer and the relevant tax authority. The provision for income taxes and deferred tax represents management’s interpretation of the relevant tax laws and its estimate of current and future income tax implications of the transactions and events during the period. The Company may be required to change its provision for income taxes or deferred tax balances when the ultimate deductibility of certain items is successfully challenged by taxing authorities or if estimates used in determining the amount of deferred tax asset to be recognized changes significantly, or when receipt of new information indicates the need for adjustment in the amount of deferred tax to be recognized. Additionally, future events, such as changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on the provision for income tax, deferred tax balances and the effective tax rate. Any such changes could materially affect the amounts reported in the financial statements in the year these changes occur.

Judgement is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets are realizable. The impact of different interpretations and applications could be material.

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Notes to the Condensed Interim Financial Statements

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

5. Significant judgements and sources of estimation uncertainty (continued)

4) Provisions and contingent liabilities

Judgements are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgements and estimations. These judgements are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

6. Initial adoption and upcoming changes in accounting standards

Adoption of new accounting standards

New standards, amendments and interpretations adopted in the current year have not been disclosed as they did not have a material impact to the Company's financial statements.

New standards and interpretations not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- a. clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- b. clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- c. make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

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(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

7. Property and Equipment

Cost	Computer Hardware \$	Equipment \$	Furniture & Fixtures \$	Leasehold Improvements \$	Total \$
At January 1, 2020:					
Opening Balance	-	57,618	-	-	57,618
Additions	4,846	252,991	8,230	-	266,067
At December 31, 2020	4,846	310,609	8,230	-	323,685
Additions	-	123,926	-	19,801	143,727
At September 30, 2021	4,846	1,946,690	8,230	19,801	1,979,567

Additions during the period ended September 30, 2021 at \$143,727 are related to execution, installation, commission and delivery of the R&D PVD Li roll-to-roll vacuum coater equipment.

Accumulated amortization	Computer Hardware \$	Equipment \$	Furniture & Fixtures \$	Leasehold Improvements \$	Total \$
At January 1, 2020:					
Opening Balance	-	(2,842)	-	-	(2,842)
Amortization	(181)	(36,055)	(206)	-	(36,442)
At December 31, 2020	(181)	(38,897)	(206)	-	(39,284)
Amortization	(3,066)	(191,688)	(3,916)	-	(198,670)
At September 30, 2021	(3,247)	(230,585)	(4,122)	-	(237,954)

Net book value	Computer Hardware \$	Equipment \$	Furniture & Fixtures \$	Leasehold Improvements \$	Total \$
At December 31, 2020	4,665	271,712	8,024	-	284,401
At September 30, 2021	1,599	1,716,105	4,108	19,801	1,741,613

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Notes to the Condensed Interim Financial Statements

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

8. Related Party Information

Key management of the Company are its Board of Directors and members of executive management. Key management personnel remuneration includes the following payments:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Salaries and short-term employment benefits	37,500	37,500	75,000	63,000
Consulting fees	151,511	11,773	290,238	11,773
Share capital issued	29,876	-	157,865	-
	218,887	49,273	523,103	74,773

The Company is related to Li-Cycle Corp. through some shareholders having common ownership. During the year ended December 31, 2020 the two companies have no shared services or personnel costs (December 31, 2019 - Nil).

9. Convertible Debenture and Financing

In May 2021, the Company issued USD \$3,000,000 of convertible debentures with a 10% coupon rate and mature in May 2022. The principal of each convertible debenture is automatically convertible into common shares and warrant on completion of the reverse takeover. The conversion would occur on a fixed USD share price of \$4.74 and a two-year warrant at \$1.50 convertible when the share price of the resulting reporting entity trades at or above \$3.50. The accrued interest on the convertible debenture is payable in cash.

The instrument is a compound instrument consisting of a host debt instrument and all the embedded derivatives including the foreign exchange variability associated with a conversion feature in a currency other than the Company’s functional currency and the fair value associated with the warrant option. The financial instrument is classified and measured at fair value through profit and loss.

A summary of movement in the convertible debentures is as follows:

	As at Sept 30 2021	As at Dec 31 2020
	\$	\$
Opening balance	-	-
Issuance of convertible debentures	3,662,136	-
Change in fair value of convertible debenture	-	-
Foreign exchange	139	-
	3,662,275	-

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Notes to the Condensed Interim Financial Statements

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

9. Convertible Debenture and Financing (continued)

On September 7th, 2021, the Company completed a private placement of US\$7.5 million subscription-receipts (the "Sub-receipts"), which sub-receipts if converted pursuant to the Transaction, will convert into units of the Resulting Issuer (the "Units") each unit comprising one common share of the resulting issuer (the "Resulting Issuer Shares") and one warrant (the "Resulting Issuer Warrants"), each Resulting Issuer Warrant allowing its holder to acquire one Resulting Issuer share.

10. Share Capital

A summary of the Class B common shares as at September 30, 2021 is as follows:

	Number of Shares	Amount
Balance, January 1, 2020	1,623,800	\$ 1,217,670
Private placement-common shares (i)	1,511,238	5,175,934
Balance, December 31, 2020	3,135,038	\$ 6,393,604
Private placement-common shares (ii)	116,851	\$797,538
Exercise of share options (iii)	44,170	\$139,135
Balance, September 30, 2021	3,296,059	\$ 7,330,277

- (i) During the year ended December 31, 2020 at various dates, 1,511,238 class B common shares were issued for proceeds of \$5,175,934.
- (ii) During the period ended September 30, 2021 116,851 class B common shares were issued for proceeds of \$797,538.
- (iii) During the period ended September 30, 2021 44,170 class B shares were issued in connection with the exercise of options for net proceeds of \$139,135.

Stock Options

The Company's stock option plan is available to its directors, officers, employees and service providers. All issuances, including the vesting and exercise periods, are approved by the Board.

	Number of options	Weighted average exercise price
Balance January 1, 2019	-	-
Balance December 31, 2019	-	-
Granted	280,320	\$3.27
Balance December, 31, 2020	280,320	\$3.27
Exercised	44,170	\$3.15
Balance September 30, 2021	236,150	\$3.50

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Notes to the Condensed Interim Financial Statements

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

10. Share Capital (continued)

Stock Options (continued)

On September 27th, 2021, and conditional on the closing of a proposed takeover transaction, the Company committed to issuing 1,485,000 Resulting Issuer Share options with a strike price of US\$1.00 (the “Options”) in accordance with the stock option plan contemplated by the transaction.

As at September 30, 2021, the following stock options were outstanding:

Exercise price (CAD)	Options vested	Options unvested	Total outstanding	Remaining contractual life (years)	Expiry date
\$1.50	71,432	-	89,290	4.79	October 15, 2025
\$4.37	110,246	54,472	191,030	4.96	December 17, 2025
	181,678	54,472	236,150	4.86	

During the three- and nine-month periods ended September 30, 2021, the Company recognized a share-based payments expense of \$Nil (September 30, 2020 – \$Nil).

11. Financial Instruments

Fair Value

The fair value of cash and cash equivalents, receivables, payables and convertible debenture liability approximate their carrying amounts due to their short-term nature. The convertible debenture is measured at fair value through profit and loss.

The convertible debentures including the conversion feature is measured at fair value through profit and loss at each reporting period and is a Level 3 measurement as the inputs in its valuation are not based on observable market data.

The convertible debenture was measured using a complex model where inputs included the following:

As at September 30, 2021

Class B share price	\$4.71
Risk free rate	0.23% - 0.28%
Credit spread	CCC+, CCC, CC-
Discount for lack of marketability	22%
Volatility	90% - 91%
Probability of transaction	95%

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Notes to the Condensed Interim Financial Statements

(Unaudited, expressed in Canadian dollars)

For the Nine Months Ended September 30, 2021 and 2020

11. Financial Instruments (continued)

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company estimates its maximum exposure to be the carrying value of cash and cash equivalents and receivables.

The Company manages credit risk by maintaining bank accounts with Schedule 1 Canadian banks and investing only in Guaranteed Investment certificates. The Company’s cash is not subject to any external limitations.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company has historically generated cash flow from its financing activities. The Company manages liquidity risk through the management of its capital structure and financial leverage. As at June 30, 2021, the Company's current liabilities which comprise accounts payable and accrued liabilities. The Company will require additional funding to maintain corporate and administrative functions and to fund its continuing exploration activities and commitments.

12. Capital Risk Management

The Company’s capital management objectives are intended to safeguard its ability to support normal operating requirements on an ongoing objectives basis and continue research and development activities.

The capital of the Company consists of items included in equity net of cash and cash equivalents:

	As at Sept 30 2021 \$	As at Dec 31 2020 \$
Total equity	(917,332)	(3,512,816)
Cash and cash equivalents	2,916,066	3,047,978
	1,998,734	(464,838)

13. Subsequent Events

On October 25, 2021, the reverse takeover transaction pursuant to which 2555663 Ontario Limited, acquired Eurotin Inc. was completed under the terms of an amalgamation agreement previously entered into between the Company, Eurotin and 2848302 Ontario Inc., a wholly owned subsidiary of Eurotin (“Subco”), the RTO was completed by way of a three-cornered amalgamation under the laws of the Province of Ontario. Pursuant to the RTO, Subco amalgamated with Li-Metal, with Li-Metal surviving as a wholly owned subsidiary of Eurotin, known as Li-Metal North America Inc. In addition, Eurotin underwent a 125 to 1 share consolidation and changed its name to “Li-Metal Corp.”. Immediately following the closing of the RTO, the Resulting Issuer and Li-Metal North America Inc.

2555663 Ontario Limited (operating as “Li-Metal Corp.”)

Notes to the Condensed Interim Financial Statements

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13. Subsequent Events (continued)

amalgamated by way of a short-form amalgamation under the laws of the Province of Ontario, with the Resulting Issuer surviving the amalgamation. The Resulting Issuer now holds all of Li-Metal’s assets and conducts the business of Li-Metal under the Li-Metal name.

At the completion of the reverse takeover transaction indicated above, 15,524,440 Resulting Issuer Shares were issued to the Li-Metal shareholders at a deemed issue price of \$ 1.2537 per Resulting Issuer Share, and 10.5 million Units were issued to holders of convertible debentures and Sub-receipts at a deemed issue price of \$1.2357 per Unit.