Form 51-102F4

BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

Valorem Resources Inc. (“Valorem” or the “Company”)

Head Office:

Suite 810 - 789 West Pender Street
Vancouver, British Columbia V6C 1H2

Registered and Records Office:

Suite 810 - 789 West Pender Street
Vancouver, British Columbia V6C 1H2

1.2 Executive Officer

The following individual is knowledgeable about the particulars described in this business acquisition report.

Tony Louie, CEO
888 795-6268

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On February 12, 2021, the Company announced that it had completed the acquisition (the "**Acquisition**") of 100% of 1267818 B.C. Ltd. ("**B.C. Co**"). The Acquisition was effected by way of a three-cornered amalgamation involving a wholly-owned subsidiary of the Company and B.C. Co. Pursuant to the terms of the Acquisition, the Company issued an aggregate of 30,000,000 common shares of the Company (the “**Shares**") as consideration, at a deemed priced of $0.155 per Share.

Through its wholly-owned subsidiary, B.C. Co holds a 100% interest in the Cariboo Gold property, the Lac La Hache Gold property and the Pinto Gold property (collectively, the "**BC Property**") located in the Cariboo District, British Columbia The BC Property comprises multiple tenure blocks totaling more than 4,000 ha, which strategically target the Transitional or Basalt Siltstone of the Barkerville Terrain.

2.2 Acquisition Date

The Acquisition was completed on February 12, 2021.

2.3 Consideration

The consideration paid consisted of an aggregate of 30,000,000 common shares in the capital of the Company (the "**Consideration Shares**") at a deemed value of CA$0.155 per Consideration Share. Non of the vendors individually holds 10% or more of the issued and outstanding shares of the Company on a non-diluted basis.

2.4 Effect on Financial Position

Following Acquisition, the Company became a parent of BC Co. The Company views the acquisition of the BC Property as a strategy to diversify its exploration options. Any exploration activities on the BC Property remain subject to the Company securing available financing.

2.5 Prior Valuations

To the knowledge of the Company, there has not been any valuation opinion obtained within the last twelve months by BC Co or the Company. A valuation of the BC Property was not required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company for the investment.

2.6 Parties to Transaction

The Acquisition was not with an "informed person" (as such term is defined in Section 1.1 of National Instrument 51-102 -- Continuous Disclosure Obligations), associate or affiliate of the Company.

2.7 Date of Report

August 10, 2021

Item 3 Financial Statements and Other Information

To address the requirements of Part 8 of National Instrument 51-102, attached hereto as Appendix A to this Business Acquisition Report are the following:

- Audited f/s for the most recently completed period ended January 31, 2021.

WDM, Chartered Professional Accountants has given its consent to the inclusion of their audit report(s) in this Business Acquisition Report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This document contains "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward- looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or be achieved. This document contains forward-looking statements pertaining to, among other things, the timing and ability of the Company to complete any potential financings, if at all, and the timing thereof. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and, in some instances, to differ materially from those anticipated by the Company and described in the forward-looking information contained in this press release.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward- looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. The forward-looking information contained in this document is expressly qualified by the foregoing cautionary statements and is made as of the date of this document. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward- looking information to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Appendix A

Audited Financial Statements for the Period ended January 31, 2021.

1267818 BC Ltd.

Consolidated Financial Statements

For the period from incorporation on September 29, 2020 to January 31, 2021

(Expressed in Canadian dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of:
1267818 BC LTD.

SERVICE

INTEGRITY

TRUST

Opinion

We have audited the consolidated financial statements of 1267818 BC Ltd. ("the Company"), which comprise the consolidated statement of financial position as at January 31, 2021, and the consolidated statements of changes in shareholders' deficiency, operations and comprehensive loss, and cash flows for the period from incorporation on September 29, 2020 to January 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 Company as at January 31, 2021, and its financial performance and its cash flows for the period from incorporation on September 29, 2020 to January 31, 2021 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 1 in the consolidated financial statements, which indicates that the Company had a working capital deficiency as at January 31, 2021 in the amount of $211,309. As stated in Note 1, this event or condition, along with other matters as set forth in Note 1, 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.

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

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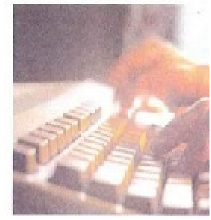
standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial 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 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.

The engagement partner on the audit resulting in this independent auditor's report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
August 9, 2021

1267818 BC Ltd.
Consolidated Statement of Financial Position
(Expressed in Canadian dollars)

	Note	As at January 31, 2021 $
ASSETS		
NON-CURRENT		
Exploration and evaluation assets	4	198,310
TOTAL ASSETS		198,310
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities		63,515
Due to MegumaGold Corp.	4	47,794
Loan payable to former Director	6	100,000
		211,309
SHAREHOLDERS' DEFICIENCY		
Share capital	5	1
Deficit		(13,000)
		(12,999)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		198,310

Nature of and continuance of operations (Note 1)
Subsequent event (Note 10)

These consolidated financial statements were approved and authorized for issue by the Board of Directors on August 9, 2021.

They are signed on the Board's behalf by:

"Tony Louie"

Tony Louie, Director

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

1267818 BC Ltd.
Statement of Operations and Comprehensive Loss
For the period from incorporation on September 29, 2020 to January 31, 2021
(Expressed in Canadian dollars)

	For the period from incorporation on September 29, 2020 to January 31, 2021 $
EXPENSES	
Professional fees	13,000
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	13,000

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

1267818 BC Ltd.
Consolidated Statement of Changes in Shareholders' Deficiency
For the period from incorporation on September 29, 2020 to January 31, 2021
(Expressed in Canadian dollars)

	Number of common shares	Share capital $	Deficit $	Total shareholders' deficiency $
Incorporation, September 29, 2020	**-**	**-**		**-**
Share issued for cash on incorporation	12	1	-	1
Net loss and comprehensive loss for the period	-	-	(13,000)	(13,000)
Balance, January 31, 2021	12	1	(13,000)	(12,999)

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

1267818 BC Ltd.
Consolidated Statement of Cash Flows
For the period from incorporation on September 29, 2020 to January 31, 2021
(Expressed in Canadian dollars)

	For the period from incorporation on September 29, 2020 to January 31, 2021
	$
Cash flows used in operating activities	**$**
Net loss for the period	**(13,000)**
Change in non-cash working capital	
Accounts payable and accrued liabilities	**13,000**
Net cash flows used in operating activities	**-**
Cash, beginning of period	-
Cash, end of period	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

1267818 BC Ltd. (the "Company") was incorporated in the province of British Columbia on September 29, 2020. The Company's registered and records office and head office is located at 810-789 West Pender Street, Vancouver, BC V6C 1H2, Canada.

The Company is engaged in the business of acquiring natural resource properties, with a focus on precious metal properties located in Canada.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. As at January 31, 2021, the Company had a working capital deficiency in the amount of $211,309. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-I9). The Company continues to operate its business at this time. While the impact of COVID-I9 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in fiscal 2021 and beyond.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

These consolidated financial statements were approved and authorized for issue by the Board of Directors on August 9, 2021.

(b) Basis of presentation

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. All values are rounded to the nearest dollar unless otherwise indicated. The significant accounting policies set out in note 3 have been applied consistently to all periods presented.

(c) Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- The assessment of any impairment of evaluation and exploration assets is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets.

2. BASIS OF PREPARATION (CONTINUED)

(d) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated. The following companies have been consolidated within these financial statements:

Entity	Country of Incorporation	Voting Control	Functional Currency
1267818 BC Ltd.	Canada	Parent Company	Canadian Dollar
1161097 BC Ltd.	Canada	100%	Canadian Dollar

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of the consolidated financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The significant accounting policies used by the Company are as follows:

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares is based on the trading price of those shares on the appropriate stock exchange on the date of the agreement to issue or receive shares as determined by the board of directors.

Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine that technical feasibility and commercial viability do not exist, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant, and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

The Company's non-financial assets, such as exploration and evaluation assets, are reviewed for impairment whenever facts and circumstances indicate that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized in the consolidated statement of loss and comprehensive loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that have been impaired in prior years are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior years. A reversal of an impairment loss is recognized in the consolidated statements of loss and comprehensive loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Recent Accounting Pronouncements

As at the date of authorization of these consolidated financial statements, the IASB and the IFRS Interpretations Committee had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company, and have been excluded. The Company has assessed that no material impact is expected upon the adoption of the following amendments on its consolidated financial statements:

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of COVID-19. Early application is permitted.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract. These amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted.

4. EXPLORATION AND EVALUATION ASSETS

On January 8, 2021, the Company acquired all of the issued and outstanding shares of 1161097 BC Ltd. ("1161097"), a private company incorporated in the province of British Columbia, Canada, from MegumaGold Corp., an arm's length party. As consideration, the Company assumed debt of $100,000 owed to a former Director of the Company. The debt is non-interest bearing, unsecured and due on demand.

1161097 holds a 100% interest in the following Mineral Claims located in BC:

- 100% ownership of the Cariboo Gold Property;
- 100% ownership of the Lac La Hache Gold Property; and,
- 100% ownership of the Pinto Gold Property.

In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary assets are only the Mineral Claims. Consequently, the transaction has been recorded as an acquisition of an asset. The results of operations from 11611097 are included in the consolidated financial statements since the date of acquisition.

During the period ended January 31, 2021, the Company incurred $50,000 in expenditures related to the Mineral Claims.

The following table summarizes the consideration paid and the allocation to the assets and liabilities acquired as at the date of acquisition:

	$
Purchase Price - Debt assumed	100,000
Mineral Claims	56,659
Accounts payable	(515)
Due to MegumaGold Corp.	(47,795)
Net assets acquired	8,349
Excess of consideration over net assets acquired	91,651

5. SHARE CAPITAL

Authorized

Unlimited number of common shares with no par value.

Issued

The Company has 12 common shares issued and outstanding, which was issued upon incorporation on September 29, 2020.

6. RELATED PARTY TRANSACTIONS

As at January 31, 2021, the Company is indebted $100,000 to a former Director of the Company for his contribution of the interests held in 1161097 (note 4). The debt is non-interest bearing, unsecured and due on demand.

7. INCOME TAXES

As at January 31, 2021, the Company has non-capital loss carry forwards of approximately $14,000 to reduce future federal and provincial taxable income in Canada which expire between 2029 and 2041. In addition, the Company has approximately $107,000 of resource tax pools available, which may be used to shelter certain resource income in Canada.

8. FINANCIAL INSTRUMENTS

(a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's exposure to liquidity risk is dependent on raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. The Company's cash is held in business accounts which are available on demand for the Company's business and are not invested in any asset-backed deposits or investments. All of the financial liabilities of the Company are due within 12 months.

(b) 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. If interest rates decrease, the Company will generate smaller interest revenue. The Company is not exposed to significant interest rate risk.

9. MANAGEMENT OF CAPITAL

The Company defines its capital as working capital and 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 future business opportunities. The Board of Directors 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 is dependent upon external financing. In order to carry future activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. The Company did not institute any changes to its capital management strategy during the year.

10. SUBSEQUENT EVENT

On February 12, 2021, the Company completed an Acquisition Agreement (the "Acquisition") with Valorem Resources Inc. ("Valorem"), a Canadian Stock Exchange listed company, in which Valorem acquired 100% of the shares of the Company. The Acquisition was effected by way of a three-cornered amalgamation involving a wholly-owned subsidiary of Valorem and the Company. Pursuant to the terms of the Acquisition, Valorem issued an aggregate of 30,000,000 common shares to the shareholders of the Company at a deemed priced at $0.155 per share.