REFINED METALS CORP.
(formerly, Chemesis International Inc.)

LISTING STATEMENT – FORM 2A

November 25, 2022

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information provided in this listing statement ("**Listing Statement**"), including information incorporated by reference, may contain "forward-looking information" within the meaning of applicable Canadian securities legislation ("**forward-looking statements**"). All statements, other than statements of historical fact, included in this Listing Statement that address activities, events or developments that Refined Metals Corp. (formerly, Chemesis International Inc.) (the "**Company**") expects or anticipates will or may occur in the future, including statements with respect to business strategies and future business developments, competitive strengths, goals, the expansion or growth of the Company's business, future performance, future operations, future financial conditions, objectives plans, are forward-looking statements. Forward-looking statements are often identified by words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements in this Listing Statement include, but are not limited to, statements regarding:

- future financial or operating performance of the Company and its business, operations, properties and conditions;
- future exploration expenditures on the Rose Property (as defined herein) and the exercise of the Option;
- the Company's future plans regarding the Rose Property;
- next steps and timing regarding exploration activities at the Rose Property;
- technical viability of the Rose Property;
- the prospects of entering the development or production stage with respect to the Rose Property;
- the Company's planned activities at the Rose Property for the next twelve (12) months and beyond;
- expected business objectives and milestones of the Company's business, including costs of the foregoing;
- the potential acquisition of additional mineral properties or property concessions;
- the Company's ability to obtain and maintain licenses, permits and regulatory approvals required to implement expected future exploration plans;
- impact of, delays and disruptions caused by, the novel coronavirus ("**COVID-19**") or other global pandemic or epidemic;
- the Company's ability to raise additional capital and/or pursue additional strategic options, and the potential impact on the Company's business, financial condition and results of operations of doing so or not;
- the sufficiency of the Company's existing cash resources to enable the Company to continue its operations as a going concern; and
- intended use of available funds.

These forward-looking statements speak only as at the date they are made and are based on information currently available and on the current expectations, estimates and projections of the Company. Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date hereof, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. The material factors and assumptions used to develop the forward-looking statements included in this Listing Statement include, but are not limited to:

- the future prices of metals and other commodities;
- the ability to raise any necessary additional capital on reasonable terms to advance exploration and developments of the Rose Property;
- the demand for and stable or improving price of metals and other commodities;
- general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the actual geology of the Rose Property aligning with the description of the Rose Property in the Rose Property Technical Report;
- the accuracy of budgeted exploration costs and expenditures;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel and directors;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required renewals for existing approvals, licenses and permits on favourable terms;
- stability in the requirements placed on the Company under applicable laws;
- sustained labour stability;
- access to necessary financing;
- speculative nature of mineral exploration and development in general;
- availability of certain consumables and services;
- labour and materials costs;
- stability in financial and capital markets; and
- availability of equipment.

Although management considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect. Many of these assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, and other factors that are not within the control of the Company and could thus cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements.

By their nature, forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific, many of which are beyond the control of the Company, that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, without limitation, the following, which are discussed in greater detail in Section 17 – *Risk Factors* in this Listing Statement:

- possible termination of the Property Option Agreement (as defined herein);
- the ability to continue as a going concern;
- risks relating to the Company's negative cash flows from operating activities;
- the Company's operations may be disrupted, and the financial results may be adversely affected, by global outbreaks of contagious diseases, including the COVID-19 pandemic;
- the Company is uncertain that it will be able to maintain sufficient cash to accomplish its business objectives;
- the Company is an exploration stage mining company with no history of operations;

- the Company has no known mineral reserves or mineral resources;
- the Company's business plan is highly speculative, and its success largely depends on the successful exploration of its mineral claims comprising the Rose Property;
- the Company's exploration activities require significant amounts of capital that may not be recovered;
- the Company's success depends on developing and maintaining relationships with local communities and other stakeholders;
- compliance with laws is costly and may result in unexpected liabilities;
- risks of conflicts of interest for directors and officers of the Company;
- risk of costly and unpredictable legal proceedings;
- information systems and cyber security risks;
- risk related to reliance upon key personnel;
- the Company's ability to retain key management, consultants and experts necessary to successfully operate and grow its business;
- general risks in respect of option and joint venture agreements;
- risks related to possible foreign expansion;
- the Company's ability to meet the current and future capital requirements on favorable terms or at all;
- inherent risks in the mineral exploration industry;
- risks relating to fluctuations of metal prices;
- the Company's ability to obtain required permits;
- timing of receipt and maintenance of government approvals;
- risks relating to the title to the Company's properties;
- environmental and other regulatory risks;
- risks relating to competition in the mining industry;
- risks relating to the results of future exploration at the Rose Property and the ability to raise the capital for exploration expenditures on the Rose Property to maintain the effectiveness of the Option;
- the Company's ability to acquire additional mineral properties or property concessions;
- geopolitical risk and global conflict;
- risks relating to increasing interest rates;
- inflation risks;
- risks relating to social and environmental activism;
- risks relating to evolving corporate governance and public disclosure regulations;
- risks relating to worldwide economic, regional and political events;
- risks relating to volatility in the value of the Common Shares (as defined herein);
- further equity financings leading to the dilution of the Common Shares;
- the Common Shares continuing not to pay dividends;
- risks relating to changes in regulatory frameworks or regulations affecting the Company's activities;
- the availability of financing opportunities; and
- other risks described in this Listing Statement and described from time to time in documents filed by the Company with Canadian securities regulatory authorities.

This list is not exhaustive of the factors that may affect the Company, and investors are cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking statements. Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

There can be no assurance that forward-looking statements will prove to be accurate. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The forward-looking statements contained herein are made as of the date of this Listing Statement and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or risks, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company's filings with Canadian securities regulatory authorities, which can be viewed online under the Company's profile on SEDAR at www.sedar.com.

All of the forward-looking statements contained in this Listing Statement are expressly qualified by the foregoing cautionary statements. Investors should read this entire Listing Statement and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Common Shares.

QUALIFIED PERSON

Scientific and technical information relating to the Rose Property contained in this Listing Statement is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in the Rose Property Technical Report.

All scientific and technical information contained in this Listing Statement was reviewed and approved by Muzaffer Sultan, Ph.D., P.Geo., who is a qualified person and independent of the Company for the purposes of NI 43-101.

Reference should be made to the full text of the Rose Property Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

CURRENCY

References to dollars or "$" are to Canadian currency unless otherwise indicated. All references to "US$" refer to United States dollars.

1. GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Listing Statement. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**1145411**" means 1145411 B.C. Ltd.

"**Affiliate**" means, with respect to any Person, any other Person which directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person, where the term "**control**" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

"**Associate**", when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity; or
- (d) in the case of a Person who is an individual:
  - (i) that Person's spouse or child, or
  - (ii) any relative of the Person or of his spouse who has the same residence as that Person.

"**Audit Committee**" means the audit committee of the Company.

"**Author**" means Muzaffer Sultan, with respect to the Rose Property Technical Report.

"**Award**" means any right granted under the Equity Incentive Plan, including Stock Options, DSUs and RSRs.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**BCSC**" means the British Columbia Securities Commission.

"**Board**" means the board of directors of the Company, from time to time.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Change of Business**" means the Company's change in focus to mineral exploration and development which constituted a change of business under the CSE Policies pursuant to Policy 8 – *Fundamental Changes and Changes of Business*.

"**Common Shares**" means the common shares in the capital of the Company.

"**Company**" means Refined Metals Corp. (formerly, Chemesis International Inc.), a corporation incorporated and organized under the laws of the Province of British Columbia.

"**Consolidation**" means the Company's consolidation of its Common Shares on the basis of one (1) post-consolidation Common Share for each two (2) pre-consolidation Common Shares made effective on June 30, 2022.

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

"**CSE Approval**" means the final approval of the CSE in respect of the listing of the Common Shares on the CSE following completion of the Change of Business, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

"**CSE Policies**" means the rules and policies of the CSE in effect as of the date hereof.

"**DSUs**" means deferred share units.

"**Equity Financing**" means the non-brokered private placement issuing an aggregate of 14,000,000 units at a price of $0.10 per unit for total gross proceeds of $1,400,000, closed by the Company on September 1, 2022, where each unit was comprised of one Common Share and Warrant, with each Warrant entitling the holder thereof to acquire one additional Common Share at a price of $0.12 per Common Share until September 1, 2024.

"**Equity Incentive Plan**" means the incentive equity incentive plan of the Company originally dated May 2, 2019, as it may be amended and restated from time to time in accordance with its terms.

"**IMC**" means IMC International Mining Corp.

"**La Finca**" means La Finca Interacviva-Arachna MED SAS.

"**Listing Statement**" means this CSE Form 2A listing statement, including the schedules hereto.

"**MD&A**" means management's discussion and analysis.

"**MTO**" means Mineral Titles Online.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**Option**" means the Company's sole, exclusive and irrevocable right and option to acquire an undivided one hundred percent (100%) legal and beneficial right, title, and interest in the Rose Property, free and clear of all encumbrances, pursuant to the terms of the Property Option Agreement.

"**Option Grant Effective Date**" means July 1, 2022.

"**Optionor**" means Geomap Exploration Inc.

"**Person**" means any individual, corporation, company, partnership, unincorporated association, trust, joint venture, governmental body or any other legal entity whatsoever.

"**Property Option Agreement**" means the property option agreement dated April 18, 2022, between the

Company and the Optionor pursuant to which the Company has been granted the right to acquire a 100% interest in and to the Rose Property.

"**Related Person**" has the meaning attributed to it in the CSE Policies.

"**Rose Property**" means the mineral claims comprising the Rose Property located in Kamloops Mining Division, British Columbia, Canada, as more fully described in the Rose Property Technical Report.

"**Rose Property Technical Report**" means the technical report entitled "NI 43-101 Technical Report on the Rose Property, Adams Lake Area, Kamloops Mining Division, British Columbia, Canada" with a report date and effective date of April 25, 2022.

"**Royalty**" means the a net smelter returns royalty totaling three percent (3%) on commercial production from the Rose Property, to be granted by the Company to the Optionor upon exercise of the Option pursuant to the terms of the Property Option Agreement.

"**RSRs**" means restricted share rights.

"**SEDAR**" means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by issuers and investment funds with the Canadian Securities Administrators at www.sedar.com.

"**Shareholders**" means the shareholders of the Company.

"**SHMS**" means sediment-hosted massive sulphide.

"**Stock Option**" means an option to purchase Common Shares granted pursuant to the Equity Incentive Plan.

"**Subsidiaries**" means 1145411 B.C. Ltd., 10998451 Canada Inc., 1247262 B.C. Ltd. and La Finca Interacviva-Arachna MED SAS.

"**VHMS**" means volcanic-hosted massive sulphide.

"**VLF**" means very low frequency.

"**VMS**" means volcanogenic massive sulphides.

"**VSHMS**" volcanic-sediment hosted massive sulphide.

"**Warrant**" means a common share purchase warrant of the Company.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The corporate name of the Company is "Refined Metals Corp.". The Company's head office and registered and records office is located at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2Z7.

2.2 Jurisdiction of Incorporation

The Company was incorporated on April 26, 2013, in British Columbia under the BCBCA, under the name Canadian Zeolite Corp. and subsequently changed its name to Canadian Mining Corp. On July 17, 2018, the Company changed its name to Chemesis International Inc. On November 22, 2022, the Company changed its name to Refined Metals Corp. in connection with the completion of the Change of Business.

2.3 Intercorporate Relationships

The Company has four wholly-owned Subsidiaries, all of which are inactive, as follows:

- 1145411 B.C. Ltd., incorporated under the BCBCA;
- 10998451 Canada Inc., incorporated under the federal laws of Canada;
- 1247262 B.C. Ltd., incorporated under the BCBCA; and
- La Finca Interacviva-Arachna MED SAS, incorporated under the laws of Columbia.

2.4 Change of Business

The Company previously operated in the cannabis industry. On April 19, 2022, the Company announced its entry into the Property Option Agreement in connection with a Change of Business as defined in CSE Policy 8. The Company changed its business to mineral exploration and development with a focus on identifying, evaluating and acquiring interests in mineral properties in North America. The Company's business is currently focused on the exploration and development of the Rose Property. Refer to *Section 4. Narrative Description of the Business - 4.3. Mineral Project - Rose Property* below for more information. In addition to this mineral property, the Company is also reviewing other mineral properties in North America for possible acquisitions in the future. The Company's change in focus to mineral exploration and development constituted a Change of Business under Policy 8 of the CSE. Under CSE Policy 8, a proposed Change of Business is subject to a complete review by the CSE, and CSE Approval is subject to a number of conditions, including shareholder approval (which was received by the Company on June 21, 2022) delivery of documentation required by the CSE. The Company received CSE Approval and completed the Change of Business. The Company is listed on the CSE as a Mining Issuer with its Common Shares trading under the symbol "RMC".

Terms of the Property Option Agreement for the Rose Property

The Company entered into the Property Option Agreement with the Optionor pursuant to which the Company has been granted the right to acquire a 100% interest in and to the Rose Property as described below. The Company and the Optionor are at arm's length and the Optionor is not a 'Related Person' within the meaning of CSE Policies.

Terms of Property Option Agreement

Pursuant to the terms of the Property Option Agreement, the Company has been granted the sole, exclusive and irrevocable right and option to acquire an undivided one hundred percent (100%) legal and beneficial right, title, and interest in the Rose Property, free and clear of all encumbrances, subject to the grant of the Royalty as described herein, by making cash payments of $170,000, incurring $360,000 in exploration expenditures and issuing 800,000 Common Shares, all in accordance with the following schedule (the "**Consideration**"):

(a) paying the Optionor an aggregate of $170,000 in cash as follows:

- (i) $90,000 on or before the Option Grant Effective Date (paid);
- (ii) $30,000 on or before the date that is one (1) calendar year after the Option Grant Effective Date; and
- (iii) $50,000 on or before the date that is two (2) calendar years after the Option Grant Effective Date;

(b) issuing the Optionor an aggregate of 800,000 Common Shares as follows:

- (i) 250,000 Common Shares on or before the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance (issued);
- (ii) 250,000 Common Shares on or before the date that is one (1) calendar year after the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance; and
- (iii) 300,000 Common Shares on or before the date that is two (2) calendar years after the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance;

(c) incurring aggregate exploration expenditures of $360,000 as follows:

- (i) $110,000 of exploration expenditures on or before the date that is one (1) calendar year after the Option Grant Effective Date; and
- (ii) $250,000 of exploration expenditures on or before the date that is two (2) calendar years after the Option Grant Effective Date.

As of the date of this Listing Statement, the Company has paid the initial $90,000 and issued the initial 250,000 Common Shares to the Optionor as set out in paragraphs (a)(i) and (b)(i) above.

All Common Shares issued pursuant to the Property Option Agreement are subject to voluntary resale restrictions, such that the Common Shares shall be released as follows: (i) one-fourth (1/4) of the Common Shares shall be released from voluntary restriction on the date that is three (3) months after the date of issuance; (ii) one-fourth (1/4) of the Common Shares shall be released from voluntary restriction on the date that is six (6) months after the date of issuance; (iii) one-fourth (1/4) of the Common Shares shall be released from voluntary restriction on the date that is nine (9) months after the date of issuance; and (iv) the remaining one-fourth of the Common Shares shall be released from voluntary restriction on the date that is 12 months after the date of issuance.

Upon exercise of the Option and the acquisition of the Rose Property by the Company pursuant to the terms of the Property Option Agreement, the Company will grant the Optionor a net smelter returns royalty totaling three percent (3%) on commercial production from the Rose Property (the "**Royalty**"), and the Company will have the option to repurchase one-third of the Royalty for $1,000,000, whereupon the Royalty will be reduced to 2%.

The Consideration and the Royalty were determined by arm's length negotiations among the parties. The Optionor will not become an 'insider' as a result of the transactions contemplated in the Property Option Agreement.

The Company received the approval of its Shareholders for the entry into the Property Option Agreement and the Change of Business on June 21, 2022. The Company has received CSE Approval and has completed the Change of Business. The Company is listed on the CSE as a Mining Issuer and its Common Shares trade under the symbol "RMC".

Termination

The Property Option Agreement may be terminated as follows:

- the Company may, at any time prior to its exercise of the Option, terminate the Property Option Agreement in its entirety on thirty (30) days' written notice to the Optionor and shall thereafter have no liability to the Optionor as a result of such termination; and

- either party may terminate the Property Option Agreement if the other party fails to perform any obligation required to be performed by it under the Property Option Agreement, or the other party is in breach of a warranty or a representation given by it under the Property Option Agreement, which failure or breach thereof materially interferes with the implementation and operation of the Property Option Agreement, the non-defaulting party having first given written notice of default to the defaulting party and the defaulting party having not, within thirty (30) business days following delivery of such notice: (i) cured such default; (ii) commenced proceedings to cure such default by appropriate payment or performance, and prosecuting the same to completion without undue delay; or (iii) delivered to the non-defaulting party a notice contesting the notice of default, in which case the default will be adjudicated pursuant to the terms of the Property Option Agreement.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

General Development of the Business

The Company was initially incorporated as a wholly-owned subsidiary of International Zeolite Corp. On February 17, 2017, the Company entered into the vend-in agreement with International Zeolite Corp., pursuant to which the Company issued 5,653,676 Common Shares measured at a fair value of $0.0032 per Common Share to International Zeolite Corp., in exchange for International Zeolite Corp.'s 100% interest in Canadian Mining of Arizona Inc., a company incorporated under the laws of the State of Arizona. The Company and International Zeolite Corp. subsequently entered into an arrangement agreement dated

February 17, 2017, pursuant to which the Company and Canadian Mining of Arizona Inc. were spun out of International Zeolite Corp. The arrangement was approved by the shareholders of International Zeolite Corp. on April 28, 2017, and by the Supreme Court of British Columbia on May 1, 2017. In connection with the arrangement, the Company applied to list its Common Shares on the TSX Venture Exchange. All conditions of the arrangement were completed as of May 30, 2017, and Common Shares of the Company began trading on the TSX Venture Exchange on June 5, 2017, under the symbol "CNG".

On July 17, 2018, the Company completed a reverse takeover transaction ("**RTO**") with 1145411 under the terms of a share purchase agreement among the Company, 1145411, and certain shareholders of 1145411 dated July 16, 2018, pursuant to which the Company acquired all of the issued and outstanding shares of 1145411 in exchange for 802,004 Common Shares of the Company measured at a fair value of $12.20 per Common Share (on a post-consolidation basis, giving effect to the Consolidation). 1145411 held 100% of the issued and outstanding capital stock of Bonhomie Labs LLC, a company which had operations in the cannabis industry in the United States of America, which in turn held, at the time, 51% of the issued and outstanding capital stock of SAP Global Inc., a company which had operations in the cannabis industry in the United States of America. Pursuant to the RTO, the Company changed its name from Canadian Mining Corp. to Chemesis International Inc. and de-listed from TSX Venture Exchange on July 18, 2018 and listed its Common Shares on the CSE.

On July 20, 2018, the Company acquired certain licensed rights from SAP Global Inc. in exchange for 33,232 Common Shares measured at a fair value of $7.70 per Common Share (on a post-consolidation basis, giving effect to the Consolidation) and $110,000. Such rights included the brand name, trade name, and trademarks together with all of the patents, patent applications, and inventions.

On August 21, 2018, the Company acquired 100% of the issued and outstanding capital stock of Desert Zen LLC, a company which had operations in the cannabis industry in the United States of America, in exchange for $262,782 in cash and 32,625 Common Shares measured at a fair value of $10.50 per Common Share (on a post-consolidation basis, giving effect to the Consolidation).

On October 12, 2018, the Company acquired certain licensed rights from Rapid Dose Therapeutics Inc. ("**RDT**"), a Canadian bio-technology company which provides proprietary drug delivery technologies, providing the Company with rights to produce, distribute and sell RDT's QuickStrip oral fast-dissolving drug delivery system in cannabis markets in California, in exchange for $130,570 in cash and 8,678 Common Shares measured at a fair value of $21.60 per Common Share (on a post-consolidation basis, giving effect to the Consolidation).

On November 30, 2018, the Company acquired 80% of the issued and outstanding capital stock of Natural Ventures Puerto Rico, a company which had operations in the cannabis industry in the United States of America, in exchange for $3,724,280 in cash and 11,762 Common Shares measured at a fair value of $16.80 per Common Share (on a post-consolidation basis, giving effect to the Consolidation).

On January 11, 2019, the Company, pursuant to the terms of a share purchase agreement, acquired 100% of the issued and outstanding capital stock of La Finca, a company which had hemp and CBD cultivation operations in Columbia, in exchange for which the Company assumed a promissory note of $5,500,000 and issued 374,000 Common Shares measured at a fair value of $19.32 per Common Share (on a post-consolidation basis, giving effect to the Consolidation).

On February 1, 2019, the Company completed a plan of arrangement under the *Business Corporations Act* (British Columbia) under the terms of an arrangement agreement with IMC, pursuant to which the Company spun out its various interests in mineral claims located in Yavapai Country, Arizona, into IMC. Upon completion of the arrangement, IMC owned 100% of the mineral claims located in Yavapai Country, Arizona. As a result of the arrangement, Shareholders of the Company received one-twentieth of one common share of IMC for every Common Share held as of December 9, 2018.

On April 1, 2019, the Company, pursuant to a share exchange agreement, acquired 19.9% equity stake in GSRX Industries Inc., a company which owned and operated cannabis dispensaries and other licensed cannabis businesses in the United States of America through various of its partially and wholly owned subsidiaries. Pursuant to the terms of the share exchange agreement, GSRX Industries Inc. issued 11,666,998 common shares to the Company in exchange for 364,593 Common Shares measured at a fair value of $47.02 per Common Share (on a post-consolidated basis, giving effect to the Consolidation). GSRX Industries Inc. also granted a pre-emptive right to the Company whereby it was given rights to maintain its ownership percentage.

On May 24, 2019, the Company acquired 60% of the issued and outstanding capital stock of Kieley Growth Management LLC, a company which had cannabis dispensary operations in California, United States of America, in exchange for which the Company acquired a non-interest-bearing promissory note of $1,346,800 due on May 24, 2020 and issued 33,615 Common Shares measured at a fair value of $26.18 per Common Share (on a post-consolidation basis, giving effect to the Consolidation) to the shareholders of Kieley Growth Management LLC.

On July 2019, the Company increased its ownership in SAP Global Inc. from 51% to 100% in exchange for the issuance of 50,000 Common Shares measured at a fair value of $35.60 per Common Share (on a post-consolidation basis, giving effect to the Consolidation) to the former shareholders of SAP Global Inc.

On August 28, 2019, the Company, pursuant to various share exchange agreements with certain shareholders of GSRX Industries Inc., acquired: (i) 42,634,124 common shares of GSRX Industries Inc. in exchange for 744,035 Common Shares measured at a fair value of $11.34 per Common Share (on a post-consolidation basis, giving effect to the Consolidation); and (ii) 1,000 preferred shares of GSRX Industries Inc. in exchange for 200,000 Common Shares of the Company measured at a fair value of $11.34 per Common Share (on a post-consolidation basis, giving effect to the Consolidation). Immediately after the transaction, the Company held a 66.39% common share interest and a 100% preferred share interest in GSRX Industries Inc.

On December 20, 2019, the Company completed a stock consolidation on the basis of one (1) post-consolidation Common Share for each ten (10) pre-consolidation Common Shares.

On January 23, 2020, the Company closed a private placement of 6,753,015 units of the Company at a price of $0.74 per unit (on a post-consolidation basis, giving effect to the Consolidation) for total proceeds of $5,000,000. Each unit was comprised of one Common Share and one Warrant, which was exercisable for one Common Share at a price of $0.81 per Common Share (on a post-consolidation basis, giving effect to the Consolidation) for a period of 24 months.

On April 27, 2020, the Company entered into an arrangement agreement with its wholly-owned subsidiary, 1247262 B.C. Ltd. to spin-out La Finca into 1247262 B.C. Ltd. However, during the year ended June 30, 2021, the Company entered into negotiations to dispose of 100% of its equity interest in La Finca in exchange for the Company paying US$100,000 to dispose of its liabilities. On June 10, 2022, the Company issued 175,000 Common Shares at a deemed price of US$0.85 per Common Share (on a post-consolidation basis, giving effect to the Consolidation) to settle US$148,858 of liabilities of La Finca as part of the Company's ongoing liquidation of La Finca.

In July 2020, the Company completed a non-brokered private placement of 2,617,650 units of the Company at a price of $1.00 per unit (on a post-consolidation basis, giving effect to the Consolidation) for total proceeds of $2,617,650. Each unit consisted of one Common Share and one Warrant, which was exercisable for one Common Share at a price of $2.00 per Common Share (on a post-consolidation basis, giving effect to the Consolidation) for a period of 24 months.

Due to the declining cannabis market in the United States of America, as well as difficulties in securing the necessary licenses to continue its business in the production, distribution and sale of cannabis and cannabis related products (which, in part, were due to the COVID-19 global pandemic), in November 2020, the Company entered into sale agreements with Puerto Rico Industrial Commercial Holdings Biotech Corp. for the sale of substantially all the operating assets held by the Company's 80%-owned Puerto Rican subsidiary, Natural Ventures Puerto Rico, and substantially all of the Puerto Rican assets of Project 1493 LLC, a wholly-owned Puerto Rican subsidiary of the Company's 66%-owned American subsidiary, GSRX Industries Inc.

Specifically, on November 11, 2020, GSRX Industries Inc.'s subsidiary, Project 1493 LLC, entered into an asset purchase agreement with Puerto Rico Industrial Commercial Holdings Biotech Corp. to sell and transfer all of Project 1493 LLC's operating assets in Puerto Rico in consideration for US$3,993,333 cash. Additionally, Puerto Rico Industrial Commercial Holdings Biotech Corp. assumed all of Project 1493 LLC's liabilities in respect of the assets sold and the leases assumed.

Further, on November 13, 2020, Natural Ventures Puerto Rico entered into a sales agreement with Puerto Rico Industrial Commercial Holdings Biotech Corp. to sell and transfer all of Natural Ventures Puerto Rico's operating assets in Puerto Rico in consideration for US$550,000 cash. On November 17, 2020, the Company transferred all of Natural Ventures Puerto Rico's licenses and operations to Puerto Rico Industrial Commercial Holdings Biotech Corp. On November 27, 2020, the Company withdrew its membership interest in Natural Ventures Puerto Rico, in substance transferring them to the Edgar Montero, the former CEO of the Company, who then transferred the membership interests to Puerto Rico Industrial Commercial Holdings Biotech Corp.

On January 19, 2021, the Company completed a non-brokered private placement of 1,843,709 units at a price of $0.65 per unit (on a post-consolidation basis, giving effect to the Consolidation) for total proceeds of $1,200,000. Each unit consisted of one Common Share and one Warrant, which is exercisable for one Common Share at a price of US$0.68 per Common Share (on a post-consolidation basis, giving effect to the Consolidation) for a period of 24 months.

On November 29, 2021, the Company completed a private placement for gross proceeds of $1,247,200 through the issuance of 5,196,667 units at a price of $0.24 per unit (on a post-consolidation basis, giving effect to the Consolidation). Each unit consisted of one Common Share and one Warrant, which is exercisable for one Common Share at a price of $0.30 per Common Share (on post-consolidation basis, giving effect to the Consolidation) for a period of twenty-four (24) months.

On January 11, 2022, the BCSC issued a cease trade order to the Company for failure to file its annual audited financial statements and management discussion and analysis for the year ended June 30, 2021 and its interim financial statements and management discussion and analysis for the three (3) months ended September 30, 2021. The Company filed its annual audited financial statements and management discussion and analysis for the year ended June 30, 2021 and its interim financial statements and management discussion and analysis for the three (3) months ended September 30, 2021 on March 25, 2022, and the BCSC issued a revocation order on March 29, 2022.

On April 19, 2022, the Company entered into the Property Option Agreement in connection with a Change of Business as defined in CSE Policy 8, and announced the resignation of Mr. Brian Thurston from the Board and the appointment of Mr. Mark Fields to the Board.

On June 10, 2022, the Company announced that it had entered into a debt settlement agreement with a non-related vendor, pursuant to which it discharged an aggregate total indebtedness of US$148,858 through the issuance of 175,000 Common Shares at a deemed price of US$0.85 per Common Share (on a post-consolidation basis, giving effect to the Consolidation).

On June 21, 2022, the Shareholders of the Company approved the Change of Business and a consolidation of the Company's Common Shares at such consolidation ratio determined by the directors of the Company.

On June 27, 2022, the Company announced that it would complete a consolidation of its Common Shares on the basis of one (1) post-consolidation Common Share for each two (2) pre-consolidation Common Shares (the "**Consolidation**"). The Common Shares began trading on a consolidated basis on June 30, 2022.

On July 21, 2022, the Company announced that, in connection with the Change of Business, Edgar Montero had resigned as CEO of the Company and the Company's Chairman, Aman Parmar, had been appointed as Interim Chief Executive Officer to fill the vacancy.

On September 1, 2022, the Company closed a non-brokered private placement by issuing an aggregate of 14,000,000 units at a price of $0.10 per unit for total gross proceeds of $1,400,000 (the "**Equity Financing**"). Each unit issued pursuant to the private placement consisted of one Common Share and one Warrant, entitling the holder thereof to purchase one additional Common Share at a price of $0.12 until September 1, 2024. The Company also announced that it had paid the Optionor $90,000 and issued the Optionor 250,000 Common Shares pursuant to the terms of the Property Option Agreement. The Company further announced that it had entered into debt settlement agreements with certain officers, directors and consultants of the Company pursuant to which it had settled approximately $839,568 of debt incurred for services rendered to the Company through the issuance of 8,359,683 Common Shares at a deemed price of $0.10 per Common Share.

As of the date of this Listing Statement, the Company has divested all assets and has no operations in the cannabis industry.

3.2 Significant Acquisitions and Dispositions

The Company has not completed any significant acquisitions, significant probable acquisitions or significant dispositions since the beginning of the most recently completed financial year.

3.3 Trends, Commitments, Events or Uncertainties

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Company's business, the Company's financial condition or results of operations, other than those related to risks associated with the Company's business, as described under Section 17 – *Risk Factors*.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

The Company is a junior mining exploration company listed on the CSE. The Company initially plans to conduct exploration work on the Rose Property as detailed in the Rose Property Technical report and below (see *Section 4. Narrative Description of the Business - 4.3. Mineral Project - Rose Property*), and will use its available capital as further described under the following heading *Section 4. Narrative Description of the Business - 4.1. General - Use of Available Funds.*

The Rose Property is the Company's principal and only property. The Rose Property Technical Report indicates silver, gold, copper and zinc mineralization and the Rose Property is an exploration stage property. The Rose Property is located in Kamloops Mining Division, British Columbia, Canada, and consists of four contiguous mining claims (1081153, 1081152, 1080416 and 1079803) covering approximately 1947.08 hectares, as more fully described in the Rose Property Technical Report, entitled "NI 43-101 Technical Report on the Rose Property, Adams Lake Area, Kamloops Mining Division, British Columbia, Canada" with a report date and effective date of April 25, 2022. The Rose Property Technical Report was prepared by Muzaffer Sultan, who is a "qualified person" as such term is defined in NI 43-101. Muzaffer Sultan is independent of the Company within the meaning of NI 43-101 and has taken responsibility for all sections of the Rose Property Technical Report. Muzaffer Sultan has recommended an exploration program consisting of two phases, where the second phase is contingent upon the results of the first phase, with a budget of: (i) $140,700 for phase one; and (ii) $271,250 for phase two. The Company has not conducted any exploration activities on the property as of the date of this Listing Statement. The Optionor has spent a total of $90,903 on geophysical surveys, prospecting and sampling in the previous 36 months.

The Company acquired its interest in the Rose Property pursuant to the Property Option Agreement dated April 18, 2022. The Company and the Optionor are at arm's length and the Optionor is not a 'Related Person' within the meaning of CSE Policies. Pursuant to the Property Option Agreement, the Company has been granted the right to acquire an undivided one hundred percent (100%) legal and beneficial right, title, and interest in the Rose Property, free and clear of all encumbrances, subject to the grant of the Royalty as described herein, by making cash payments of $170,000, incurring $360,000 in exploration expenditures and issuing 800,000 Common Shares, all in accordance with the following schedule:

(a) paying the Optionor an aggregate of $170,000 in cash as follows:

- (i) $90,000 on or before the Option Grant Effective Date (paid);
- (ii) $30,000 on or before the date that is one (1) calendar year after the Option Grant Effective Date; and
- (iii) $50,000 on or before the date that is two (2) calendar years after the Option Grant Effective Date;

(b) issuing the Optionor an aggregate of 800,000 Common Shares as follows:

- (i) 250,000 Common Shares on or before the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance (issued);
- (ii) 250,000 Common Shares on or before the date that is one (1) calendar year after the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance; and

(iii) 300,000 Common Shares on or before the date that is two (2) calendar years after the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance;

(c) incurring aggregate exploration expenditures of $360,000 as follows:

(i) $110,000 of exploration expenditures on or before the date that is one (1) calendar year after the Option Grant Effective Date; and

(ii) $250,000 of exploration expenditures on or before the date that is two (2) calendar years after the Option Grant Effective Date.

As of the date of this Listing Statement, the Company has paid the initial $90,000 and issued the initial 250,000 Common Shares to the Optionor as set out in paragraphs (a)(i) and (b)(i) above.

Upon exercise of the Option and the acquisition of the Rose Property by the Company, the Company will grant the Optionor the Royalty, and the Company will have the option to repurchase one-third of the Royalty for $1,000,000, whereupon the Royalty will be reduced to 2%.

The Company will also continue to assess new mineral projects and will seek to acquire interests in additional projects if it determines such projects have sufficient geological or economic merit and if the Company has adequate financial resources to complete such acquisitions. For further information on the Company's current project, see *Section 4. Narrative Description of Business - Section 4.3. Mineral Projects - Rose Property* below.

The Company has not undertaken any current resource estimate on the Rose Property, and there is no assurance that a commercially viable mineral deposit exists on the Rose Property. As the Company is an exploration stage company with no producing properties, it will have no current operating income, cash flow or revenues.

(a) Business Objectives

The principal business carried on and intended to be carried on by the Company during the forthcoming 12-month period is the exploration of the Rose Property. It is also the current intention of the Company to remain in the mineral exploration business. Should the Rose Property not be deemed viable, the Company intends to explore other opportunities to acquire interests in other mineral properties.

(b) Significant Event or Milestones

The milestone that the Company expects to accomplish using the available funds described below under the heading "*Use of Available Funds*", is to complete the Phase 1 recommendations set out in the Rose Property Technical Report (see *Section 4. Narrative Description of the Business - 4.3. Mineral Project - Rose Property - Recommendations - Phase 1 - Prospecting, Mapping, Sampling and Geophysical Surveys*).

Timeframe	Significant Event or Milestone	Estimated Costs ($)
0 -12 months	Complete Phase 1 of the recommended exploration program on the Rose Property(1)	140,700
		Total = $140,700

Notes:

(1) Please see *Section 4. Narrative Description of the Business - 4.3. Mineral Project - Rose Property - Recommendations - Phase 1 - Prospecting, Mapping, Sampling and Geophysical Surveys*. Subject to the results of the Phase 1 exploration program and being able to raise sufficient funds, the Company may proceed with the drilling program set out in the Rose Property Technical Report (see *Section 4. Narrative Description of the Business - 4.3. Mineral Project - Rose Property - Recommendations - Phase 2 - Drilling*) which is estimated to cost approximately $271,250.

The Company will spend the next 12 months undertaking the activities set out in *Section 4. Narrative Description of the Business - 4.3. Mineral Project - Rose Property - Recommendations* using the available funds disclosed below. Please refer to *Section 4. Narrative Description of the Business - 4.3. Mineral Project - Rose Property - Recommendations* for: (i) the nature and extent of the proposed exploration program that is to be carried out by the Company using the disclosed available funds; and (ii) a breakdown of costs for the proposed exploration program.

(c) Funds Available to the Company

The following funds are available to the Company:

Description of Funds	Amount ($)
Estimated working capital of the Company as of October 31, 2022	$703,098

Notes:

(1) Included in this amount are the net proceeds of the Equity Financing.

(d) Use of Available Funds

As at October 31, 2022, the Company had $703,098 in working capital (inclusive of the proceeds from the Equity Financing). The Company intends to use the funds available to it to further its business objectives as set out above, as follows:

Description of Use of Funds	Amount of Funds (CDN $)
Phase 1 of the recommended exploration program	$140,700
Option agreement payments	$30,000
General and administration(1)	$200,000
Press releases, investor relations and strategic corporate marketing(2)	$100,000
Unallocated working capital(3)	$232,398
TOTAL	**$703,098**

Notes:

(1) General and administration costs and expenses related primarily to: (i) accounting, audit, legal services ($80,000); (ii) regulatory filing fees ($15,000); (iii) transfer agent fees ($5,000); (iv) management and consulting fees ($80,000); and (v) office overhead ($20,000), which are anticipated to be sufficient to cover the next 12 months of operations.

(2) Consists of: press releases ($75,000); and investor relations and strategic corporate marketing ($25,000).

(3) The Company intends to use these funds to fund additional exploration activities in respect of the Rose Property (subject to obtaining satisfactory results from Phase 1 of the recommended exploration program), and to assess and potentially complete acquisitions of interests in other mineral properties.

The ability of the Company to continue operations is dependent upon successfully raising the necessary funds through equity or debt financings to complete future development and operations, and achieving future profitable production for proceeds in excess of carrying amounts. These pursuits may be delayed given the challenges faced by companies seeking to raise funds through the issuance of Common Shares. See also Section 17 **–** *Risk Factors*.

There is no guarantee that the Company will meet its business objectives or milestones described above within the specific time periods, within estimated costs or at all. While the Company will complete Phase 1 of the recommended exploration program as disclosed above (see *Section 4. Narrative Description of the Business - 4.3. Mineral Project - Rose Property - Recommendations - Phase 1 - Prospecting, Mapping, Sampling and Geophysical Surveys*), thereafter, it is possible, however, that some portion of the Company's available funds will be devoted to other acquisition, development or exploration opportunities identified by the Company from time to time. Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Company. Accordingly, the Company may abandon in whole or in part any of its property interests or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Company, although the Company has no present plans in this respect.

4.1.2 Principal Products or Services

The Company is in the mineral exploration business and does not have any marketable products at this time nor is it distributing any products at this time. In addition, the Company does not know when, if ever, the Rose Property will reach the development stage, as most mineral properties do not advance beyond on the exploration state, and, if so, what the estimated costs would be to reach commercial production.

4.1.3 Production and Sales

The Company's business requires specialized skills and knowledge in the areas of geology, drilling, planning, implementation of exploration programs and compliance. Mr. Fields has extensive mineral exploration and development experience in the areas of geology, drilling, planning, implementation of exploration programs and compliance (see *Section 13 - Directors and Officers*) The Company also hires consultants from time to time in the areas of mineral exploration, geology and business negotiations as required to assist in evaluating its interests and recommending and conducting work programs.

The mineral exploration and development business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

The Company's exploration activities are subject to various laws and regulations in the jurisdictions in which it operates relating to the protection of the environment. Due to the early stage of the Company's expected activities, environmental protection requirements are expected to have a minimal impact on the Company's capital expenditures and competitive position. If needed, the Company will make and will continue to make expenditures to ensure compliance with applicable laws and regulations. New environmental laws and regulations, amendments to existing laws and regulations, or more stringent implementations of existing laws and regulations could have a material adverse effect on the Company by potentially increasing capital and/or operating costs.

As of the date hereof, the Company had no permanent full-time employees and no permanent part-time employees. The operations of the Company are managed by its directors and officers. The Company hires consultants from time to time in the areas of mineral exploration, geology and business negotiations as required to assist in evaluating its interests and recommending and conducting work programs.

4.1.4 Competitive Conditions and Position

The mineral exploration and mining industry is very competitive and the Company must compete for the acquisition of mineral permits, claims, leases and other mineral interests for exploration and development projects. The Company competes with many companies that have greater financial resources and technical facilities than itself. Significant competition exists for the limited number of mineral acquisition opportunities available in the Company's sphere of operations. As a result of this competition, the Company's ability to acquire additional attractive mining properties on terms it considers acceptable may be adversely affected and depends on its ability to obtain additional financing to fund further exploration activities.

4.1.5 Lending Operations, Investment Policies and Restrictions

The Company does not have any formal policies with respect to lending, and the Company is not expected to have any formal policies with respect to lending. The Company will ensure any investment or debt activities incurred are in the best interests of the Company and its Shareholders. The Company expects that, in the immediate future in order to maintain and develop the Rose Property, it will need to raise additional capital through equity and/or debt. If the Company is unable to raise the necessary capital to meet its obligations as they become due, the Company may have to curtail its operations or obtain financing at unfavourable terms.

4.1.6 Bankruptcy and Receivership

The Company has not been party to any bankruptcy, receivership or similar proceeding in the three most recently completed years.

4.1.7 Material Restructuring

The Company has not been a party to any material restructuring transaction in the past three (3) years. There are currently no material restructuring transactions planned for the Company for the current financial year.

4.1.8 Social and Environmental Policies

The Company is not expected to adopt any specific social or environmental policies that are fundamental to its operations (such as policies regarding its relationship with the environment, with the communities in the vicinity of its facilities or human rights policies). However, the Company will ensure its ongoing compliance with local environmental laws in the jurisdictions in which it does business.

4.2 Companies with Asset-backed Securities Outstanding

The Company does not have any asset-backed securities.

4.3 Mineral Project - Rose Property

The following information concerning the Rose Property is derived from the Rose Property Technical Report and is qualified in its entirety by the full Rose Property Technical Report. Readers are encouraged to review the Rose Property Technical Report in full in conjunction with this Listing Statement. The Rose Property Technical Report is available on the Company's profile on SEDAR at www.sedar.com.

The information contained in this Section is subject to all of the assumptions, information and qualifications set forth in the Rose Property Technical Report. The Rose Property Technical Report contains more detailed information and qualifications than are set out below and readers are encouraged to review it accordingly. The Author has reviewed the technical disclosure in this Section.

Rose Property Description and Location

The Rose Property consists of four contiguous mining claims (1081153, 1081152, 1080416 and 1079803) covering approximately 1947.08 hectares area on Crown land in Kamloops Mining Division, British Columbia, Canada (Figure 1, Table-1). The claims occur in the west of the Adams Lake in between 307900E and 312275E and 5663550N and 5670920N (UTM, 11, NAD 83) and centered at coordinates 310000E and 5667500N. Approximately 90% of the claims occur in BCGS Map 082M023 (NTS Map-082M). The remaining claims are in BCGS Map 082M033 and BCGS Map 082M013 (NTS Map- 82M). The south boundary of the Rose Property is located about 26 kilometers north of Squilax aerially, approximately 39km through Adam-West Forest Service Road and is accessible in forty one minutes (Google map and backcountrybc map).

The claims are 100% beneficially owned by Afzal Pirzada (260370) of Geomap Exploration Inc. and is optioned by the Company. Additional details including the current expiry dates are tabulated in "Table 1 – Claim Data". The four contiguous mining claims comprising the Rose Property were staked using the British Columbia Mineral Titles Online computer Internet system.

The Author undertook a search of the tenure data on the British Columbia government's Mineral Titles Online ("**MTO**") website which confirms the geospatial locations of the claims boundaries title information provided by Geomap Exploration Inc. and the Company. There were no historical Mineral Resource and Mineral Reserve estimates given.

The Mineral Tenure Act Regulation in British Columbia describes registering exploration and development for a mineral claim. The value of exploration and development required to maintain a mineral claim for one year is provided below:

Mineral Claim - Work Requirement:

- $5 per hectare for anniversary years 1 and 2;
- $10 per hectare for anniversary years 3 and 4;
- $15 per hectare for anniversary years 5 and 6; and
- $20 per hectare for subsequent anniversary years.

The other option is payment in lieu of work which is double the amount mentioned in the above schedule. The mineral claims comprising the Rose Property are valid until December 31, 2025, based on allocation of the 2021 exploration work credits and annual work of $29,206.20 will be required to keep these claims beyond this period (years 5 and 6). The surface rights on the Rose Property are held by the Crown and a "Notice of Work and Reclamation Program" permit is required for drilling, trenching, setting up a camp and other intrusive work. There are no known environmental liabilities and no permits have been applied for or acquired for the Rose Property. Claim data is summarized in the Table 1, while a map showing the claims is presented in Figure 2.

Table 1: Claim Data

Title Number	Claim Name	Owner	Title Type	Map Number	Issue Date	Good to Date	Status	Area (ha)
1079803	Rose1	260370 (100%)	Mineral Claim	082M	2020/Nov/28	2025/Dec/31	Active	182.55
1080416	Rose2	260370 (100%)	Mineral Claim	082M	2021/Jan/06	2025/Dec/31	Active	284.07
1081152	Rose3	260370 (100%)	Mineral Claim	082M	2021/Feb/13	2025/Dec/31	Active	770.72
1081153	Rose4	260370 (100%)	Mineral Claim	082M	2021/Feb/13	2025/Dec/31	Active	709.74
Total								**1,947.08**

Pursuant to the terms of the Property Option Agreement, the Company has been granted the sole, exclusive and irrevocable right and option to acquire an undivided one hundred percent (100%) legal and beneficial right, title, and interest in the Rose Property, free and clear of all encumbrances, subject to the grant of the Royalty as described herein, by making cash payments of $170,000, incurring $360,000 in exploration expenditures and issuing 800,000 Common Shares, all in accordance with the following schedule:

(a) paying the Optionor an aggregate of $170,000 in cash as follows:

- (i) $90,000 on or before the Option Grant Effective Date (paid);
- (ii) $30,000 on or before the date that is one (1) calendar year after the Option Grant Effective Date; and
- (iii) $50,000 on or before the date that is two (2) calendar years after the Option Grant Effective Date;

(b) issuing the Optionor an aggregate of 800,000 Common Shares as follows:

- (i) 250,000 Common Shares on or before the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance (issued);
- (ii) 250,000 Common Shares on or before the date that is one (1) calendar year after the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance; and
- (iii) 300,000 Common Shares on or before the date that is two (2) calendar years after the Option Grant Effective Date, valued at the market price of the Common Shares on the CSE at the time of issuance;

(c) incurring aggregate exploration expenditures of $360,000 as follows:

- (i) $110,000 of exploration expenditures on or before the date that is one (1) calendar year after the Option Grant Effective Date; and
- (ii) $250,000 of exploration expenditures on or before the date that is two (2) calendar years after the Option Grant Effective Date.

Following the acquisition of the Rose Property by the Company, the Company will grant the Optionor the Royalty, and the Company can repurchase one-third of the Royalty for $1,000,000, whereupon the Royalty will be reduced to 2%.

Environmental Concerns

There is no historical production from mineralized zones on the Property, and the Author is not aware of any environmental liabilities which have accrued from historical exploration activity.

First Nations

The land in which the mineral claims are situated is Crown Land and the mineral claims fall under the jurisdiction of the British Columbia Government. However, for exploration work permits from the Government of British Columbia, the Government may be required to consult with First Nations before a permit can be issued.

Figure 1: Rose Property Location

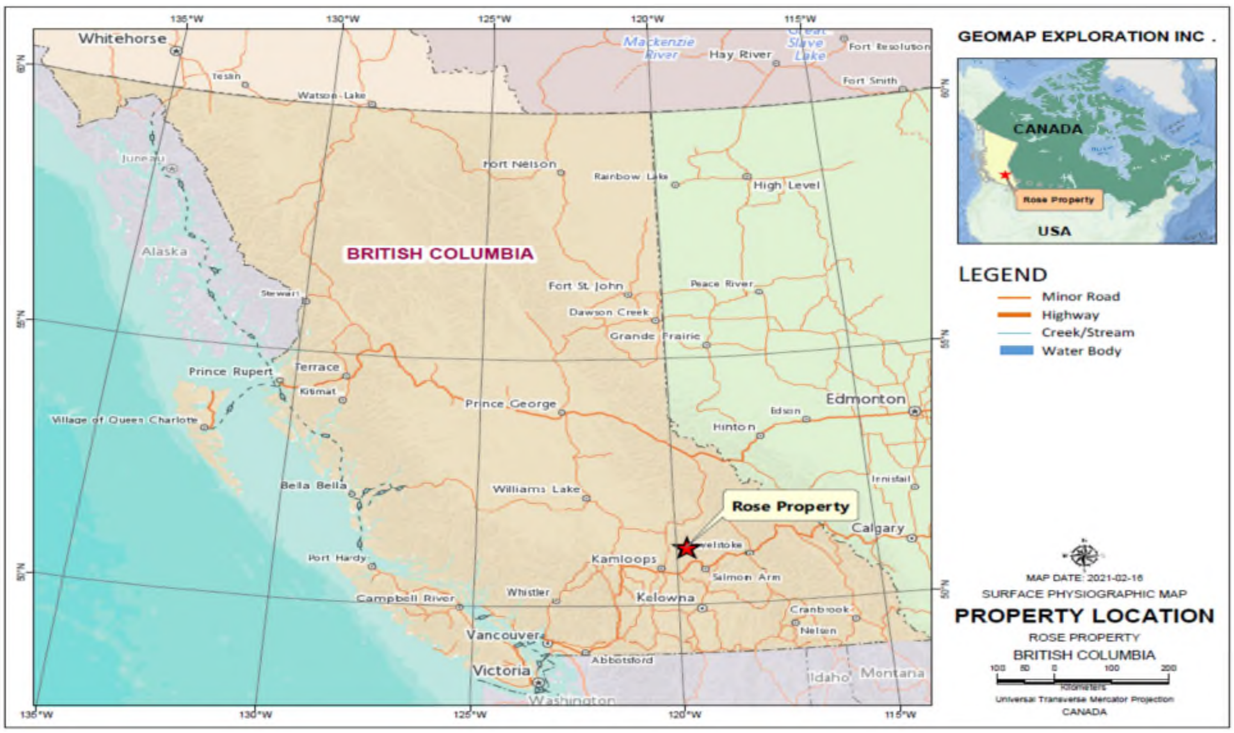
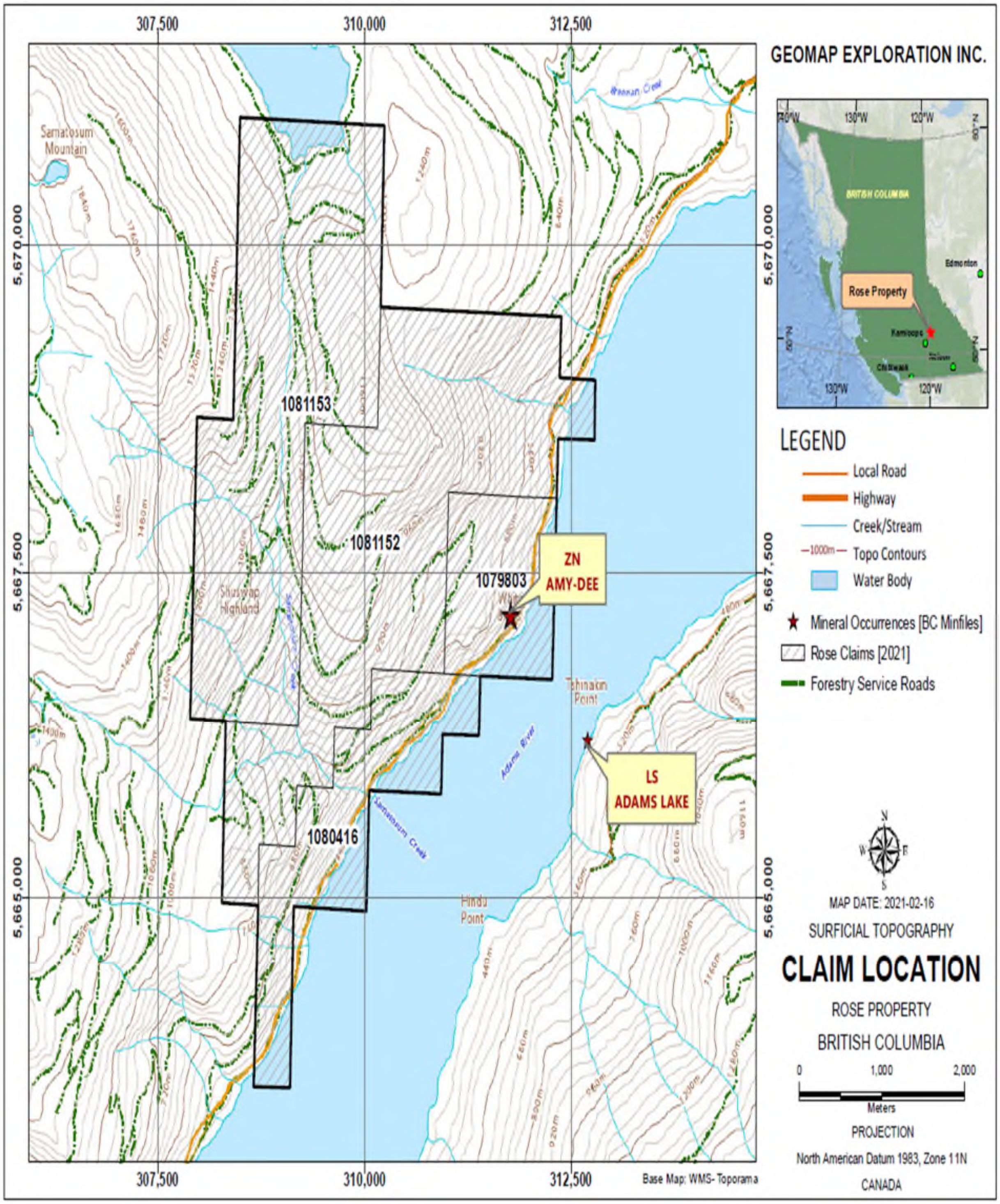


Figure 2: Claim and Physiography Map with Minfile Occurrences



Accessibility, Climate, Local Resources, Infrastructure, Physiography

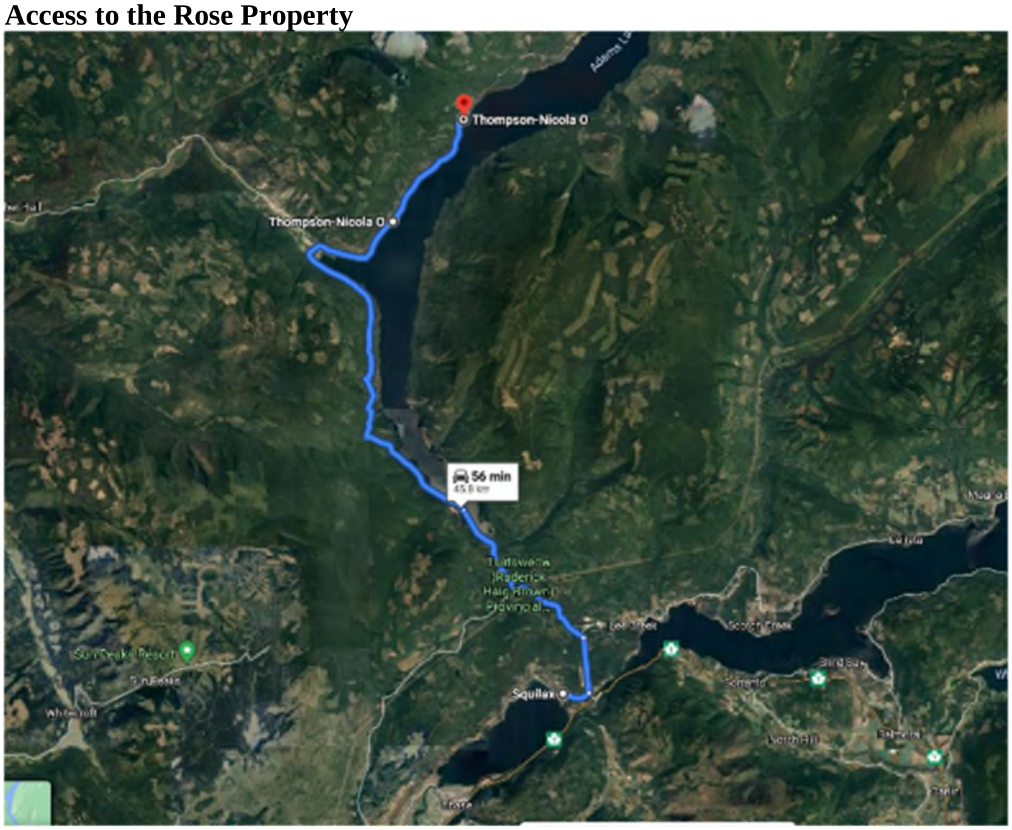
Access

The Rose Property, consisting of four contiguous claims, is situated on the west side of Adams Lake, approximately 39km (south boundary of the Rose Property) to the north of Squilax which is a settlement in British Columbia, located on the northeast shore of Little Shuswap Lake (Figures 2 & 3). The Trans-Canada Highway runs just 2km east of the village Squilax and provides access to the nearby town of Chase (12.5km west) and city of Kamloops (69 km west).

Access from Squilax to the Rose Property is by forestry road. The Squilax-Anglemont road joins at kilometer 3 to Holding Road running northward and joining West Adams Forestry service road at kilometer 11 which leads to the Rose Property at approximately kilometer 24 and northern boundary at kilometer 31. Alternate access from Kamloops is via the Yellowhead Highway (Highway 5), then turning north to Louis Creek, then west on the Agate Bay Road to the West Adams Forest Service Road.

A network of secondary logging roads of varying quality provides further access in the area thus facilitating access to the western portion of the claims (Figure 2).

Figure 3: Access to the Rose Property

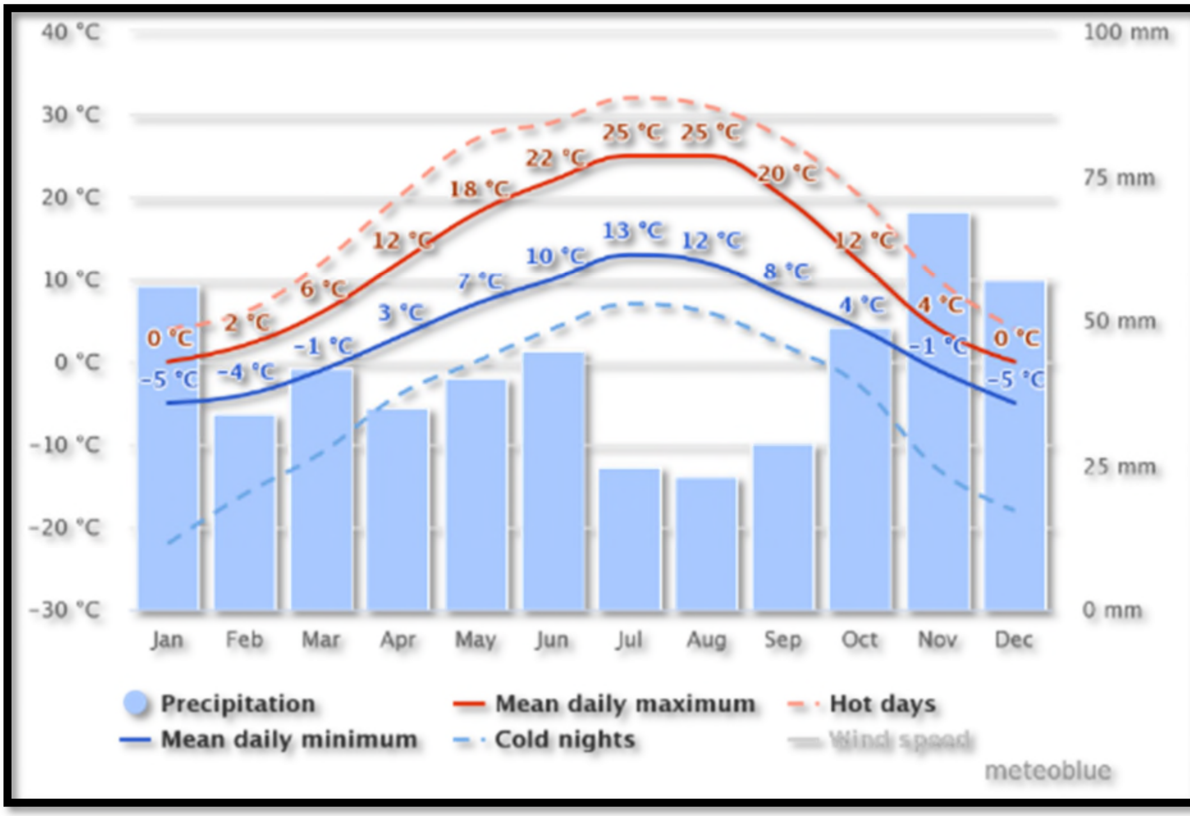


Climate and Vegetation

The closest climate data is available from the Adams Lake Park (50.98N, 119.74W) which is 646m above sea level whereas Rose Property is located approximately at an elevation range of 420m-1300m. Thus, the Rose Property climate can be different due to change in elevation. The 30-year data (meteo blue) shows that mean daily minimum temperature ranges from -5°C to 13°C whereas the mean daily maximum temperature ranges from 0°C to 25°C (Figure 4). The average precipitation ranges from 22mm to 72 mm (Figure 4). The precipitation occurs throughout the year, but monthly average is lowest in July, August, and September and highest in October, November, December, and January. Exploration work such as geological mapping, prospecting, trenching, and sampling can be carried out during summer months (from May to November), whereas drilling and geophysical surveying can be done throughout the year. The upper reaches of the Rose Property get early snowfall and can become inaccessible in October whereas the claims in the lower reaches can be accessed throughout the year.

The vegetation on the plateau consists of alpine spruce forest and second growth forest interspersed with wetlands, marshes, and open grassed areas.

Figure 4: Average temperatures and precipitation



Local Resources and Infrastructure

The Rose Property is connected with the city of Kamloops which is located 65 km west of Squilax. It is the twelfth largest municipality in the province with a population of 90,280 (Canada 2016 Census) and can be accessed via four major highways, the BC Highway 1 (Trans-Canada Highway), the Coquihalla Highway (BC highway 5 south of the city), the Yellowhead Highway (BC Highway 5 north of the city) and BC Highway 97, making it a transportation hub and a place which attracts businesses. Kamloops' economy is diverse and includes healthcare, tourism, education, transportation, and natural resource extraction industries. Heavy industries in the Kamloops area include primary resource processing such as Domtar Kamloops Pulp Mill, Tolko-Heffley Creek Plywood and Veneer, and Highland Valley Copper Mine in Logan Lake.

The village of Chase with a population of 2,500 (Canada 2016 Census) is a good location to support the needs of an exploration program. A few motels, grocery stores and dining places are available in the village. Several lakes located on the Rose Property are good source of water for exploration and mining work. The 2021 exploration work on the Rose Property was carried out of Chase. Various industries and related service providers are present in the area. Specialized exploration services such as drilling and geophysical survey companies are in Vancouver and Kamloops.

The District of Barriere is located 64 kilometers North of the larger city of Kamloops on Highway 5 and approximately 40 kilometres to the west of the Rose Property. It is nestled in the North Thompson Valley surrounded by the Barriere and North Thompson Rivers. Barriere is connected with the Rose Property via the Agat Bay Road.

Physiography

Adams River is located in the Shuswap Highlands of the Canadian Cordilleran Plateau / Mountains physiographic region. The Shuswap Highlands are transitional between the Thompson Uplands to the west and the Monashee Mountains (part of the Columbia Mountain system) to the east. The characteristic features are a gently rolling plateau highly dissected by major river systems and their tributaries. The Adams River watershed is at the western edge of the Shuswap Highlands, which is generally defined by the Louis Creek fault that runs on the western side of the watershed. Adams River rises at over 2,000 metres in some of the remnant glaciers and icefields of the Columbia Mountains; Adams Lake is at an elevation of 404 metres and the river enters Shuswap Lake at 347 metres.

The elevation of the Rose Property ranges from 420 - 1300 meters above sea level and is bounded by moderately steep slopes on the east side. The slopes towards lake (on the west side) tend to be steep as do the slopes of major stream gullies.

History

The history of exploration in the Adam Plateau dates to early 1920’s when silver-lead-zinc mineralization was discovered in Lucky Coon area (Lat. 51 04’ 32" Long. 119 36’15, 5661405 N,317205E), by T. Callaghan and H. McGillivray (Government of British Columbia). The area was staked in 1927 as the Lucky Coon group of claims. The exploration of the Adams Plateau area continued intermittently since then and numerous mineral occurrences on the Rose Property and the neighboring areas were discovered, including Rose, Summit, Nik (East), Steep, Lucky Coon, Elsie, King Tut, Mosquito King, Joe, Beca, Homestake, Twin Mountain, and Rea.

The earliest systematic exploration work on the Rose Property was carried out by the British Columbia Geological Survey Branch in 1996 (Open File 1998-9) and 1997 (Open File 1997-9.) The 1996 work presents analytical data for 63 different elements from a regional stream water geochemistry survey. The 1997 work on the till geochemistry survey, led to the Cam-Gloria discovery, by Camille Berube in 1998. (Minfile (082M 266)). This discovery is 16km east of the Rose Property.

Regional geological mapping of Adams Plateau was conducted by the B.C. Department of Mines in late 1970’s. Regional geological maps published by the British Columbia Ministry of Energy and Mines delineated regional structural features and stratigraphic controls to the known lead- zinc- silver mineralization and outlined a favourable belt of rocks with the potential to host massive sulphide deposits.

Rose Property History

There are two historical mineral showings on the Rose Property which are known as Rose and Summit. The history on the Rose group of claims indicate that this area was staked first by I. Bennett, and was held under option by Tombac Explorations Ltd. during 1961. A total of 480m (1,575 feet) of diamond drilling was done before the option was dropped. The Summit occurrence is located at an elevation of approximately 1250 metres on the east side of a hill, approximately 2.3 kilometres southeast of the southeast end of Johnson Lake. The work in this area was carried out from the early 1980s to 2007 and led to discoveries of several copper, gold, and zinc showings.

Minfile is a database of BC Ministry of Energy and Mines which contains geological, location and economic information on over 13,000 metallic, industrial mineral and coal mines, deposits, and occurrences in B.C. The BC Geological Survey has the mandate to compile Minfile information by reviewing mineral assessment reports, recent publications, press releases, property file and company websites. There are two Minfile occurrences reported on the Rose Property which are listed on Table 2, shown on Figure 7, and are discussed in the following Sections.

Table 2: List of Minfile occurrences on the Rose Property

Minfile Number	**Minfile Names**	**Location NAD 83 Zone 11**				**Commodity Sought**
		Easting	**Northing**	**Lat**	**Long**	
082M 057	Rose Amy-Dee Del POET	311766	5667167	51° 07’30” N	119° 41’ 24” W	Zinc
082M 342	Summit, Bog	310500	5668728	51° 08’19” N	119° 42’ 32” W	Gold, silver, lead, zinc, copper

Rose Showing

The Rose showing, occur in the area which is underlain by limestone of the Tshinakin member of the Eagle Bay Formation of Cambrian-Ordovician age. Bedding strikes about 130 degrees and dips 35 to 65 degrees northeast.

Mineralization at this showing is an east-west band, dipping 20 to 25 degrees north, of discontinuous layered, strands of dark brown to grey-black coloured sphalerite occurs with dense white vein quartz within the limestone. An approximate one metre width of similar mineralization was intersected by drilling 130 metres down dip of the surface mineralization. Rotary drilling results returned anomalous gold and silver values which could not be confirmed by a second lab (Assessment Report 14046).

Casa Del Oro Resources Inc. owned Amy-Dee 1-4 (covering current claims areas) mineral claims in 1982. Casa Del Oro Resources Inc. carried out extensive trenching of outcropping mineralization (Assessment Report 10782 and14046). The sphalerite is reported to be present in an east-west trending band that dips to the north at a gentle angle, estimated at 20° to 25°. Ostensoe (1982, Assessment report 10782) defined trench geology as discontinuous strands of dark-brown to grey-black colored sphalerite occurring throughout dense white vein quartz. One vertical diamond drill (82-1) hole to a depth of 306 meters was also drilled the same year. The drill hole was planned to test the possible downdip continuation of the surface exposure of zinc mineralization. The mineralized quartz vein was intersected between 130.5m and 133.65m, generally consistent with its reported dip of 20-25°. The host rock, recrystallized limestone continued up to 291m. The sequence from 291m to 306m was a green gneissic and serpentinized meta sedimentary rock. Assay results were not available in the Assessment Report.

In 1985, Casa Del Oro Resources Inc. drilled 50 short rotary test holes on terraces along the shore of Adams Lake (Assessment report 14046) to geochemically test the lateral continuity of zinc bearing quartz vein. These holes were 32mm in diameter and drilling was done with a small truck mounted, gasoline powered drill. The drill holes depths ranged from 2.4-meter -14 meter deep and zinc values ranged from 61ppm-201ppp.

C. Delmore staked the claims as DEL-1 to DEL-4 between September 29 and October 26, 1985. A small diamond drill program consisting of 4 drill holes (100m and 150m west of 1982 drilling) was completed in 1986 (Assessment Report 15670). These holes did not succeed in intersecting zinc bearing quartz veins. The depth of holes was 86-1 (32ft, 9.75m), 86-2 (30ft, 9.14m), 86-3 (23ft, 7.01m) and 86-4 (26ft, 7.92m). All holes continued in limestone but without visible mineralization.

Summit, Bog Showing

The Summit occurrence is located at an elevation of approximately 1250 metres on the east side of a hill, approximately 2.3 kilometres southeast of the southeast end of Johnson Lake. Regionally, the area is underlain by limestone, marble, calcareous sedimentary rocks and greenschist metamorphic rocks of the Lower Cambrian Eagle Bay Assemblage. Bedding strikes approximately 130 degrees and dips 35 to 45 degrees northeast.

Locally, at the Summit zone, areas of brecciation and silicification in Tshinakin member limestone of the Eagle Bay Assemblage host quartz ± barite veins with galena mineralization. In 2004, a sample (SEN.04/09-RK) assayed 0.24 gram per tonne gold (Assessment Report 28414).

In 2005, a sample (S.05/12RK) assayed 0.18 gram per tonne gold, whereas a nearby float sample (S.05/07RK) assayed 0.566 gram per tonne gold, 215.5 grams per tonne silver, 2.799 per cent lead and 0.759 per cent zinc (Assessment Report 28414). In 2006, a sample (S/L-1W/75S) of brecciated and silicified limestone assayed 0.105 gram per tonne gold (Assessment Report 29639).

Approximately 1.5 kilometres to the east-northeast of the Summit zone and on the Gossan claim, an outcrop of massive, up to approximately 80 per cent, mariposite is hosted in a phyllite unit near the Poet fault. In 2006, a sample (G.06/118-Rk) of massive mariposite assayed 4 grams per tonne gold, whereas a nearby sample of altered limestone with pyrite assayed 0.17 gram per tonne gold (Assessment Report 29638).

Zones of skarn mineralization with 10 to 20 per cent pyrite are reported approximately 1.2 kilometres to the northwest of the Summit zone on the Bog claim. These zones are parallel to the Samatosum fault.

Another anomalous zone is reported on the Samatosum claim, located approximately 1.8 kilometres to the west-northwest, and comprises a silicified limestone with pyrite, chalcocite and malachite associated with structures striking 290 degrees and dipping near vertically. In 2006, a sample (SA.06/03-Rk) assayed 0.378 per cent copper (Assessment Report 29006).

Two minor copper occurrences are reported on the Set 1 and Caesar 1 (Seazar 1) claims, located south of Johnson Lake and approximately 3.5 kilometres northwest of the Summit zone. The first occurrence comprises a 3-centimetre-wide quartz vein with chalcopyrite and pyrite in a pyritic and siliceous host with siderite-chlorite alteration and fuchsite or mariposite. The second occurrence is located to the south-southwest of the first and comprises gossanous and siliceous volcanic rocks hosting disseminated magnetite and trace pyrrhotite, pyrite and chalcopyrite. In 1988, a sample (12A-5R1) from the first zone assayed 0.156 per cent copper (Assessment Report 18544).

During 1983 through 1988, Omni Resources Inc. completed programs of rock and soil sampling, geological mapping, ground and airborne electromagnetic surveys and two drill holes, totaling 258.3 metres, on the Set 1 and Caesar 1 claims to the west and northwest.

In 1987 and 1988, Canova Resources Ltd. completed programs of geological mapping, geochemical (rock, silt, and soil) sampling, 70.0 line-kilometres of ground electromagnetic and magnetic surveys and a 172.0 line-kilometre airborne magnetic and electromagnetic survey on the Amy-Dee claims.

During 2004 through 2007, the area was prospected as the Summit, Bog, Gossan and Samatosum claims by C. Lowry.

Geological Setting and Mineralization

Regional Geology

The claim area occurs in Shuswap Highland of south-central British Columbia which lies within the Kootenay terrane, (Figure 5) considered as a part of the North American continental margin, at least by Late Mississippian time. The area is underlain by Paleozoic sedimentary, igneous and volcanic rocks of the pericratonic Kootenay terrane, deposited on the distal margin of ancestral North America. The Kootenay terrane lies within the Omineca morphological belt of the Canadian Cordillera (Schiarizza and Preto, 1987; Wheeler and McFeely, 1991; Monger, 1993).

The regional geology of Adams Lake, Adams Plateau, Clearwater and Vavenby is described in detail by Schiarizza and Preto, 1987, (British Columbia Department of Mines Paper No:1987-2) and geology and mineralization around Baldy batholith is described in detail by Logan and Mann (2000). Regionally, the area comprises Paleozoic sequence of metasedimentary and metavolcanic rocks, Devonian orthogneiss, mid-Cretaceous granitic rocks, Early Tertiary quartz feldspar porphyry, basalt and lamprophyre dykes, Eocene sedimentary and volcanic rocks and Miocene Plateau lavas.

Paleozoic metasedimentary and metavolcanic rocks are represented by Eagle Bay Assemblage (Early Cambrian to Mississippian- (Figure 5)) and Fenneli Formation (Devonian to Permian). These rocks occur in four structural slices. The upper three fault slices contain only Eagle Bay rocks, while the lowest slice comprises Eagle Bay strata structurally overlain by rocks of the Fennell Formation (Figure 6).

The Fennell and Eagle Bay successions are cut by mid-Cretaceous granitic rocks of the Raft and Baldy batholiths and by Early Tertiary quartz feldspar porphyry, basalt and lamprophyre dykes.

A brief description of these formations is described in the following section.

Eagle Bay Assemblage

The Eagle Bay Assemblage ranges in age from Early Cambrian to Late Mississippian. Three major assemblages are identified in the formation. The Lower assemblage comprise quartzites and quartzose schists followed by a unit of predominantly mafic metavolcanic rocks and limestone. The fossils archaeocyathide in EBG unit (Table-3) confirmed Lower Cambrian age for this assemblage. The Early Cambrian succession is overlain by an undated middle assemblage which include grit, phyllite, carbonate and metavolcanic rocks. These are locally overlain by calcareous phyllite and associated calc-silicate schist and skarn or by mafic metavolcanic rocks. The upper assemblages are separated from middle assemblage by a significant unconformity and comprises a Devono-Mississippian succession of felsic metavolcanic rocks overlain by intermediate, locally alkalic, metavolcanics and fine to coarse-grained clastic metasediments. They are intruded by Upper Devonian-Lower Mississippian foliated granite to diorite sills and dikes and by Middle to Upper Jurassic and Cretaceous hornblende biotite granite to granodiorite, biotite-muscovite granite, and biotite monzogranite of the Raft and Baldy batholiths.

The Eagle Bay Assemblage is divided into ten mappable units. These units with their lithologies are briefly described in Table 3.

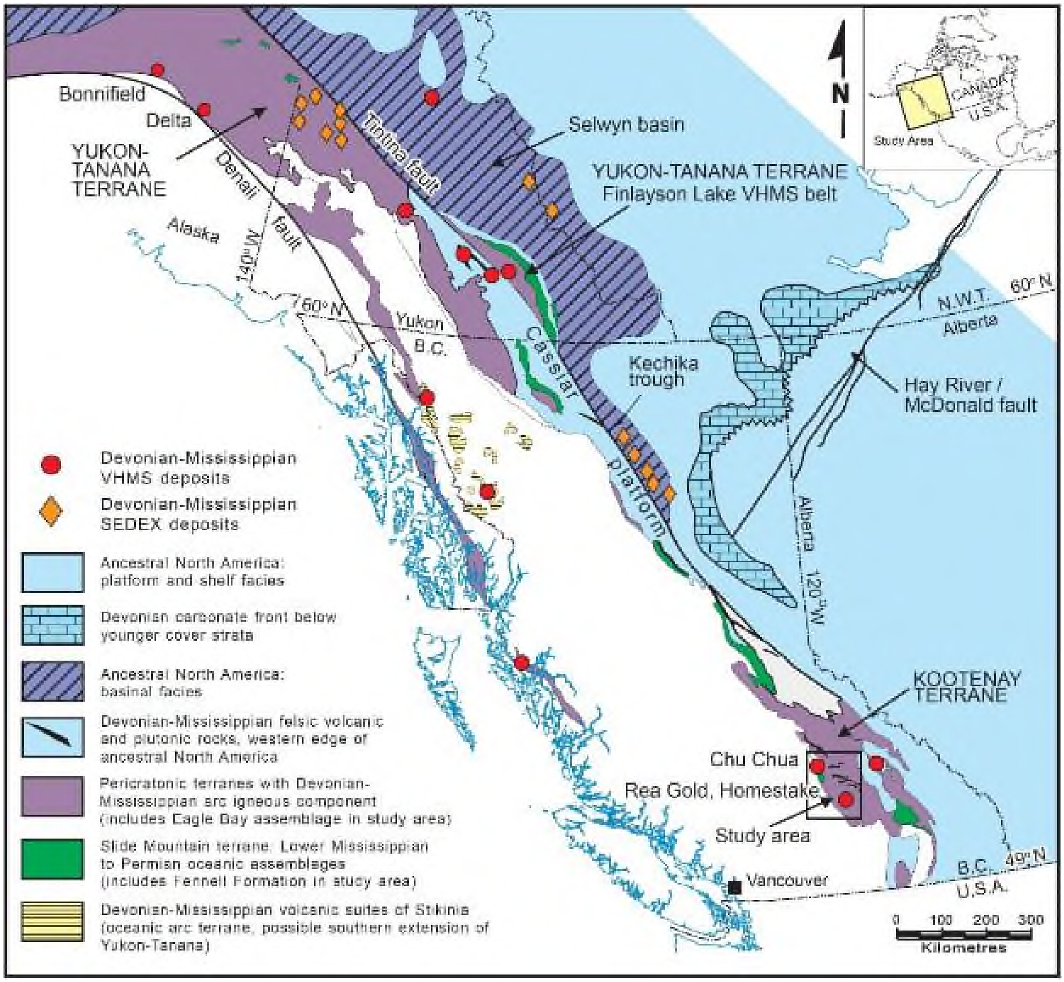


Figure 5: Location of the Rose Property Area in the Kootenay terrane in southern British Columbia *(Map Source: Paradis, S., Bailey, S.L., Creaser, R.A., Piercey, S.J. and Schiarizza, P., 2006)*

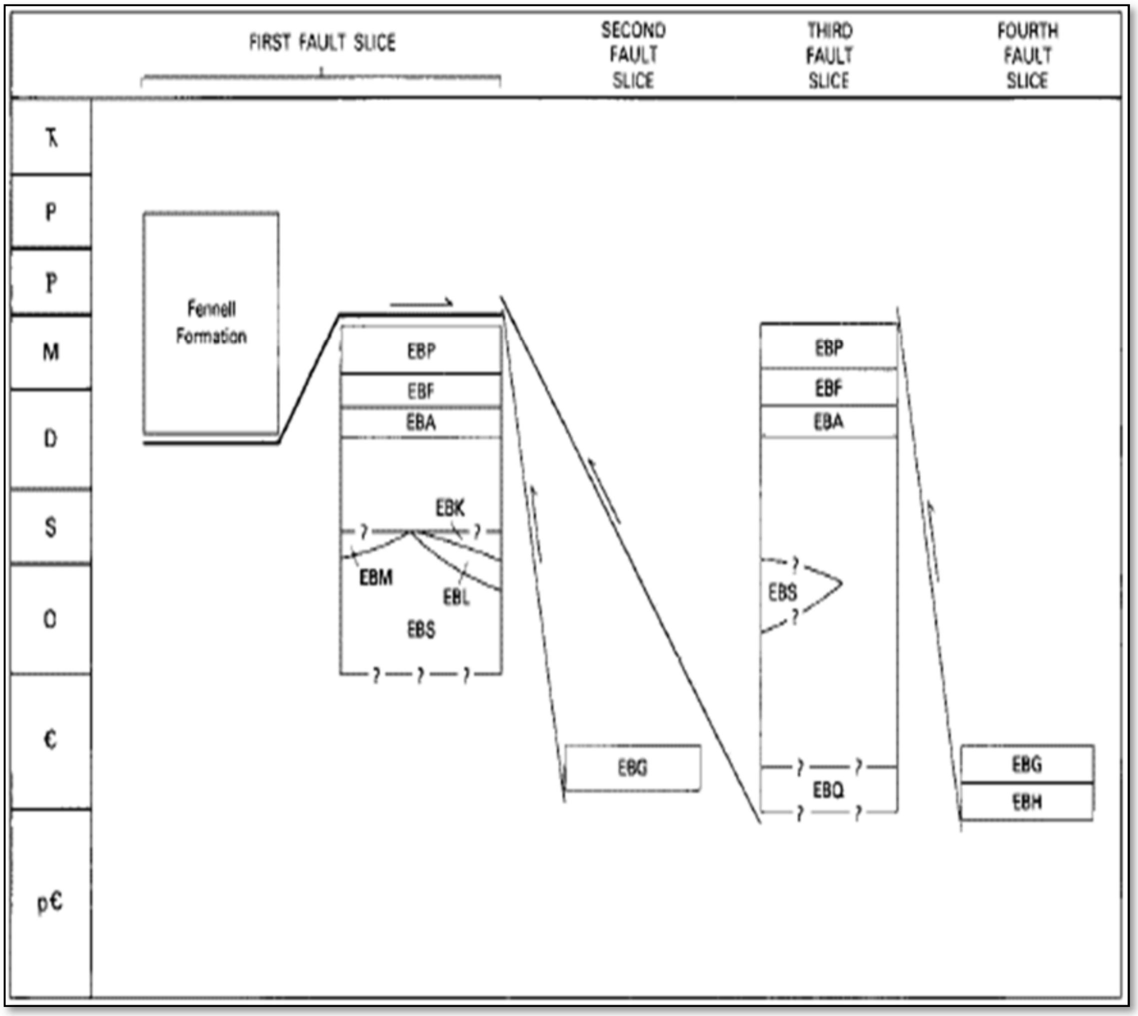


Figure 6: Correlation chart showing ages and structural /stratigraphic relationship of rock units within the Adam Plateau-Clearwater-Vavenby area. (adopted from Schiarizza and Preto, 1987).

Table 3: Lithology of Eagle Bay Assemblage units.

UNIT	Lithology
MISSISSIPPIAN	
EBP	Youngest unit of the Eagle Bay Assemblage: consists mainly of dark grey slate, phyllite and siltstone, together with sandstone, granule to pebble conglomerate, limestone, dolostone and intermediate to felsic volcaniclastic rocks. EBPI-Limestone; EBPv-Breccia and Tuff.
DEVONIAN AND/OR MISSISSIPPIAN	
EBF	Consist mainly of medium or dark shades of grey and green gritty and fragmental feldspathic phyllites, schists, and similar but poorly foliated rocks which were derived from intermediate to felsic tuff and volcanic breccia. Minor amounts of siltstone, EBFq-light grey massive cherty quartzite.
DEVONIAN	
EBA	Dominated by light grey chlorite-sericite-quartz phyllite and schist derived mainly from felsic to intermediate volcanic and volcaniclastic rocks, minor intercalations of green chlorite schist derived from mafic volcanic, dark grey phyllite and siltstone (approximately 10 %), include intrusion of Unit Dgn (as defined below) as sill-like bodies and muscovite-biotite-orthoclase-plagioclase-quartz and biotite-hornblende-plagioclase-quartz gneisses, host to numerous polymetallic base and precious metal showings within the Rose Property area, EBAf-feldspar porphyry, felspathic phyllite, pyritic sericite-feldspar-quartz phyllite, metavolcanic breccia; EBAgn- include orthogneisses of unit Dgn; EBAi-sericitic quartzo-feldspathic schist and gneiss derived from felsic intrusive rocks; EBAu- undivided EBA and EBAi.
DEVONIAN (?) AND/OR OLDER (?)	
EBM	Medium to dark green chloritic schist, and green to grey weakly foliated to massive and pillowed greenstone, intercalated with quartzite, phyllite and bedded chert.
EBK	Consist of calc-silicate schists and skarn; fine grained, weakly schistose, distinctly banded, medium to dark green bands alternate with light green and/or light grey bands, calc-silicate schists and relatively massive, light to medium greenish grey, lesser amounts of vaguely laminated, mottled, garnet epidote skarn, chloritic schist, and sericite quartz schist.
EBL	Dark to medium grey limestone and brownish grey or rusty weathering calcareous black phyllite and argillite, identical to the Sicamous Formation of Jones (1959).
EBS	Dominantly clastic metasediments, grey and green, fine to coarse-grained, phyllitic sandstone, grit and quartzite, intercalated with less common limestone, dolomite, mafic to felsic volcanics and volcaniclastic horizons, green chloritic phyllite, sericite-quartz phyllite, and feldspathic sericite-quartz phyllite; EBSq- light grey to white quartzite; EBSc-limestone, dolostone, marble; EBSb-greenstone, pillowed metabasalt, chloritic phyllite; EBScg-conglomerate; EBSp-grey phyllite and siltstone; EBSt-siderite-sericite-quartz phyllite and feldspathic phyllite (meta-tuff); EBSa-pyritic sericite-quartz phyllite and chloritoid-sericite-quartz phyllite.
EBG	Mainly calcareous chlorite schist and fragmental schist derived from mafic volcanic and volcaniclastic rocks. Limestone, including the prominent Tshinakin limestone member, is common within the unit. Quartzite, grit, phyllite, dolostone, conglomerate and intermediate to felsic metavolcanic rocks occur locally. EBGc-limestone. dolostone, marble; EBGt-Tshinakin limestone member-massive, light grey finely crystalline limestone and dolostone: EBGs-dark to light grey siliceous and/or graphitic phyllite. calcareous phyllite, limestone, calc-silicate, cherty quartzite; minor amounts of green chloritic phyllite and sericite-quartz phyllite; EBGq-light to medium grey quartzite; EBGp-dark grey phyllite, calcareous phyllite and limestone; minor amounts of rusty weathering carbonate-sericite-quartz phyllite (meta-tuff?); EBGcg-polymictic conglomerate.
LOWER CAMBRIAN (?) AND/OR HADRYNIAN (?)	

EBH	Dominantly quartzite, chlorite-muscovite- quartz schist and grit, intercalated with minor amounts of grey phyllite and dolomitic chlorite schist.
EBQ/SDQ	Light to dark grey quartzite, micaceous quartzite, grit and phyllite; lesser amounts of calcareous phyllite, carbonate and green chloritic schist; northeastern exposures include staurolite-garnet-mica schist, calc-silicate schist, and amphibolite.

Fennell Formation

The Fennell Formation mainly consists of greenstone which occur throughout the sequence and makes up more than half of the formation. It is derived from mafic igneous rocks and comprises pillowed and massive flows as well as sills, dykes, and small plugs. The formation is divided in two major structural units. The lower division comprises a heterogeneous assemblage of bedded chert, gabbro, diabase, pillowed basalt, clastic metasediments (in places associated with minor amounts of limestone and metatuff), quartz feldspar porphyry, rhyolite and intraformational conglomerate. This unit ranges in age from Early Mississippian to Middle Permian. The upper division consists almost entirely of pillowed and massive basalt, together with minor amounts of bedded chert and gabbro. The age of this unit is considered Middle Permian to Early (?) Pennsylvanian. The two divisions are therefore at least in part the same age and are inferred to be separated by a thrust fault. Rocks of the Fennell Formation accumulated in a deep oceanic basin.

Devonian Orthogneiss

Devonian granitic orthogneiss ("**DGN**") occur in metasedimentary and metavolcanic rocks of EBQ and EBA units of Eagle Bay Formation as sill-like bodies. The host rocks in these areas are mapped as EBQgn and EBAgn sub-units. These gneisses mainly occur in two varieties which are medium grey and light grey varieties.

Medium grey variety consists of biotite-hornblende-plagioclase-quartz gneiss with epidote, chlorite, sphene and small grains of zircon and apatite. It comprises quartzofeldspathic lenses alternating with or enclosed by lenses and foliae of biotite and hornblende. These are medium grained, more pervasively recrystallized and foliated and monotonously uniform over large areas.

Light grey variety comprises muscovite-biotite-orthoclase-plagioclase-quartz gneiss with zircon and apatite as accessories. The lighter coloured gneiss is generally less strongly foliated and may display a relict granitic texture. These are medium grained monotonously uniform over large areas. Contacts between the two phases are usually sharp and it generally appears that the light grey gneiss is intrusive into the more mafic variety.

Cretaceous Granitic Rocks

The Eagle Bay Assemblage and Fennell Formation are cut by mid- Cretaceous intrusions of the Raft and Baldy batholiths. These intrusions extend from Baldy Mountain to the west shore of Adams Lake. The rocks of Raft and Baldy batholiths mainly consist of granodiorite and quartz monzonite which are light grey and coarse-grained. The average of the two batholiths is: 38 % plagioclase, 25 % potash feldspar, 30 % quartz, 5 % biotite, 1 % hornblende, and 1 % accessory and alteration minerals (Campbell and Tipper, 1971, page 73). The crystals of pinkish potassium feldspar are generally larger than quartz and plagioclase feldspar and rectangular potash feldspar phenocrysts up to 1 cm long are prominent and common in places (Campbell and Tipper, 1971, page 73). Biotite is the predominant mafic mineral and is only locally accompanied by hornblende. These Middle Cretaceous granitic rocks of Raft batholith cut rocks as young as early Jurassic and is overlain by plateau lavas and younger Tertiary volcanic deposits. More recent dating, however, provides ages of about 100 Ma for both the Raft and Baldy batholiths (R.L. Schiarizza and Preto, 1987).

Late Dykes

Commonly dykes and occasionally sills comprising quartz - feldspar porphyry is common in Adam Plateau. These dykes are chalky white (weathered), unfoliated, light grey, and consist of quartz, K-feldspar, and rare plagioclase phenocrysts within an aphanitic to very fine-grained quartzofeldspathic matrix. Some of these dykes are large and mapped as qp unit. The dykes typically trend in northerly direction and dip steeply. The age of these dykes is considered Tertiary.

Dykes of basalt, diabase and lamprophyre also occur in the area. These dykes have the same trend and age as quartz - feldspar porphyry dykes.

Structural Geology

Regional Structural geology of Adams Plateau, Clearwater and Vavenby is described in detail by Schiarizza and Preto, 1987. This section is mainly taken from the publication (Schiarizza, P., and Preto, V.A. 1987: Geology of the Adams Plateau-Clearwater-Vavenby Area, 88 pages plus attachments. Ministry of Energy, Mines and Petroleum Resources Paper 1987-2).

The structural history of the area is complex as multiple stages of folding and/ faulting occur from Jurassic to the Tertiary. The deformation in the area took place in at least four recognizable phases which are described below.

The deformation of the area begins with the easterly directed thrust faults and associated folding in Jurassic-Cretaceous time. The faulting was generally layered parallel. This deformation phase imbricated Fennell Formation and emplaced it on Unit EBP of Mississippian clastic rock unit of Eagle Bay Assemblage. Mesoscopic folds within the Fennell Formation probably formed during this period of faulting and there is no evidence of metamorphism or cleavage development related to this period of thrusting.

The early thrusting event was followed by synmetamorphic, west to south westerly directed folding and associated thrust faulting. A dominant schistosity in the Eagle Bay assemblage is related to this phase of deformation. A number of dominant macroscopic structures including Slate Creek and Barriere anticlines, and Nikwikwaia syncline (partly in claim area), were formed during this event. The associated northeast-dipping thrust faults separated Eagle Bay assemblage into the major structural-stratigraphic panels.

The third phase of deformation include upright northwest-plunging folds. These folds produced axial planer crenulation cleavage and fold axis lineation; however, these structures are not well developed on the east side of Adams Lake. These structures occur mainly on the mesoscopic scale but are not accompanied by any significant metamorphic recrystallization. In the area between the Raft and Baldy batholiths the earlier deformation is overprinted by west trending folds associated with a crenulation lineation defined by biotite lath alignment in contact metamorphism zones. Similarly, oriented crenulation cleavage can be found on the Adams Plateau suggesting the west directed structural event is regional and not confined to the intrusions.

The youngest phase comprises northerly trending faults and mesoscopic kink folds. These are predominantly strike-slip faults and most display right-lateral offset. These structures continue in the southeast part of the Adams Plateau and are accompanied by a few broad open north-plunging macroscopic folds. The structures offset all other structural features and units and were therefore interpreted to be Eocene in age.

Rose Property Geology

The geological information in this section is based on data compiled from different sources and the field investigations conducted in 2021 by Geomap Exploration Inc.

The Rose Property area is underlain by the rocks of Eagle Bay Assemblage. Regionally, the assemblage is comprised of ten mappable units (Table- 3) which are locally cut by late Devonian granitic orthogneiss, Cretaceous granite, and early Tertiary quartz feldspar porphyry and basalt dykes. However, the claims are underlain only by the EBG unit and its members EBGt and EBGs. The following lithologies are mapped by Schiarizza P. and Preto, V.A. (1987) in the property (Figure 7).

- Unit EBG
- Member EBGt
- Member EBGs

Unit EBG

Unit-EBG covers approximately 40% of the claims, mainly in the southern parts of the Rose Property. The unit mainly consists of calcareous chlorite schist derived from mafic volcanic and volcaniclastic rocks and are typically medium to dark green, fine grained and well foliated with a platy splitting habit. The schists are composed mainly of chlorite, actinolite, epidote, albite, calcite, quartz, sphene and magnetite. Calcite veins and lenses common in the schist.

Other lithologies include light grey, finely crystalline, limestone and rusty weathering chloritic dolostone, and pale grey to greenish grey chlorite-sericite-quartz phyllite in lower part. Quartzite, grit, phyllite, dolostone, conglomerate, greenstone, and intermediate to felsic metavolcanic rocks are present locally. The unit consists of a number of locally recognizable members (Table-3). Two of these members (EBGt and EBGs) are mapped in the claim area and are described below.

Structurally EBG Units overlies unit EBP, EBF, and EBA of the first fault slice and is structurally overlain by unit EBQ.

*Member Tshinakin Limestone (**"EBGt"**)*

The Tshinakin Limestone is the most prominent marker within unit EBG and occur in the northern half of the Rose Property, covering approximately 40% of the claims. It mainly consists of light grey to white, finely crystalline typically massive limestone. The flaggy partings, light to dark color banding, buff weathering dolostone and chlorite schist is present in places. The Tshinakin Limestone member locally approaches 1000 meters in thickness. An Early Cambrian age is assigned to the EBGt member. The overlying and underlying lithologies are Fragmental chlorite schist and greenstone and calcareous chlorite schist, respectively.

*Member (**"EBGs"**)*

The unit EBGs is mapped in the eastern half of the central part of the Rose Property. It occupies approximately 20% of the Rose Property. The EBGs member is separated from Tshinakin Limestone by several meters to tens of meters thick calcareous chlorite schist which is locally intercalated with thin carbonate horizons. EBGs member consists of metasedimentary rocks, mainly medium to dark grey, siliceous and graphitic phyllites grading to light to dark grey platy siltite and very fine grained platy sericitic quartzite, impure limestone, and light to medium grey, massive to platy quartzite. These rocks host lead-zinc-silver mineralization in some areas. The EBGs is locally several hundred meter thick (Schiarizza and Preto, 1987).

Rose Property Structural Geology

The Birk Creek thrust Fault (Schiarizza and Preto, 1987), which separates rocks of the third Eagle Bay fault slice from underlying rocks of the first and second slices occur in the vicinity of the Rose Property (Figure 8). The thrust dips to the northeast and emplaced Unit EBQ on Unit EBA. The hanging wall EBQ unit dips towards southwest and footwall (EBG) rocks dip northeast. Logan and Mann (2000) marked an inferred normal fault on the east side of the property running from the centre of the Adams Lake. Two other faults trending approximately north-south run in the property. These faults have displaced EBGt and EBG units. The schistosity is commonly oriented northwest and dipping to the north.

Mineralization

The Adams Plateau and surrounding area, generally in the south of claims is known for sulphide mineralization since early 1920's. Several occurrences of silver, lead, zinc and gold mineralization have been reported from the area. Few of these deposits had limited past production, including the Rea Gold, Lucky Coon and Elsie, Homestake and Samatosum mines.

However, mineralization (Rose showing) in the claim areas was first reported in 1961 (Minfile 082M 057). The exploration work on the Rose showing included trenching, drilling and geochemical sampling. The Rose showings occur in Tshinakin Limestone member (EBGt) of EBG unit.

In the Summit zone, areas of brecciation and silicification in Tshinakin member limestone of the Eagle Bay Assemblage host quartz ± barite veins with galena mineralization. Zones of skarn mineralization with 10 to 20 per cent pyrite are reported approximately 1.2 kilometres to the northwest of the Summit zone on the Bog claim. These zones are parallel to the Samatosum fault.

Figure 7: Rock units in claims area (reproduced from Schiarizza and Preto, 1987).

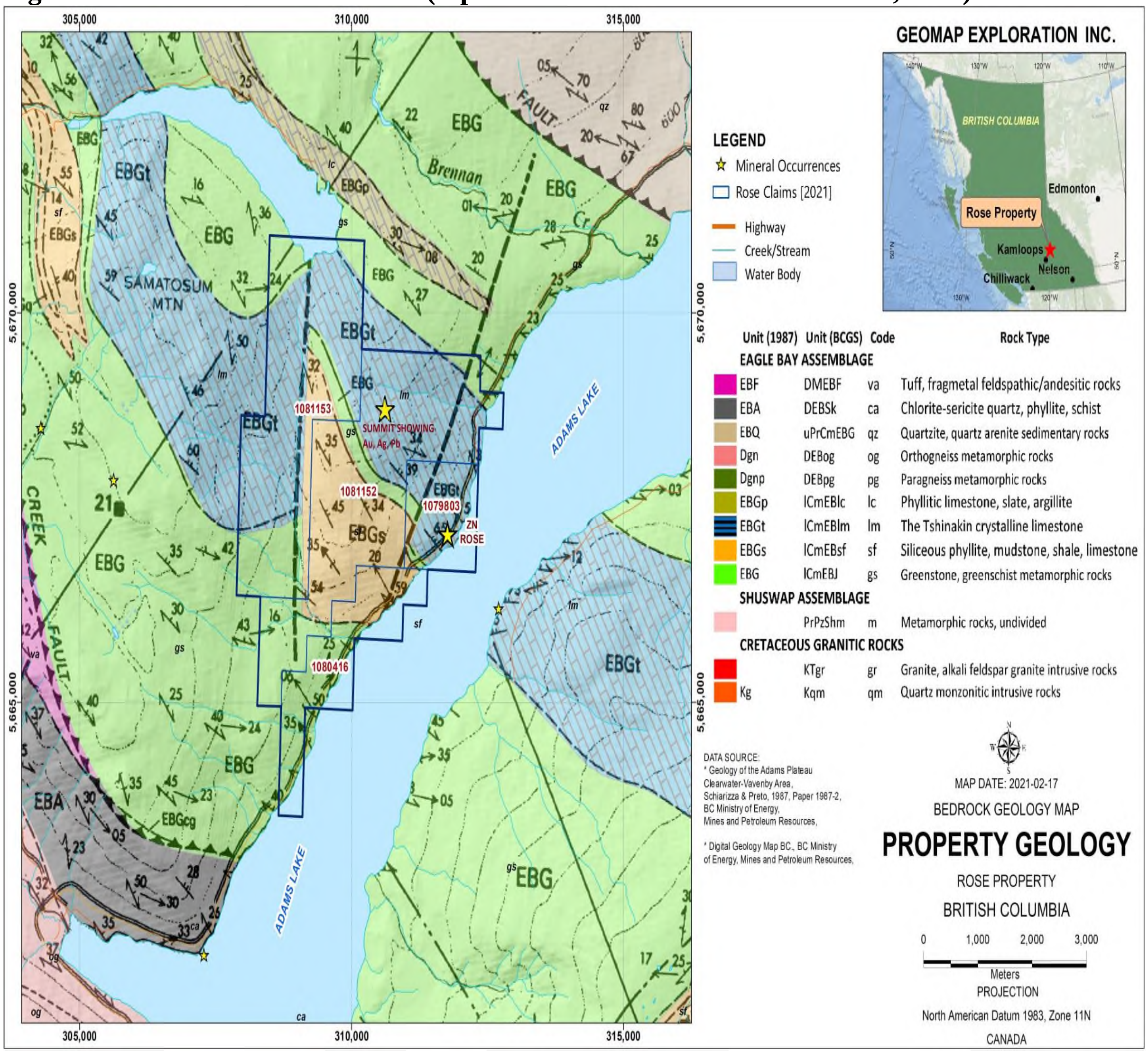
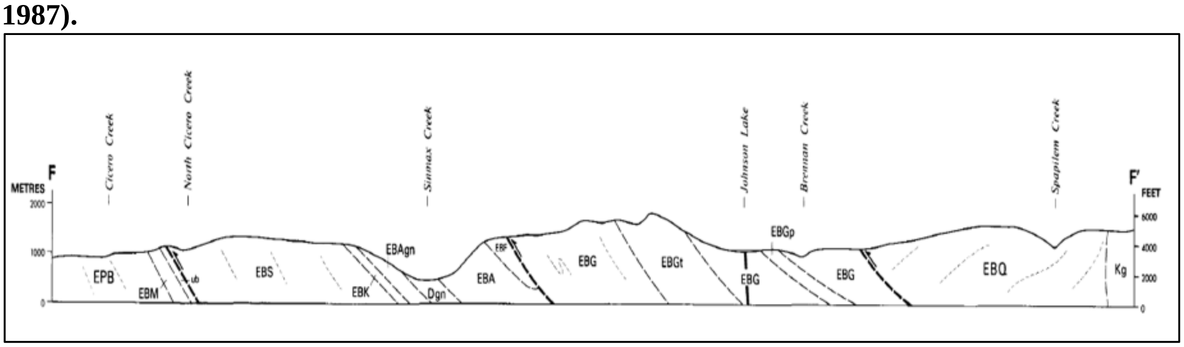


Figure 8: Structural cross section partly covering claim area (reproduced from Schiarizza and Preto, 1987).



Deposit Types

The following discussion of deposit types are mainly based on the published work of Goutier, F.G. 1986, Schiarizza and Preto; (1987), Höy, T., (1999), Paradis, S., Bailey, S.L., Creaser, R.A., Piercey, S.J. and Schiarizza, P., (2006), Assessment reports, BC MINFILE descriptions as well as limited fieldwork. These models helped in executing the 2021 exploration work program, as well developing Phase 1 and 2 of the recommended work program.

The Adams Lake area has long been recognized as a favourable region for base-metal sulphide deposits. Lead-zinc-silver and copper bearing mineralized bodies are reported from a number of localities. High gold values also occur in few localities. Some of these showings/deposits have received considerable exploration activity while only limited work has been done on other occurrences. The economic mineralization, so far, seems to be small, since no large-scale mining operations was conducted in the area. Different nomenclature for the deposit types is being used which are briefly described below.

Hoy, T., (1999) recognized three main deposit types and described them as: stratabound lead-zinc-silver deposits in metasedimentary rocks, stratabound copper occurrences in mafic volcanics, and a variety of small vein occurrences.

Schiarizza and Preto; (1987) classified the deposits into six types: 1. Stratabound massive to semi-massive sulphides within metasedimentary rocks, 2. Disseminated sulphides associated with Devonian intrusive rocks, 3. Volcanogenic massive sulphides ("**VMS**"), 4. Pyrite-fluorite replacement, 5. VMS, and 6. Vein deposits.

Goutier, F.G. (1986) conducted a lead isotopic composition study on the mineral occurrences of Eagle Bay Formation for his dissertation work. The lead isotopic composition data from the sulphide deposits of Eagle Bay Formation plot in three clusters recognizing three periods of mineralization.

The other mineralized deposits include Rea Gold and Homestake deposits as well as showings at Birk Creek and Ford 4. They represent cogenetic mineralization associated with Devonian-Mississipian volcanic rocks. The deposits represent polymetallic volcanogenic deposits hosted by felsic to intermediate volcanic rocks of EBA and EBF unit of Eagle Bay assemblage. The mineralization resulted either from solutions associated with the volcanism or concentrated from volcanic pile by circulating solutions in convective cells soon after, or during the formation of the Devonian units EBA and EBF.

The second period of mineralization is Upper Triassic and represented by deposits at Lucky Coon, Elsie, King Tut, Mosquito King and Spar deposits. These deposits are interpreted as epigenic veins and stratiform types. The form of the stratiform deposits suggest that they could be cogenetic with their host unit. However, host rock, unit EBG is Cambrian in age and isotopic studies defined upper Triassic Age. The Triassic model age for the stratiform deposits can be interpreted as follows: 1) the mineralization is of replacement type and related to Triassic event, or 2) the mineralization is cogenetic with unit EBG and, a structural subdivision of the unit EBG into two separate units of Cambrian and Triassic is required.

Last major period of mineralization is mid Cretaceous. This event is related to the intrusion of the Baldy batholith. The deposits are cogenetic with the intrusion.

Paradis, S., Bailey, S.L., Creaser, R.A., Piercey, S.J. and Schiarizza, P., (2006) mentioned that numerous syngenetic sulphide deposits of several types and settings occur in the volcanic and sedimentary rocks of the Eagle Bay assemblage. They classified these deposits using the nomenclature of the British Columbia mineral deposit profiles (Lefebure and Ray, 1995; Lefebure and Höy, 1996) into three classes:

- Class 1 — volcanic-sediment hosted massive sulphide (“**VSHMS**”) deposits.
- Class 2 — volcanic-hosted massive sulphide (“**VHMS**”) deposits.
- Class 3 — sediment-hosted massive sulphide (“**SHMS**”) deposits.

The syngenetic classification is described below.

Syngenetic sulphide deposits

Syngenetic mineral deposits are formed contemporaneously with the enclosing rocks, usually occur as beds or bedlike masses, and are conformable with the underlying and overlying strata.

Magmatic deposits are syngenetic in that the mineralization crystallize from the same liquid that produces the silicate minerals which form the bulk of the intrusive -they crystallize simultaneously as the melt cools. Following is the description of the three classes.

Class 1 - VSHMS Deposits

The deposits of Mosquito King, Lucky Coon, EX 1, Elsie, King Tut and several other showings are interpreted as VSHMS Deposits. These deposits were described as SHMS or SEDEX by Höy (1999), Stratabound massive to semi-massive sulphides within metasedimentary rocks by Schiarizza and Preto (1987) and stratiform/remobilized by Goutier, F.G. (1986).

Class 1 deposits mainly consist of minerals containing zinc, lead, silver with or without minor copper and gold. Pyrite, galena, and sphalerite are the dominant sulphide minerals. Secondary sulphides include pyrrhotite, magnetite, arsenopyrite, argentite, tetrahedrite and chalcopyrite. The mineralization occurs in fine-grained clastic sedimentary rocks and include siliceous to graphitic phyllites, calcareous phyllite, streaky banded calc-silicate rock, limestone, and quartzite of unit EBGs of Eagle Bay Assemblage. The metasediments are enclosed by chloritic schist and greenstone (Unit EBG) which lie stratigraphically beneath them and are intruded by abundant dykes and sills of Late Cretaceous or Early Tertiary quartz feldspar porphyry, as well as by dykes of dark grey diabase.

The mineralization comprises deformed thin layers, lenses, and pods of semi massive to massive sulphides which are crudely to well banded and conformable to schistosity and bedding. A characteristic and perplexing feature of the sulphide horizons is their discontinuity, extending from few tens of metres to several hundreds of metres along strike lengths, and marked variability in width, from a few centimetres to as much as a few meters. Much of this variation may be due to intense deformation. The most common alteration types consist of sericitization and silicification in hanging wall and footwall of phyllitic rocks.

Class 2 - VHMS Deposits

VHMS deposits correspond to the stratabound copper occurrences in mafic volcanics of Höy (1999), VMS of Schiarizza and Preto (1987) and Volcanogenic deposits of Goutier, F.G. (1986). Two types of VHMS deposits are identified in the Adam Plateau, these are mafic and bimodal-felsic. These deposits are hosted by the volcanic rocks of the Eagle Bay Assemblage.

Twin Mountain, Cu5, AP98-46 and Woly, prospects are considered Mafic type of VHMS Deposits. The volcanic rocks, chlorite-sericite schists and amphibolites of unit EBG of Eagle Bay Assemblage host the mineralization. The mineralized bodies in this type occur in the form of thin, discontinuous, concordant massive sulphide lenses and layers as well as disseminated sulphides. The volcanic rocks of the unit EBG host massive sulphides whereas chlorite-sericite schists and amphibolites of EBG unit host disseminated type sulphides. These rocks were derived from massive basaltic lavas, flow breccias and tuffs. The sulphides consist of small pods of massive to disseminated galena, sphalerite, pyrrhotite, pyrite and magnetite with minor chalcopyrite, and layers of banded pyrrhotite including minor chalcopyrite and sphalerite. At Twin Mountain, the sulphides occur as disseminations and pods within carbonate-quartz-barite lenses. The Woly showing include stringers and disseminations of sulphides and oxides in thin discontinuous pillowed flows interlayered with limestone and clastic sedimentary rocks of unit EBS. The sulphides and oxides, enclosed in a chlorite and epidote-rich gangue, form stringers crosscutting the pillowed flows and are disseminated in the pillow selvages.

The bimodal-felsic mineralization is known from numerous locations including Homestake, Beca, Rea Gold and Harper properties. The mineralization is present in mafic to intermediate metavolcanic and metasedimentary rocks of Devonian-Mississippian rocks belonging to units EBA and EBF of Eagle Bay Assemblage. These units consist of feldspathic phyllites, schists, and similar but poorly foliated rocks, derived from intermediate to felsic tuff and volcanic breccia (Unit EBF), and interlayered sequence of sericite schist, quartz sericite schist, ankeritic phyllite and chlorite schist, chert, and argillite (unit EBA), derived mainly from mafic, felsic to intermediate volcanic and volcaniclastic rocks. The deposits are polymetallic precious and base metal-bearing stratabound massive sulphide lenses and disseminations locally overlain or enclosed by massive barite (Höy and Goutier, 1986). The sulphides include tetrahedrite, pyrite, galena, sphalerite, arsenopyrite and chalcopyrite, argentite, native silver and traces of ruby silver and native gold. These sulphides typically occur in the form of tabular lenses of stratiform sulphides which are few meters thick and extend for few tens of meters and as thin bands and laminae of semi-massive sulphides within 1 to 2 m-thick siliceous pyritic schist intervals. Multiple mineralized zones are present along the same or several stratigraphic intervals. For example, three lenses ranging in thickness from less than a meter to at least 10 meters separated by sericitic schist of unit EBA are recognized at Homestake. These lenses comprise massive to banded barite with only scattered metallic minerals throughout, or interlayered barite, schist, and sulphides. (Höy and Gouthier, 1986). Similarly, the mineralization at Rea occurs mainly in two massive sulphide lenses approximately 200 meters apart and almost at the same stratigraphic level.

Class 3 - SHMS Deposits

SHMS Deposits including Mount Armour and Fortuna occur in rocks of unit EBSa which is pyritic sericite quartz phyllite horizon (EBSa) enclosed within grey phyllite and phyllitic sandstone of Unit EBS. The unit EBS is in general, a thick and varied succession of clastic sedimentary rocks interlayered with limestone and mafic volcanic rocks of unit EBS. The clastic sedimentary rocks including sericite-talc schist calcareous argillite, grit, phyllite, chert and quartzite host the Cu-Zn-Pb (±Au, ±Ag) sulphide deposits. The deposits consist of small conformable sulphide layers and lenses, locally accompanied by brecciated quartz-pyrite stockwork zones.

These deposits are not reported from Adam Plateau and Johnson Lake areas but occur further north and west in Barriere Lakes area. Since the mineralized lenses are stratiform in nature but it is unclear if they are VMS or replacement type deposits. However, Goutier, F.G. 1986, Schiarizza and Preto; (1987) suggested these deposits as vein type.

Exploration

Geomap Exploration Inc. completed an exploration work program on the Rose Property during the period from January to March 2021. The Author visited the Rose Property and carried out field investigations and participated in the ongoing exploration work from February 23 to March 3, 2021. The exploration work program included geological observations, prospecting, sampling, and ground geophysical surveying (magnetic and very low frequency ("**VLF**")). A total of 118 grab and 5 float samples were collected from rock outcrops by following various logging roads and other accessible areas on the Rose Property. The fieldwork team was comprised of two geologists and two prospectors. A Magnetic and VLF ground geophysical survey was also carried out along four survey grid areas (SURVEY#1, SURVEY#2, SURVEY#3, and SURVEY#4) on claims 1079803 and 1080416. Details of this work are provided in the following sections.

Geological Mapping, Prospecting and Sampling

The focus of the fieldwork was to carry out detailed sampling of the Eagle Bay Assemblage especially its Tshinakin Limestone member (EBGt) and EBGs member. The sampling program was designed to represent prospective geological units and members. The Author was part of the team who conducted field investigations on the Rose Property during this work program. The claims are on the west side of Adams Lake and most of the sampling and prospecting in the year 2021 field season were carried out in the eastern portion the Rose Property. The western part of the Rose Property had limited access due to snow cover.

The Rose Property is underlain by EBG lithological units of Eagle Bay Assemblage and its members Tshinakin Limestone (EBGt) and EBGs (Schiarizza, P. and Preto, V.A. (1987).

The EBG unit occurs mainly in the southern and central portion of the Rose Property (Figure 7). Regionally, it consists of calcareous chlorite schist and fragmental schist derived from mafic volcanic and volcaniclastic rocks. Limestone, quartzite, grit, phyllite, dolostone, conglomerate and intermediate to felsic metavolcanic rocks occur locally. However, the sampling section mainly consists of calcareous chlorite schist (Photo 1) with occasional recrystallized limestone intercalations. The schist is green to dark green, micaceous, calcareous and moderately to well foliated. Quartz and calcite veins and lenses are abundant at places. Quartz veins are white (Photo 2) to multicolored, mottled brown, fresh to oxidized, very thin to thick and contain trace to 4% disseminated pyrite, some black colored minerals and brown streaks. Calcite is generally white and occur as veins and lenses. Calcite and quartz intergrowth noted at few locations. Orientation is generally 70/ 25-45°N. Analytical results show gold values up to 2.60ppm (Sample 102528), silver values up to 4.37ppm (Sample 102525) and Pb values up to 7450ppm (Sample 102525) in EBG unit. These samples represent northeastern portion of the claim 1080416.

The Tshinakin Limestone member (EBGt) occur in the northern half of the Rose Property. It mainly consists of limestone (Photo-3) which is commonly white, occasionally grey to dark grey, rusty weathered in places, recrystallized-finely crystalline and thick bedded to massive. Green schist intercalations are minor. Schist is generally dark greenish grey to dark grey, weathering to brownish, slightly to highly calcareous in places and include quartz and calcite veins. Quartz veins and veinlets and lenses are abundant locally in limestone and green schist. These veins are white, milky white, very light grey, vitreous, orange, brown stained, and include disseminated pyrite from trace to abundant, streaks of sphalerite and black minerals. Mineralization in EBGt member occurs in the east central part where zinc values exceed <10,000ppm and silver values range from 1.09ppm to 2.37ppm (S2 #2, S3 #3, 76334, 76335).

The member EBGs occur in the East-Central portion of the claims. The member in the study area consists of phyllites, schist and minor limestone and quartzite. The phyllites (Photo 4 & 5) are generally grey to black, mottled rusty brown, weathering to dark grey, calcareous, graphitic and siliceous. Vuggy appearance and oxidized lenses occur in places. Schist is green to greenish grey Schist, mottled black. Limestone is grey to dark grey with granular texture. Quartzite is white to light grey, mottled light brown, weakly foliated.

Very thin to thick quartz veins are abundant locally in all lithologies. These veins are white, milky white, multicolored, vitreous and include traces to abundant pyrite (2%), minor sulphides, brown striations and some black mineral. Calcite veins are locally abundant. The assays did not indicate any significant mineralization in this member.

Photo 1: Schist from EBG unit (Location: Sample76348)

Photo 2: Quartz Veins in Schist from EBG unit (Location: Sample76348)

Photo 3: Limestone from EBGt member (Location: Sample76334)

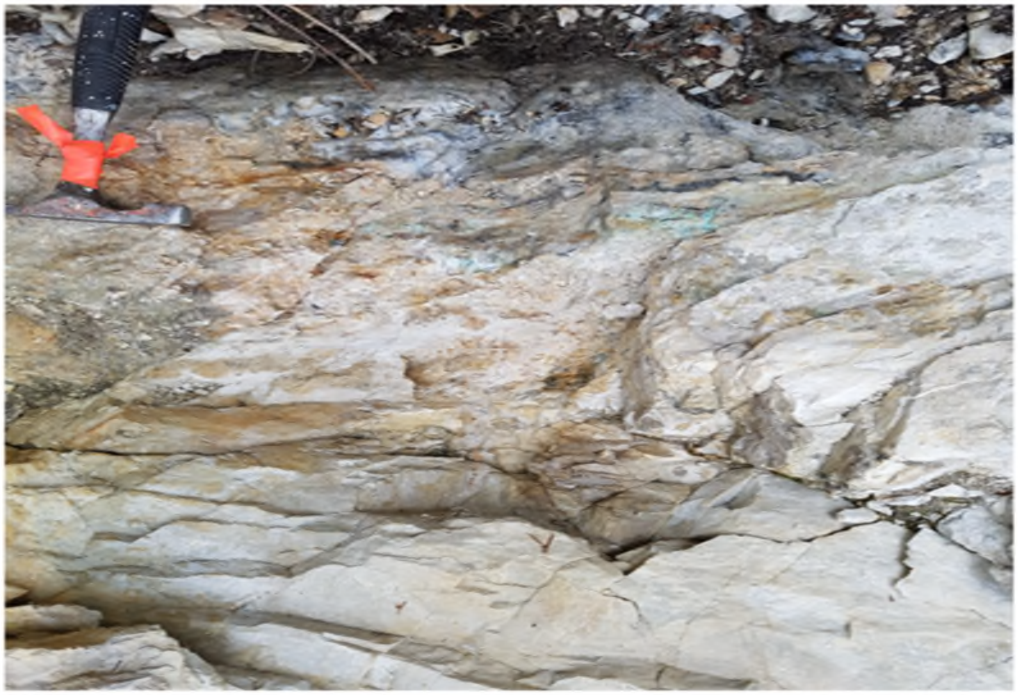


Photo 4: Contact Phyllitic Sequence and Limestone EBGs Member (Location Sample102560)

Photo 5: Phyllitic Sequence of EBGs Member (Location Sample76331)

Sampling Analytical Results

The results of analytical work conducted on 123 samples indicate that silver and zinc are the main target element for further exploration. Anomalous values of copper, manganese, and zinc are also found in several samples (Tables 4 and 5). Gold, Silver and zinc assay values are plotted on Figures 9 to 16.

- Silver values are in the range of 0.01 parts per million ("**ppm**") to 4.37ppm, out of which only 5 samples are over one ppm, 9 samples have values between 0.5 ppm to 0.87 ppm, 66 samples are between 0.1 to 0.49 ppm and 31 samples are below 0.1 ppm and 12 are <0.01 parts per million (below detection limit).

- Gold values are detected in 108 samples (above the laboratories method detection limit of 0.001 ppm). Ten samples are below 0.001 ppm. Values range from 0.001-0.009 ppm in 76 samples, 0.01-0.092 ppm in 28 samples, 0.317-2.6 ppm in 4 samples. The sample #102527 and 102528 contain 1.15 and 2.60 ppm of Au, respectively. Gold was not analysed in S1-S5 samples.

- Copper values are in the range of 1.20 ppm to 4,140 ppm. Ninety-five samples have values less than 100ppm (1.2ppm-98.8ppm). Values range from 110ppm-487ppm in 20 samples and 615ppm-4140ppm in 5 samples. Only one samples (#102558) have 4,140 ppm copper.

- Manganese is from 34 ppm to 8010 ppm, forty-nine samples have values lower than 1000 ppm, thirty-nine samples range from 1010ppm-2010ppm, 25 samples contain 2410ppm-4000ppm and 10 samples are from 4000ppm-8010ppm. Five samples contain more than 6000ppm and two sample (102604 & 102594) have 7180ppm and 8010ppm ppm Mn, respectively.

- Zinc values are less than 200 ppm in 116 samples, ranges from 247ppm to 1660ppm in 3 samples and contain more than 10,000 ppm in four sample (76334,76335, S3#3 and S2 #2).

- Lead ranges from 0.9 ppm to 7,450 ppm, however, values in 119 samples are less than 71ppm. Four samples range from 110ppm-7450ppm and only sample 102525 contain 7,450 ppm of Pb.

- Chromium is 6.40 ppm to 690 ppm, although 117 samples range from 6.4ppm to 260 ppm. Six samples contain 322 ppm and 690 ppm of Cr.

Table 4: Top Assay values with sample numbers.

Sample Number	**Ag (ppm)**	**Sample Number**	**Au (ppm)**	**Sample Number**	**Mn (ppm)**	**Sample Number**	**Zn (ppm)**
76347	0.54	102534	0.32	076338	5,920.00	076336	1,660.00
102527	0.65	102507	0.33	102538	6,090.00	76335	>10000
102582	0.66	102528	1.15	102605	6,170.00	76334	>10000
76337	0.69	102527	2.60	102555	6,180.00	S3 #3	>10000
102513	0.75	**Sample Number**	**Cr (ppm)**	102604	7,180.00	S2 #2	>10000
102569	0.79	076333	110.00	102594	8,010.00		
76335	0.82	102572	320.00	**Sample Number**	**Cu (ppm)**		
102566	0.82	102574	667.00				
102568	0.87	102525	7,450.00				
S2 #2	1.09	**Sample Number**	**Pb (ppm)**	76335	615		
102558	1.21	076333	110.00	S2 #2	684		
S3 #3	1.7	102572	320.00	S3 #3	765		
76334	2.37	102574	667.00	076336	900		
102525	4.37	102525	7,450.00	102558	4,140		

Table 5: Exploration work assays highlights

Analyte:		**Au**	**Ag**	**As**	**Ba**	**Co**	**Cu**	**Fe**	**Mn**	**Ni**	**Pb**	**S**	**Sr**	**V**	**Zn**	**Zn**
Unit:			**ppm**	**ppm**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	%
RDL:			**0.01**	**0.2**	**1**	**0.05**	**0.5**	**0.01**	**1**	**0.5**	**0.1**	**0.01**	**0.2**	**0.5**	**0.5**	
Lab Sample ID	**Field Sample ID**															
	S1 #1		0.09	0.9	80	4.3	29.7	1.25	1380	9.2	7.2	0.01	385	12	27	
	S2 #2		1.09	21	530	13.7	684	0.45	375	6	7.5	2.26	10.4	6	>10000	4.68
	S3 #3		1.7	5.7	90	16.4	765	0.44	294	5.6	6.4	2.65	44.5	3	>10000	5.79
	S4 #4		0.34	20.6	160	15.8	55.4	4.01	300	33.3	20	3.56	145	15	777	
	S5 #5		0.07	2.8	190	10.6	44.5	4.39	3390	10.6	19.4	0.78	226	26	165	
2199013	076329	0.029	0.26	15.5	335	20.9	12.8	4.43	211	38.6	32.6	4.08	177	15.2	58.1	
2199014	076330	0.009	0.28	7.4	163	27.2	151	4	1570	58.9	59.5	1.17	50.2	89.3	189	
2199015	076331	0.007	0.33	10.1	227	20.8	94.3	5.15	1400	30.6	70.1	1.14	68.1	85.2	86	
2199016	076332	0.008	0.28	11.5	374	17.1	30.7	4.33	1610	33.6	17.9	0.87	50	94.9	88.2	
2199017	076333	0.011	0.49	4.7	173	17.4	41.9	7.74	3380	27.1	110	0.69	170	41.5	183	
2199018	076334	0.035	2.37	13.3	25	169	391	0.17	39	37.2	8.1	>10	13.2	1.7	>10000	
2199019	076335	0.017	0.82	5.3	908	13	615	0.34	34	7.1	1.9	1.66	5	5.5	>10000	
2199020	076336	0.012	0.45	14.2	477	221	900	9.26	2830	279	9.7	2.68	161	269	1660	
2199021	076337	0.004	0.69	6.6	18	5.15	10	1.7	1220	5.6	51	0.54	328	13.1	187	
2199022	076338	0.003	0.09	3.9	83	11.9	29	1.99	5920	25.3	21.3	0.15	177	30.5	189	
2199023	076339	0.004	0.09	2.9	18	5	18.4	3.3	1260	49.7	8.4	1.09	290	13.2	105	
2199024	076340	0.007	0.05	1.7	12	3.43	12.5	1.98	923	27.8	6.5	0.51	226	11.8	96.1	
2199025**	076341	0.005	0.13	3.2	14	9.59	30.2	7.89	2360	34.4	14.8	7.36	527	21.8	121	
2199026**	076342	0.003	0.32	1.7	12	8.06	14.9	6.72	2200	30.3	49.4	4.76	476	19.4	107	
2199027	076343	0.002	0.42	13.1	735	38.6	45.4	6.31	1080	72.2	3.6	0.56	192	143	182	
2199028	076344	0.004	0.2	21.5	877	46.1	76.6	3.56	1240	63.5	8.3	0.57	92.1	117	247	
2199029	076345	0.004	0.19	12.9	931	45.5	117	6.31	753	150	3.6	1.69	146	223	107	
2199030	076346	0.006	0.33	1.1	186	3.91	110	1.15	445	19.3	9.2	0.12	145	77.4	135	
2199031	076347	0.068	0.54	51.3	66	29.5	152	18.5	1100	90.4	23.6	>10	184	54.5	53.7	

Analyte:		**Au**	**Ag**	**As**	**Ba**	**Co**	**Cu**	**Fe**	**Mn**	**Ni**	**Pb**	**S**	**Sr**	**V**	**Zn**	**Zn**
Unit:			**ppm**	**ppm**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	%
RDL:			**0.01**	**0.2**	**1**	**0.05**	**0.5**	**0.01**	**1**	**0.5**	**0.1**	**0.01**	**0.2**	**0.5**	**0.5**	
Lab Sample ID	**Field Sample ID**															
2199032	076348	0.041	0.22	34.2	56	62.1	38.6	9.64	888	61	4.2	6.95	142	238	55.8	
2199033	076349	0.005	0.13	2.2	159	21.9	153	2.83	2530	22.8	5.3	0.46	763	77.8	47	
2199034	076350	0.013	0.16	3.4	83	26.7	60.9	5.63	1290	25.8	2.6	1.21	158	55.2	66.3	
2199035**	102501	0.004	0.11	1.5	261	26.5	98.8	4.62	1970	45.3	2.5	0.3	538	133	95.2	
2199036**	102502	0.002	0.12	1.3	90	27.1	211	5.05	2630	46.8	3.2	0.45	679	87.3	59.7	
2199037	102503	0.003	0.23	3.2	108	34.1	54.1	6.26	1340	56.2	1.8	0.23	160	202	73	
2199038	102504	0.003	0.11	1.1	209	20.7	64.4	3.78	1040	49.7	3.9	0.18	396	47.8	34.2	
2199039	102505	0.002	0.12	2.4	132	26.4	42.6	5.61	731	21.2	2.2	0.12	220	61.7	49.8	
2199040	102506	0.013	0.09	2.1	69	14.2	39.6	3.09	903	8.9	2.5	0.23	285	31.2	27.7	
2199041	102507	0.326	0.17	36.5	81	42.9	17.1	7.02	2010	16.3	5.4	1.02	429	63.5	55.2	
2199042	102508	0.092	0.13	19	355	36	73.4	8.03	1280	22.3	2.6	0.65	282	88.8	66.2	
2199043	102509	0.004	0.15	3.8	72	40.3	38.1	7.03	1150	24.1	3.1	0.2	248	67.5	72.2	
2199044	102510	0.009	0.06	8.4	273	25.4	9.6	7.83	1940	72.3	3.3	0.24	288	63.4	80.6	
2199045	102511	0.003	0.06	15.5	226	26.8	37.2	3.67	1130	93.4	1.1	0.38	145	39.4	31.8	
2199046	102512	0.003	0.1	68.2	346	14.8	10.1	4.65	1080	83.2	3.3	2.6	380	71.6	32.5	
2199047	102513	0.033	0.75	11.1	376	116	44.7	7.79	1150	273	3.9	3.55	123	207	31.4	
2199048	102514	0.002	0.12	1.5	55	10.4	31.3	1.72	463	20.3	1.1	0.16	181	50.9	23.3	
2199049	102515	0.006	0.37	46.5	157	14.4	141	2.96	849	98.9	4	0.44	224	52.3	46.3	
2199050**	102516	0.014	0.29	42.4	396	18.4	23.7	4.52	1640	33.2	5.8	0.49	132	44.6	41.7	
2199051**	102517	0.013	0.24	43.1	335	20.4	38.5	4.37	1700	35	3.8	0.54	135	37.7	40.4	
2199052	102518	0.003	0.08	2	906	24.6	30.1	3.34	1590	50.4	2.7	0.3	547	91.2	39.2	
2199053	102519	0.018	0.38	7.1	377	43.9	51	5.4	1330	22.8	7.1	1.13	312	236	60.6	
2199054	102520	0.01	0.25	22	32	16.7	29.7	5.02	3580	64.5	6.5	1.21	404	43.9	25	
2199055	102521	0.008	0.26	27.1	218	23.2	18	4.31	1950	66.5	17.4	0.45	259	33.8	51.6	
2199056	102522	0.025	0.49	50.4	85	16.8	51.4	5.18	2410	21	13.3	2.33	455	76.6	11.9	
2199057	102523	0.022	0.4	55.9	25	18.4	30.5	4.82	1010	34.7	14.9	2.6	642	110	49	
2199058	102524	0.003	0.13	3.4	248	43.6	70.5	3.92	1420	178	6.4	0.19	327	111	45.2	
2199059	102525	0.059	4.37	140	348	84.9	172	6.61	2410	159	7450	3.04	188	138	84.1	
2199060	102526	0.046	0.39	86.2	157	48.9	33	5.95	2490	144	32.8	2.88	117	149	63.8	

Analyte:		**Au**	**Ag**	**As**	**Ba**	**Co**	**Cu**	**Fe**	**Mn**	**Ni**	**Pb**	**S**	**Sr**	**V**	**Zn**	**Zn**
Unit:			**ppm**	**ppm**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	%
RDL:			**0.01**	**0.2**	**1**	**0.05**	**0.5**	**0.01**	**1**	**0.5**	**0.1**	**0.01**	**0.2**	**0.5**	**0.5**	
Lab Sample ID	**Field Sample ID**															
2199061	102527	2.6	0.65	10.6	564	72.4	71.4	5.24	703	86.3	18	1.27	231	113	41.4	
2199062	102528	1.15	0.16	3.6	103	20.4	48.8	3.3	935	44.7	4.5	0.64	316	27.9	22.8	
2199063	102529	0.011	0.1	2	180	28.6	50.2	5.04	1290	56.7	3.9	0.44	292	40	29.8	
2199064	102530	0.01	0.07	1.9	141	26.2	40.2	4.99	1300	50.1	4.5	0.4	294	30.3	27.1	
2199065	102531	0.011	0.1	3.6	210	22.1	40.9	2.04	381	55	4.5	1.11	1130	71.1	18.3	
2199066	102532	0.031	0.12	38.8	790	18.4	45.3	4.49	553	105	5	1.21	276	126	65.3	
2199067	102533	0.005	0.11	4.6	194	41.7	32.7	3.51	861	145	2.4	0.43	401	88	29.2	
2199068	102534	0.317	0.14	5.4	988	32.9	85.8	6.18	292	129	3.7	0.34	112	110	77	
2199069	102535	0.004	0.13	430	153	12.2	37	1.8	2110	30	6.5	0.45	107	40	26	
2199070	102536	0.004	0.19	12.7	17	23	14	1.77	446	68.5	25.4	1.14	30.8	5.6	7.3	
2199071	102537	0.007	0.1	6.2	51	9.86	36	1.72	2240	17.1	63.1	0.08	38.7	13.8	31	
2199072	102538	0.003	0.29	6.5	152	22	88.6	4.16	6090	32.1	68.9	0.82	498	57.4	36.3	
2199073**	102539	0.004	0.1	1.1	13	6.6	7.7	4.47	1780	23.7	12	2.73	389	20.6	73.5	
2199074	102540	0.003	0.09	1.1	15	4.81	26.1	3.12	1330	17	9	1.33	326	14.7	57.1	
2199075**	102541	0.004	0.08	0.7	18	4.74	22.9	2.99	1280	17.2	8.5	1.3	301	15.9	58.4	
2199114	102551	0.005	0.04	0.4	931	31.7	266	3.84	1740	101	1.9	0.01	267	55.5	29.7	
2199115	102552	0.001	<0.01	0.6	42	1.93	1.2	0.42	184	1.7	1.9	<0.01	197	4.3	2.4	
2199116	102553	0.002	0.08	0.9	13	3.54	9.6	1.57	3800	9	33.3	0.04	120	3.8	17.2	
2199117	102554	0.005	0.29	3.7	129	24.7	47.5	7.33	2880	7.3	18.2	1.6	183	12.9	106	
2199118	102555	<0.001	0.02	0.9	22	4.23	15	3.02	6180	4	24.7	0.2	278	5.5	44.2	
2199119	102556	0.001	0.02	3.3	100	9.07	<0.5	2.17	1090	9	4.3	<0.01	454	89.3	12.6	
2199120	102557	<0.001	0.4	15.9	268	43.3	160	8.01	103	162	1.8	2.81	87.1	252	133	
2199121	102558	0.027	1.21	1	225	21.2	4140	2.77	1190	46.3	3.2	0.07	295	63.2	44.7	
2199122**	102559	0.001	0.16	2.3	580	50.9	285	3.83	716	127	2.7	0.65	294	102	46.2	
2199123**	102560	0.002	0.21	3.5	682	51.4	487	4	696	130	4.1	0.84	276	118	48.4	

Analyte:		**Au**	**Ag**	**As**	**Ba**	**Co**	**Cu**	**Fe**	**Mn**	**Ni**	**Pb**	**S**	**Sr**	**V**	**Zn**	**Zn**
Unit:			**ppm**	**ppm**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	%
RDL:			**0.01**	**0.2**	**1**	**0.05**	**0.5**	**0.01**	**1**	**0.5**	**0.1**	**0.01**	**0.2**	**0.5**	**0.5**	
Lab Sample ID	**Field Sample ID**															
2199124	102561	0.002	0.04	0.8	21	26.5	118	3.39	957	38.7	2.5	0.14	72.8	183	33.9	
2199125	102562	<0.001	0.09	1.4	91	13.3	55.2	1.72	243	25.4	5.9	0.06	63.8	42.2	32	
2199126	102563	0.002	0.04	1.4	35	4.96	28.1	0.92	200	14.9	18.5	0.12	111	20.1	20.1	
2199127	102564	0.003	0.17	6.4	96	22.6	75.1	3.32	1530	50	15.7	0.03	213	127	61.6	
2199128	102565	<0.001	<0.01	1.3	42	2.29	4	0.64	372	6.4	1.8	<0.01	4.7	6.5	17	
2199129	102566	<0.001	0.82	2.2	888	40.8	38.2	6.08	1590	114	4.1	0.01	505	163	70.4	
2199130	102567	0.003	0.16	0.7	3290	12.9	89.2	1.56	740	59.4	1.8	0.07	499	42.2	13.7	
2199131	102568	0.008	0.87	2.6	746	39	131	7.6	791	199	4.1	<0.01	344	185	37.1	
2199132	102569	<0.001	0.79	3.1	4770	23	9.1	6.37	651	149	3.5	0.1	422	132	24.3	
2199133	102570	0.007	<0.01	1.7	123	3.37	16.4	1.15	922	11	10.5	<0.01	15.4	15.1	26.7	
2199134	102571	<0.001	<0.01	1.3	127	4.3	17.1	1.1	799	11.3	13	<0.01	15	14.5	24.4	
2199135	102572	0.002	0.17	0.6	115	13	22.8	2.62	3680	17.1	320	<0.01	112	20.2	31.9	
2199136	102573	<0.001	<0.01	9.1	66	10.9	5.1	2.28	2810	14.9	37.1	<0.01	54.5	12.5	28	
2199137	102574	0.002	0.19	14.2	114	18.1	16.2	3.78	4540	23.2	667	<0.01	75	20.6	60.8	
2199138	102575	0.001	<0.01	1.7	18	2.75	3.6	0.39	690	5.9	6.1	0.02	13.1	4.4	4.3	
2199139	102576	0.002	<0.01	1.3	13	6.41	10	0.81	986	16.7	1.5	0.01	742	35.3	5.9	
2199140	102577	0.002	0.1	2.6	422	20.4	36.2	2.3	2560	33.2	11.4	0.27	78.8	31.4	26	
2199141	102578	0.005	0.11	7	590	28.6	74.9	5.16	3150	68.4	41.8	0.19	242	121	59.4	

Analyte:		Au	Ag	As	Ba	Co	Cu	Fe	Mn	Ni	Pb	S	Sr	V	Zn	Zn
Unit:			**ppm**	**ppm**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	%
RDL:			**0.01**	**0.2**	**1**	**0.05**	**0.5**	**0.01**	**1**	**0.5**	**0.1**	**0.01**	**0.2**	**0.5**	**0.5**	
Lab Sample ID	**Field Sample ID**															
2199142	102579	0.003	<0.01	0.4	10	0.92	<0.5	0.33	279	1.9	3.5	<0.01	68.1	5.6	11.4	
2199143**	102580	0.013	0.37	46.2	6680	22	193	2.67	615	59.5	2.3	0.57	63.2	87.5	11.3	
2199144**	102581	0.011	0.23	38.1	1450	25.9	234	2.81	633	68.8	2.3	1.09	45.5	72.5	12.8	
2199145	102582	0.001	0.66	5.3	315	58.1	142	9.98	1010	50.9	2.5	0.33	227	344	109	
2199146	102583	0.001	0.11	2.4	89	29.4	24.1	5.65	1200	45.2	0.9	0.01	137	105	71.6	
2199147	102584	0.01	0.04	1.7	135	8.73	52.5	1.43	616	18.5	3.4	0.17	303	44.9	7.7	
2199148	102585	0.003	0.02	18.9	45	4.33	2	0.4	115	4.1	1.9	0.03	341	10.9	2.6	
2199149	102586	0.001	0.07	1.3	500	8.01	18.1	2.24	199	58.2	1.4	0.78	293	33	17.9	
2199150	102587	0.002	0.04	4.7	64	11.5	11.3	2.16	309	23.5	1.8	1.53	200	58.8	9.7	
2199151	102588	0.003	0.19	1.8	48	58.8	120	6.73	1250	212	1.6	<0.01	510	233	67.6	
2199152**	102589	0.003	0.1	0.7	49	24.2	297	2.91	866	112	1.1	<0.01	192	113	26.8	
2199153**	102590	0.013	0.14	0.6	71	15.4	447	2.32	659	71.8	1.1	<0.01	171	104	18.1	
2199154	102591	<0.001	<0.01	7.4	57	8.5	7.6	0.89	1240	16.7	6.2	<0.01	8.6	12.8	17.9	
2199155	102592	0.002	<0.01	6.3	37	7.71	10.3	0.78	905	13.2	13.7	0.01	9.9	8.3	15.5	
2199156	102593	0.005	0.02	13.3	115	14.4	5.9	1.62	2510	28.8	19.3	<0.01	16.6	15.6	33.5	
2199157	102594	<0.001	0.03	9.1	56	11.2	27.2	1.57	8010	28.1	22.4	0.04	300	24.8	25.2	
2199158	102595	0.002	0.09	15.6	228	15.7	30.8	2.71	4000	22.5	44.6	0.01	35.7	32.1	48.3	
2199159	102596	0.004	0.02	9.8	64	15.4	67.1	1.12	3610	32.7	15.8	0.17	187	17.6	21	
2199160	102597	0.004	0.11	9	132	24.4	81.4	3.21	5770	54.4	39.4	0.13	193	59.6	51.1	
2199161	102598	0.006	0.16	13.2	137	36.4	71.6	3.63	3650	55.6	14.7	0.12	131	86	71	
2199162**	102599	0.003	0.01	7.3	75	22.1	16.8	4.32	3070	45.5	14.1	0.03	194	46.6	58.5	

Analyte:		Au	Ag	As	Ba	Co	Cu	Fe	Mn	Ni	Pb	S	Sr	V	Zn	Zn
Unit:			**ppm**	**ppm**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	**%**	**ppm**	**ppm**	**ppm**	%
RDL:			**0.01**	**0.2**	**1**	**0.05**	**0.5**	**0.01**	**1**	**0.5**	**0.1**	**0.01**	**0.2**	**0.5**	**0.5**	
Lab Sample ID	**Field Sample ID**															
2199163**	102600	0.002	<0.01	4.7	66	17.9	5.4	4.93	2500	42.2	11.4	0.01	126	50.2	73.1	
2199164	102601	0.001	0.09	0.7	101	7.49	58	1.73	995	11.4	15.7	0.19	85.3	23.2	17.7	
2199165	102602	0.002	0.01	2.5	33	6.31	13	1.13	835	27.3	8.2	<0.01	384	23.2	15.7	
2199166	102603	0.004	0.27	2.2	107	17.1	54.2	2.31	5470	22.6	70.6	0.01	82.5	48	44.1	
2199167	102604	0.001	<0.01	3	53	5.64	8	1.4	7180	13	4.1	0.04	208	11.9	22.5	
2199168	102605	0.002	0.05	1	211	46.4	62.5	3.84	6170	49.1	7.4	<0.01	101	44.2	89.2	
Comments		RDL - Reported Detection Limit														
2199114-2199168		As, Sb values may be low due to digestion losses.														
	- Analysis performed at AGAT 5623 McAdam Rd., Mississauga, ON (unless marked by *) - Samples marked by ** are the original and duplicates (refer to Table 8 as well)															

Figure 9: Silver and Gold Assay Map 1

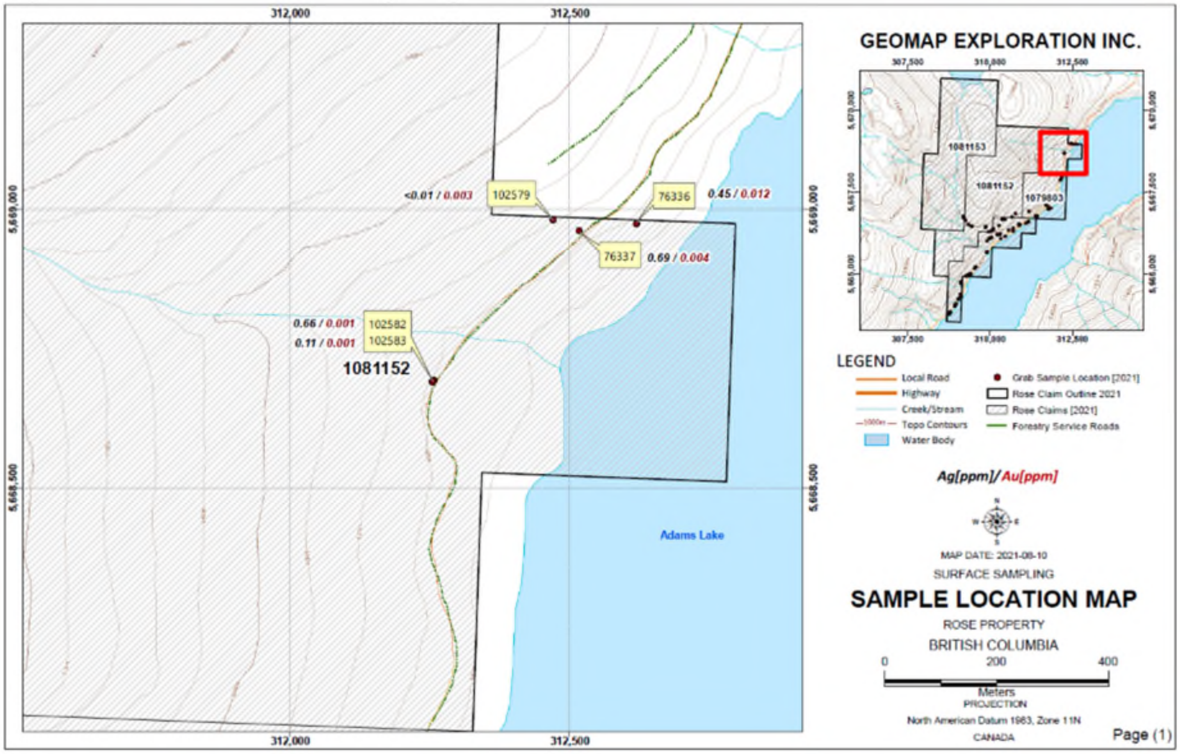


Figure 10: Silver and Gold Assay Map 2

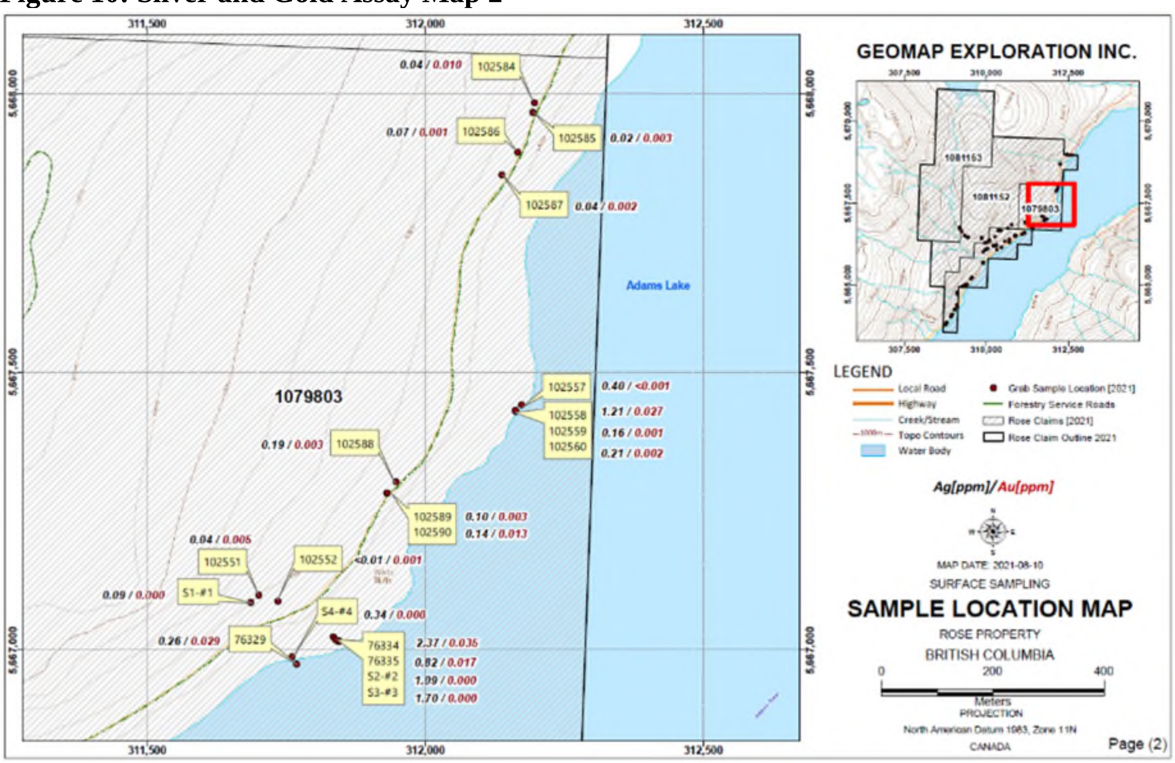


Figure 11: Silver and Gold Assay Map 3

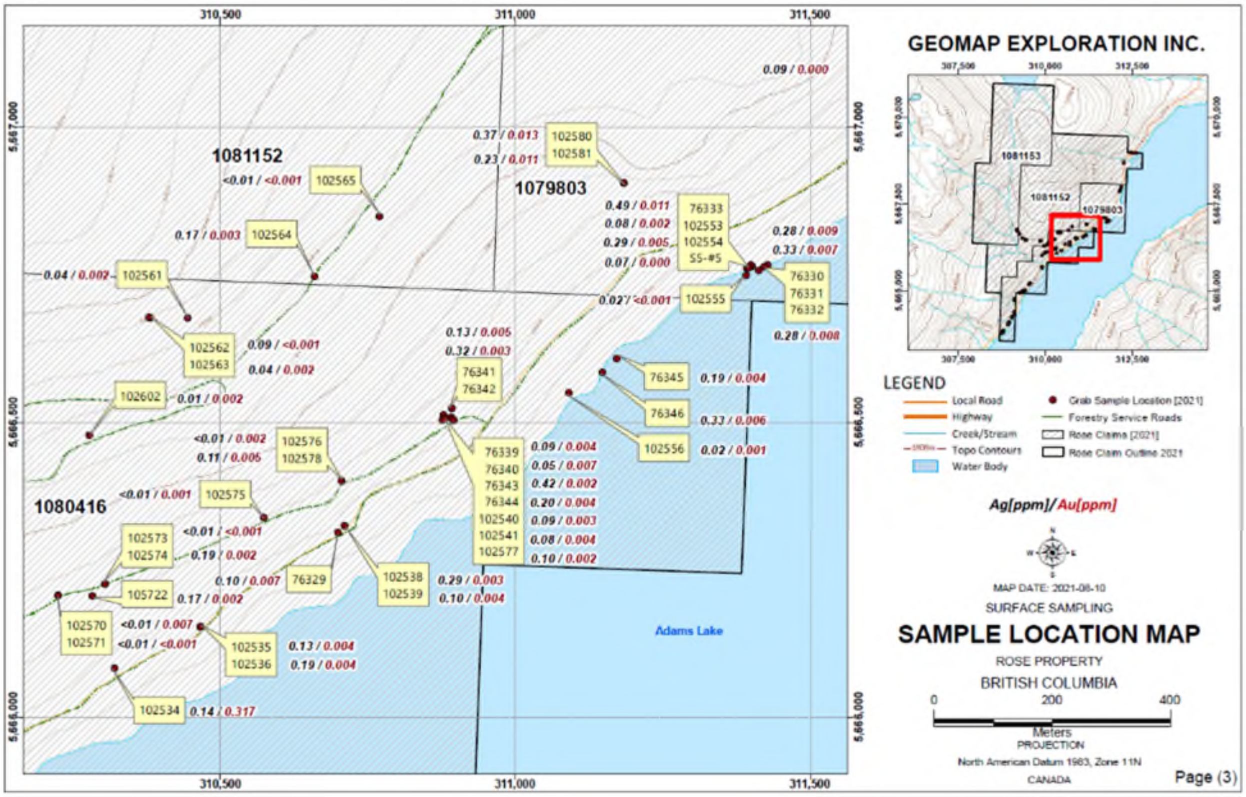


Figure 12: Silver and Gold Assay Map 4

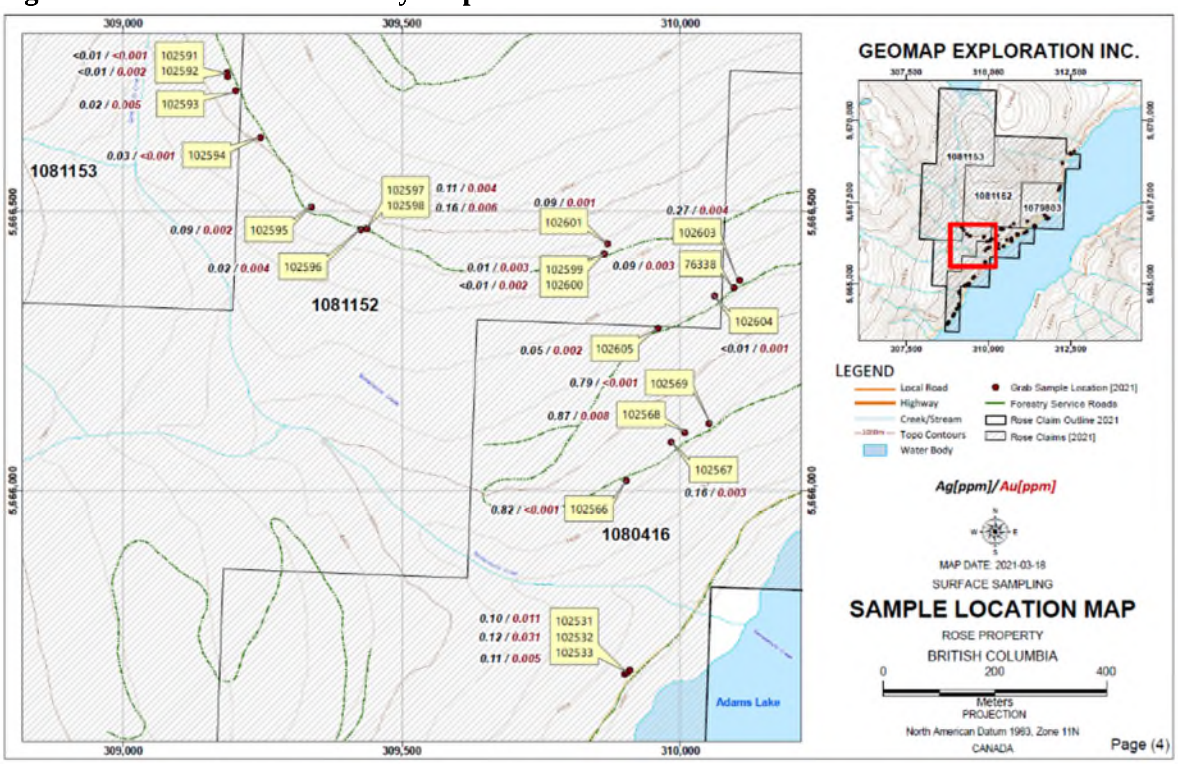


Figure 13: Silver and Gold Assay Map 5

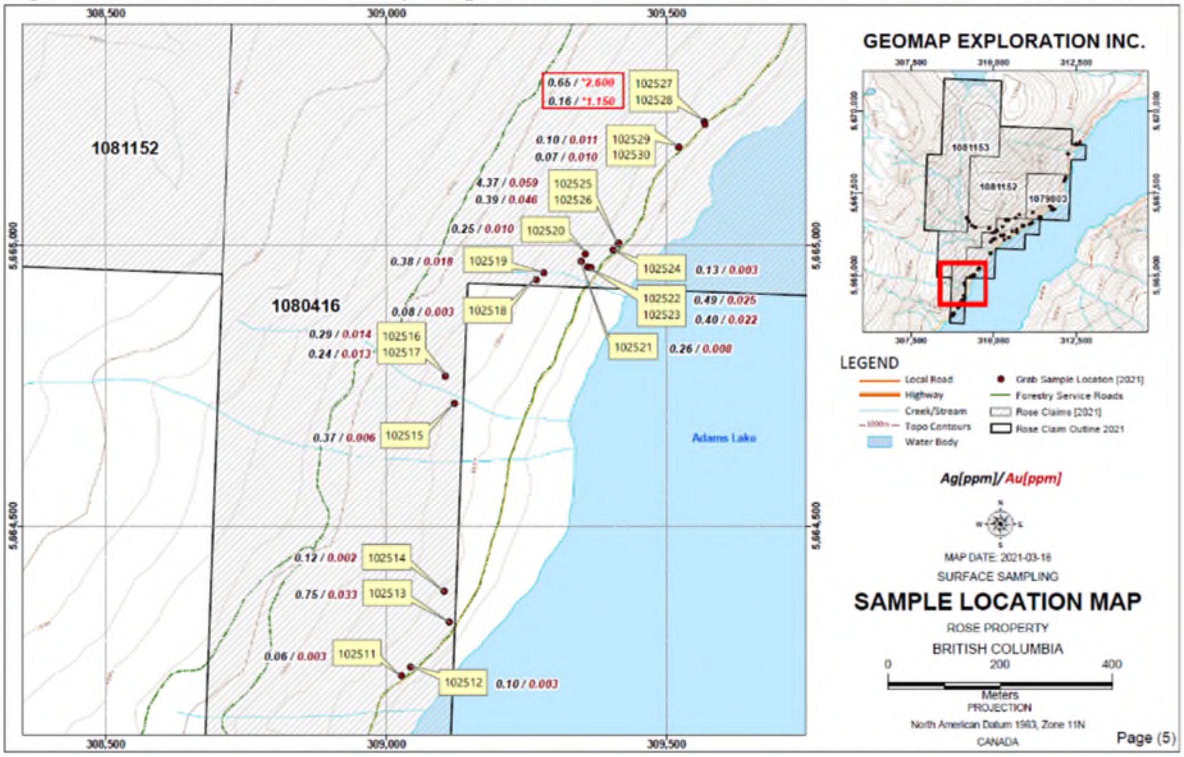


Figure 14: Silver and Gold Assay Map 6

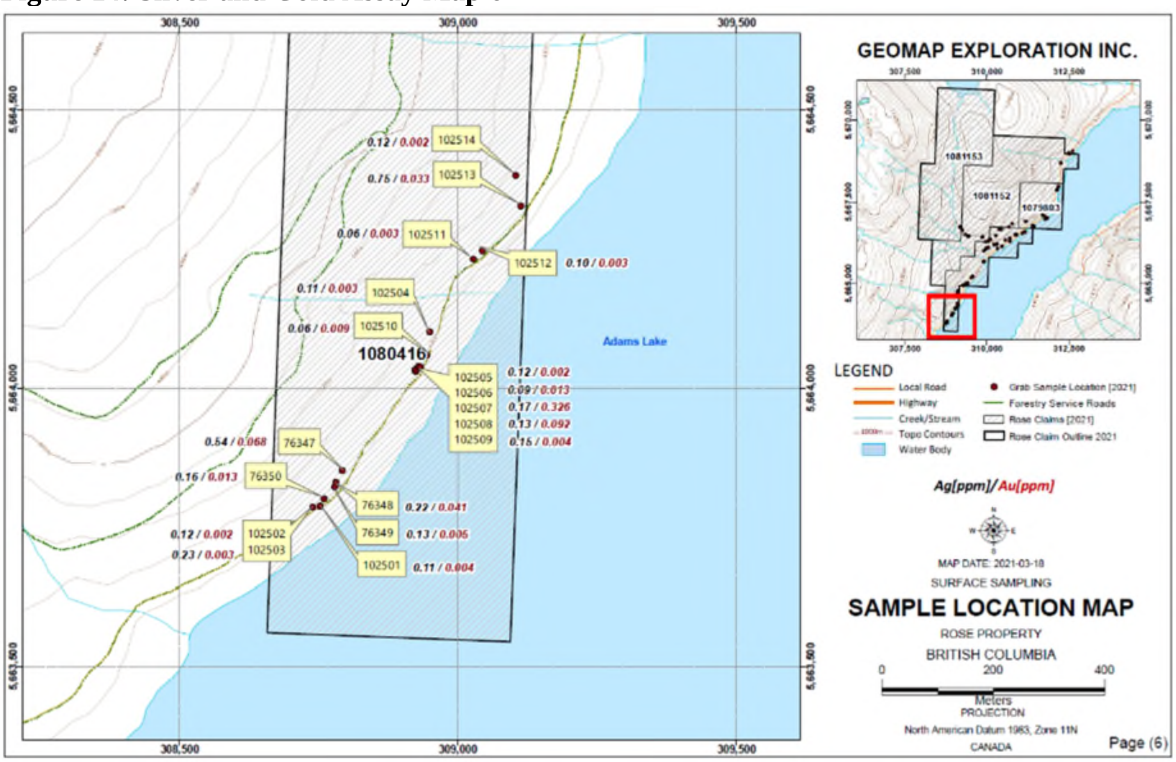


Figure 15: Significant Copper results

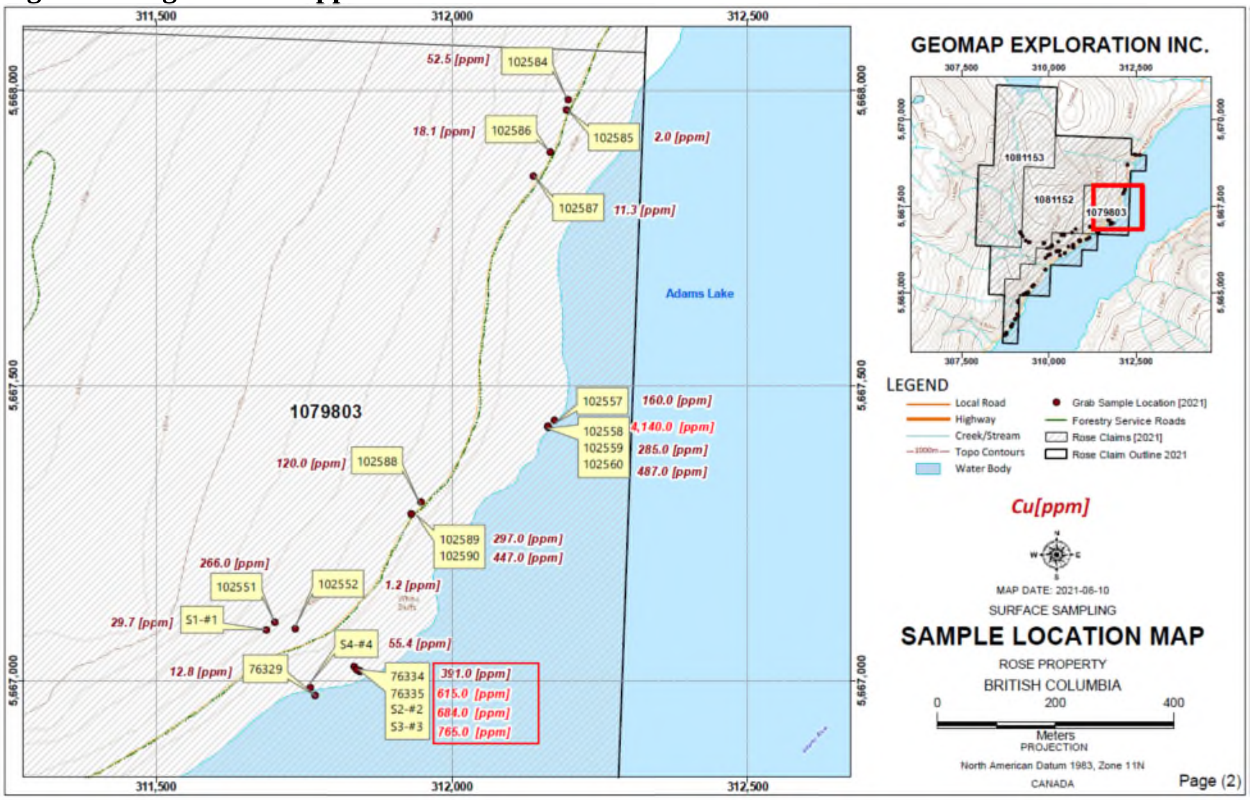
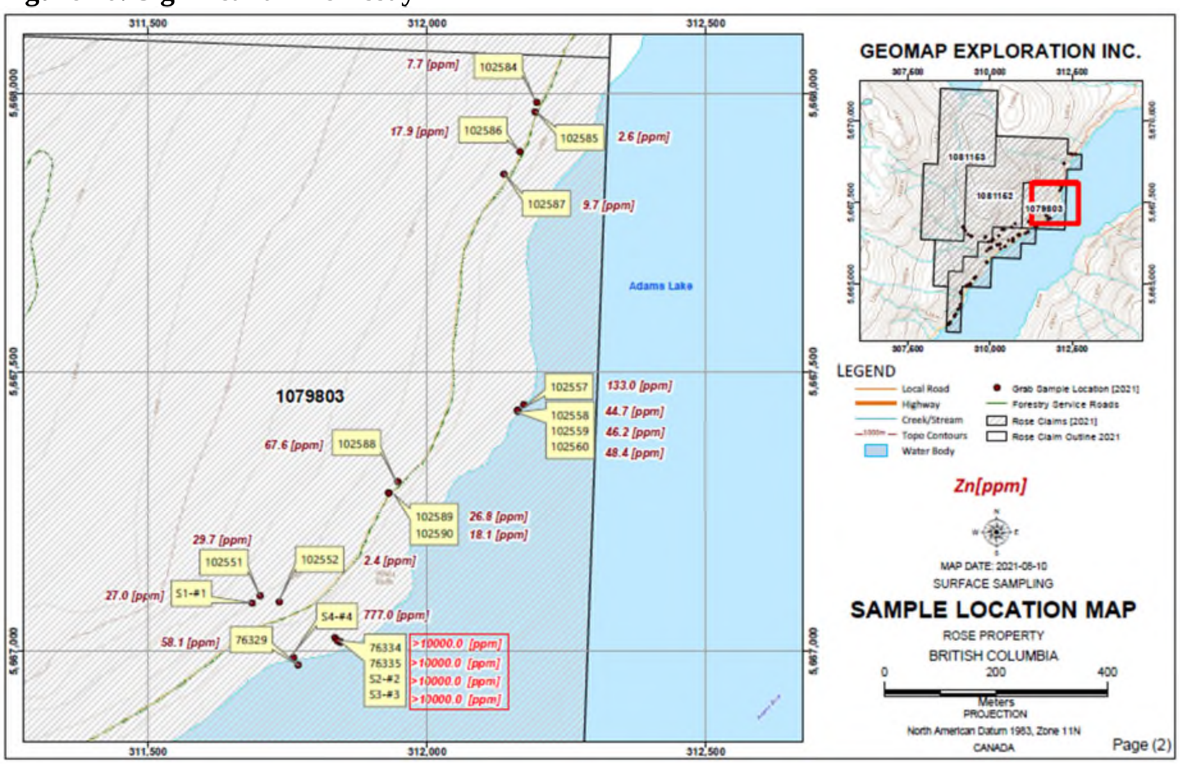


Figure 16: Significant Zinc Assay



Ground Geophysical Survey

The 2021 field season included a ground geophysical survey comprising of magnetic and VLF-EM surveys in the southeastern part of the Rose Property (Claim# 1079803 & 1080416). The scope of the survey consisted of the acquisition and analysis of MAG/VLF data collected on four grids in four survey areas (SURVEY#1, SURVEY#2, SURVEY#3, and SURVEY#4). The objectives of the survey were to indicate and characterize primary and secondary geological processes and features that predominantly control the mineralized zones.

The field work was carried out by Geomap Exploration Inc. in March 2021. 363 measurements were recorded at about 5-25-m intervals on approximately 6.53-km of grid line. Measurements were collected by a single GEM GSM-19 portable magnetometer and VLF-EM system with an absolute accuracy of about ± 0.1 nT.

Geophysical Survey Interpretation and Conclusion

Magnetic and VLF-EM data collected from ground geophysical surveys have characterized some aspects of geologic features in the Rose Property (see Figures 17 and 18). Physical properties of bedrock expressed in the geophysical maps as magnetic and apparent conductivity anomalies are intrinsically related to geological features that control the possible VMS style mineralization and intrusive-related sulphide mineralization. Mineralization is observed in veins within faults and shear zones near or within intrusive contacts.

Mineralization includes VHMS deposits with disseminated Cu-Au-Ag sulphides and massive magnetite-sulphide layers. VMS deposits usually produce significant VLF-EM and MAG responses. The most common sulphide minerals with high values of magnetic susceptibility are Pyrrhotite and Magnetite. The regions of magnetic LOW on the magnetic profiles may suggest possible faults or fracture zones where the process of demagnetization can occur. Common sulphide minerals such as Pyrite and Chalcopyrite have lower values of magnetic susceptibility. The Low magnetic properties of the surficial sediments on Adams Lake shore are controlled by the limnological stratification of the lake water.

In areas where the RMI shows a significant magnetic HIGH, the area could represent the existence of a higher magnetizable features with magnetite or pyrrhotite minerals. Fine-grained basaltic rocks of Unit EBG also tend to show stronger residual magnetic anomalies as the result of higher bulk susceptibility. Whereas sedimentary rocks (Lower Cambrian Tshinakin Limestone) tend to show weaker residual magnetic anomalies as the result of lower bulk susceptibility.

The distribution of both in-phase and quadrature responses in the study areas of Grid#1, Grid#3, and Grid#4 show that in-phase responses are relatively stronger than Quadrature responses across the study areas, implying stronger conductive subsurface materials. The distribution of both in-phase and quadrature responses in the study area of Grid#2 shows that quadrature component has stronger responses than in-phase component across the study area, implying weak conductive subsurface materials. The negative Fraser gradients of quadrature responses could better define the presence of a subsurface weaker conductive features.

Generally, VLF responses from good conductors have large in-phase and small quadrature components, while weaker conductors have low in-phase and high quadrature components. The regions of high responses on the Real component of the VLF profiles may suggest possible conductive zones such as fractures and alteration zones. Whereas the regions with low responses on the Real component of the VLF profiles may represent highly resistive zones such as mafic dykes and quartzites.

Quiet magnetic zones or magnetic Lows surrounding isolated magnetic Highs may be interpreted as indicating an intense alteration zone associated with a mineral deposit. In contrast, a higher value of apparent current density for In-Phase components can be regarded as good conductive subsurface features such as felsic volcanic rocks or sulphide alteration zones and low current density are likely associated with dykes or quartzites and intermediate responses are associated with shear zones or fault zones. The following table shows the possible causes of MAG or VLF anomalies considered in this report.

Table 6: Geophysical survey data interpretation table

Magnetic Intensity	VLF Response	Possible Causes
HIGH	HIGH	Pyrrhotite and Magnetite Alteration Zones (VHMS Deposits?)
HIGH	LOW	Mafic/Ultramafic Intrusive Rocks
LOW	HIGH	Felsic Intrusive Rocks Faults/Fractures/Intense Alteration Zones (Magnetite Destruction)
LOW	LOW	Quartz Veins, Silicification, Sericitization & Carbonate Alteration

- ✓ Since the interpretation of this geophysical survey was done in the absence of detailed local geology, further ground truthing of the Magnetic and VLF anomalies is recommended to be followed up on to determine if those anomalies are related to mineralization, fault zones, structural contacts, or overburden response.
- ✓ Geological mapping and grab sampling along with a soil chemistry analysis are suggested to be conducted in areas where the magnetic HIGHS suggest near surface features and in areas where the high VLF responses corroborate well with the magnetic HIGHS. Those surveys may provide more valuable insights to advancing this exploration program.
- ✓ An advanced level interpretation of the magnetic and VLF data may be warranted to integrate with geology and petrophysical properties to create constrained inversion models.

The dominant sulphides in VMS deposits are Pyrite, Galena, Sphalerite, Chalcopyrite, and Pyrrhotite. All these minerals have relatively high values of specific gravity, and a positive density contrast and gravity can be useful in their identification. The gravity survey followed by induced polarization surveys are highly effective in detecting disseminated sulphide bodies. Integrating RES/IP with gravity survey for more detail investigation is warranted for defining the extent of mineralization zones in areas where mineralized zones are identified.

Figure 17: Magnetic interpretation map of Survey Grid 1

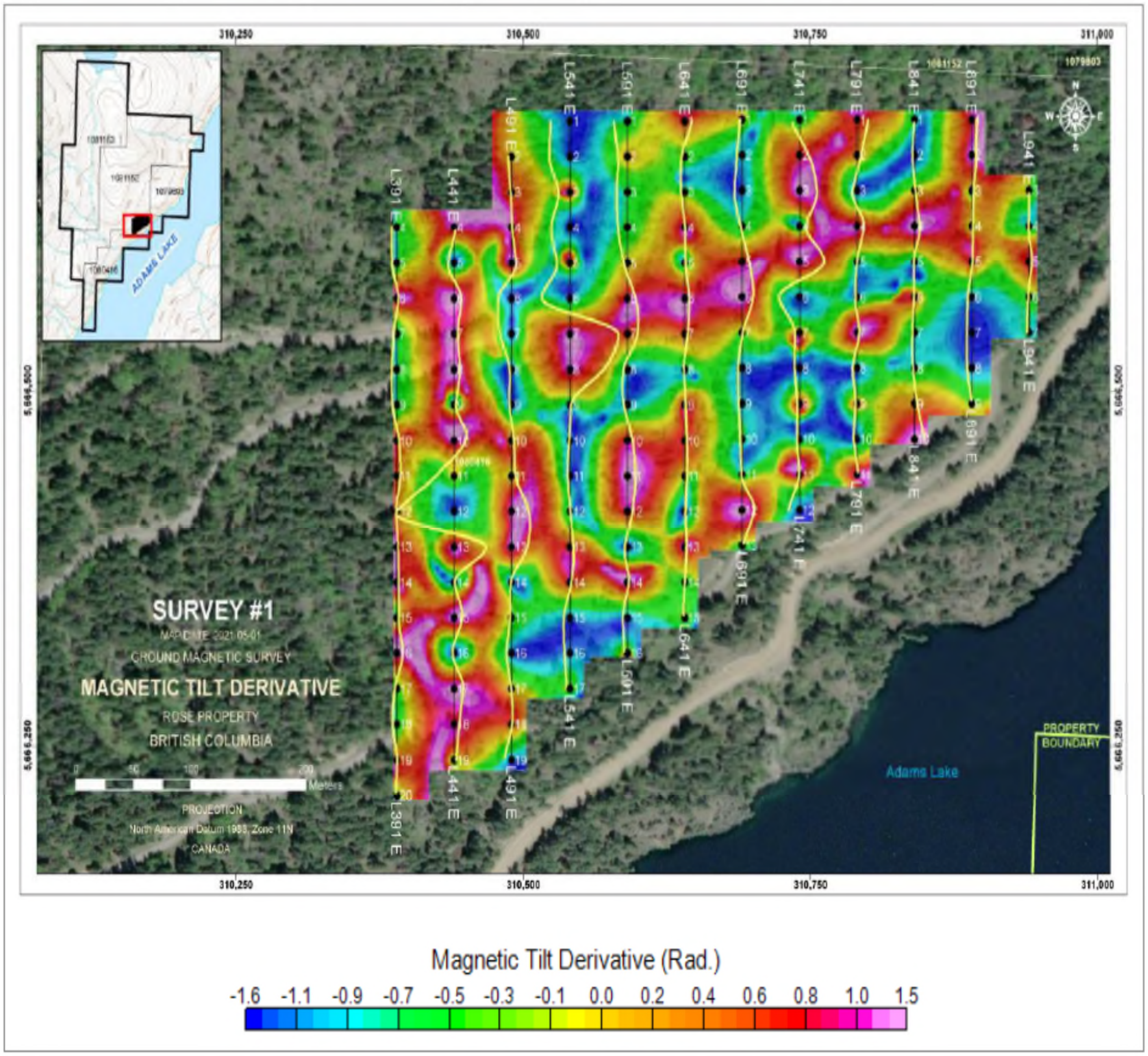
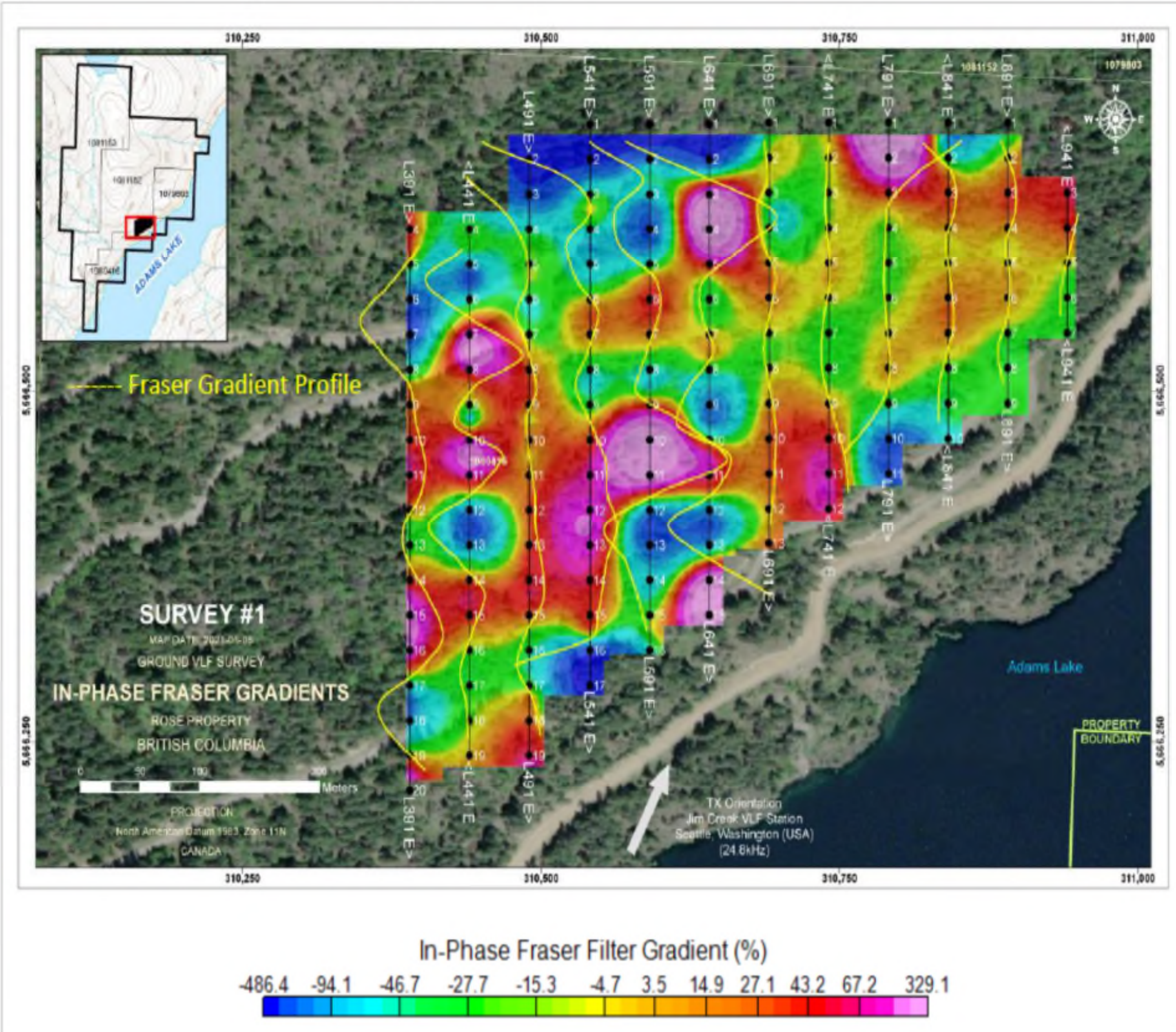


Figure 18: VLF interpretation map of Survey Grid 1



Drilling

There has been no drilling carried out on the Rose Property by Geomap Exploration Inc. or the Company to date.

Sample Preparation, Analysis and Security

Rock samples for the 2021 exploration program were collected in the field by placing 0.3-2 kg of material in a heavy grade plastic sample bag with the sample number written with permanent marker. Each sample bag was then sealed with a plastic cable tie and samples were transported back to Chase base station at the end of each day. Rock samples were recorded as to location (UTM -NAD 83), sample type (grab, composite grab, chip, etc.), exposure type (outcrop, rubblecrop, float, etc.), lithology, colour, texture, and grain size. Sample locations were determined by hand-held GPS set to report locations in UTM coordinates using the North American Datum established in 1983 (NAD 83) Zone 11N. The samples were bagged and tagged using best practices and delivered to the ALS Laboratories in North Vancouver, British Columbia (S-series samples) and/or Agate Laboratories in Burnaby, British Columbia. Both ALS and Agate Labs are independent group of laboratories accredited under both ISO 17025 with CAN-P-1579 for specific registered tests.

These laboratories are commercial, ISO Certified labs which are independent of the Company and Geomap Exploration Inc. Sample analysis packages used for sample preparation and analysis are shown in Table- 7 below.

Table 7: Agat Laboratories Sample Preparation and Analysis

Sample Type	Package Name	Number of Samples
Rock	(200-) Sample Login Weight	162+7*
Rock	(201-071) 4 Acid Digest - Metals Package, ICP/ICP-MS finish	162+7*
Rock	(201-116) Multi-Acid Digest, ICP-OES finish	162+7*
Rock	(202-052) Fire Assay - Trace Au, ICP-OES finish (ppm)	162+7*
Rock	(202-055) Fire Assay - Au, Pt, Pd Trace Levels, ICP-OES finish	162+7*
Rock	(202-564) Fire Assay - Au Ore Grade, Gravimetric finish (50g charge)	162+7*
Rock	Sieving - % Passing (Crushing)	162+7*
Rock	Sieving - % Passing (Pulverizing)	162+7*

**7 samples collected by the Author*

ALS Analytical Procedures

ALS Laboratories is an independent group of laboratories accredited under ISO/IEC 17025:2017 standards for specific registered tests. Sample analysis packages used for sample preparation and analysis are ICP AES; and MEMS 61 (Four Acid Digestion with ICP-MS Finish). Four acid digestion quantitatively dissolves nearly all minerals in the majority of geological materials. However, barite, rare earth oxides, columbite-tantalite, and titanium, tin and tungsten minerals may not be fully digested.

The analytical results of the QA/QC samples provided by laboratories did not identify any significant analytical issues. The duplicate had almost same percentages as original. For the present study, the sample preparation, security, and analytical procedures used by the laboratory are considered adequate and the data is valid and of sufficient quality to be used for further investigations.

Data Verification

The Author visited the Rose Property from February 23, 2021 to March 3, 2021 and verified the ongoing exploration work. The purpose of the visit was to verify and examine mineralized outcrops and to collect necessary geological data and samples, and verify and supervise the ongoing exploration work program. Another purpose of the Rose Property visit was to verify data collection methods, sample collection and sample preparation procedures. The previously collected data reported in the historical information was also confirmed wherever possible during this study.

Field QA/QC sampling was conducted to verify the quality and assure the accuracy of results obtained from the grab sampling of the Rose Property. A total of eight QA/QC samples (Tables 5 and 8) were inserted and sent to the laboratory for analyses. For every fourteen samples, one duplicate was inserted. ALS and Agat Laboratories also have their own QA/QC procedures which did not find any significant issue with the sample preparation, analysis, and security.

Table 8: Sample and Duplicate sample numbers

Sample #	Duplicate Sample #
76341	76342
102501	102502
102516	102517
102539	102541
102559	102560
102580	102581
102589	102590
102599	102600

The data collected during this work is considered reliable because it was collected directly under the supervision of the Author. The data quoted from other sources is also deemed reliable because it was taken from Assessment Reports, published reports by the British Columbia Geological Survey, Geological Survey of Canada, various researchers, and personal observations. Historical geological descriptions taken from different sources were prepared and approved by the professional geologists or engineers.

GPS coordinates using NAD 83 datum were recorded for the grab sample location. The samples were sent to Agate lab for analyses of Au, Ag, Pb, Zn, cu, and other elements (Table 8). All samples were under the care and control of the Author and are considered representative. The samples were delivered to Agate Laboratories in Burnaby, British Columbia by the Author which is an accredited laboratory in Canada. The samples were assayed using Agat sample preparation and analytical codes as shown in Table 9.

For the present study, the sample preparation, security, and analytical procedures used by the laboratories are considered adequate. No officer, director, employee or associate of the Company or Geomap Exploration Inc. was involved in sample preparation and analysis. A limited search of tenure data on the MTO Map on March 01, 2022 conforms to the data supplied by Geomap Exploration Inc. and the Company, however, the limited research by the Author does not express a legal opinion as to the ownership status of the Rose Property.

The Author is unaware of any environmental liabilities associated with the Rose Property. Overall, the Author is of the opinion that the data verification process demonstrated the validity of the data and considers the Rose Property database to be valid and of sufficient quality.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing was done on the Rose Property by the Company or Geomap Exploration Inc.

Mineral Resource Estimates

No mineral resource estimates have been carried out on the Rose Property by the Company or Geomap Exploration Inc.

Adjacent Properties

The below information is taken from the publicly available sources and the Author was not able to independently verify the information contained herein. The information is not necessarily indicative of the mineralization on the Rose Property, which is the subject of the Rose Property Technical Report. The following information is provided as background material for the reader.

The Adams Lake area is known for sulphide mineralization since early 1920's when silver-lead-zinc mineralization was discovered in Lucky Coon area. Several deposits containing lead-zinc-silver and copper, and a few with high gold values occur in the area. Some of these deposits have been well explored whereas others received limited exploration. However, so far, economic mineralization appears to be small, as currently no mining operation is ongoing in the area. The following public companies hold mining properties in the vicinity of the Property (see Figure 19 for adjacent properties map).

Eagle Plains Resources - Acacia Property

Eagle Plains Resources Ltd. holds the 4385ha Acacia Project located adjacent to the southwest of the Property. Acquired in 1999 for VMS deposit potential, it covers a stratigraphic package that hosts a number of base- and precious-metal deposits.

Project Highlights

- Adjacent to the past producing Homestake and Samatosum Mines
- Numerous high-grade showings, geochemical and geophysical anomalies
- Excellent geology/alteration favorable for polymetallic VMS deposits
- Excellent infrastructure including numerous forestry roads and nearby hydro & rail
- Encouraging exploration to date

Eagle Plains Resources Ltd. put out a news release on June 14, 2000, regarding property acquisition and its technical information as follows.

The Acacia property is located on the Adams Plateau area of British Columbia within the Kamloops Mining Division, approximately 45km northeast of Kamloops. The 203-unit (12,000 acre) claim group covers a stratigraphic package which hosts a number of nearby past-producing base and precious metal deposits including the Samatosum, Rea Gold, and Homestake mines. Work by past operators indicates that the Acacia property contains well-developed VMS-type mineralization and alteration hosted by the Eagle Bay metasedimentary and metavolcanic package. The Acacia property has at least three known target areas Northern, Central and Southern as summarized below.

Adjacent to the northern part of the Acacia property in the area of the historical Twin showings, massive sulphide mineralization is associated with a series of stacked sulphide lenses hosted by metamorphosed volcanics. This horizon is believed to be the strike extension of the zone that hosts the Rea Gold deposit located approximately 1 kilometer north of the northern Acacia Claim boundary. The Rea deposit had a reserve of 376,000 tonnes of 6.1 grams per tonne gold, 69.4 grams per tonne silver, 0.33 per cent copper, 2.2 per cent lead and 2.3 per cent zinc within two volcanogenic massive sulphide lenses (Northern Miner, Nov. 30, 1987). Diamond drilling in the area of the Twin Showings by Esso Minerals in 1987 confirmed the presence of VMS type base and precious metal mineralization including an intersection of 2.37m assaying 10.6 grams per tonne gold, 335.3 grams per tonne silver, 3.13 per cent zinc, and 0.55per cent copper (George Cross Newsletter # 237, 1987; BC Ministry of Energy and Mines MINFILE 082M 020). The Samatosum deposit, which also lies approximately one kilometer north of the Acacia Property boundary, had an original reserve of 634,984 tonnes averaging 1.9 grams per tonne gold, 3.6 per cent zinc, and 1.2 per cent copper (Pirie, 1989). Inmet Mining Corporation mined the deposit between 1981 and 1982. The mineralization is associated with a highly deformed quartz vein system located along the contact between Eagle Bay formation metasediments and volcaniclastics and is similar to mineralization found on the northern part of the Acacia property.

The central part of the Acacia property surrounds the historic Homestake Mine. The Homestake deposit has a probable reserve of 249,906 tonnes of 0.58 grams per tonne gold, 226.6 grams per tonne silver, 36.7 per cent barite, 0.28 per cent copper, 1.24 per cent lead, and 2.19 per cent zinc (Statement of Material Facts

06/06/86, Kamad Silver Company Limited). The main mineralization occurs within two tabular, barite rich horizons hosted by Eagle Bay Formation quartz talc sericite schists. Eagle Plains staking has covered the strike extent of this Homestake schist unit.

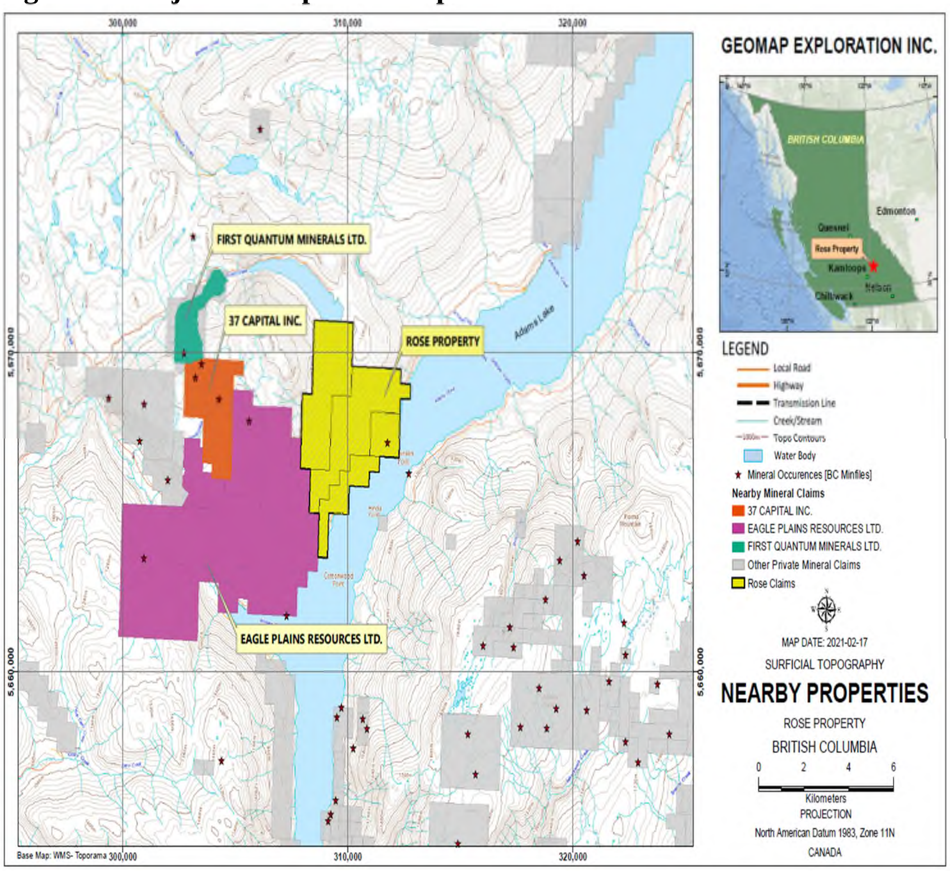
The southern part of the Acacia property covers at least eight known mineral occurrences including the historic Acacia showing. Mineralization includes stratiform massive sulphides occurring along lithologic contacts and remobilized epigenetic sulphide veins. Grab samples of massive sulphide from small adits in the area of the Acacia showing returned values up to 19.2 per cent zinc. Outcrop is poorly exposed beneath a thick blanket of glacial till. The last documented work program on the Acacia showing area was undertaken by Esso Minerals in 1989 who carried out shallow soil geochemical sampling, prospecting and VLF-EM ground based geophysical surveying. Based on the results of this program, Esso concluded that the "potential for a significant accumulation of massive sulphide is considered to be good along the contact between mafic fragmental and calcareous argillite" of the Eagle Bay Formation underlying the Acacia showing area (Marr, 1989). The Acacia showing area has never been drill tested and the soil samples were not analyzed for gold.

Eagle Plains Resources Ltd. planned to undertake an aggressive exploration program on the Acacia property in 2000. Data compilation was to be followed by geological mapping, prospecting and soil geochemical sampling, with the initial focus on area of the Acacia showings.

Source: (Eagle Plains Resources Ltd.).

A search on MTO online database indicate that the claims acquired by 37 Capital Inc. (Figure 15) also belong to Eagle Plains.

Figure 19: Adjacent Properties Map



Other Relevant Data and Information

Environmental Concerns

There is no historical production from mineralized zones on the Rose Property, and the Author is not aware of any environmental liabilities which have accrued from historical exploration and mining activity.

Interpretation and Conclusion

Geologically, the Rose Property area is in the Shuswap Highland of south-central British Columbia which lies within the Kootenay terrane. The area is underlain by Paleozoic sedimentary, igneous and volcanic rocks of the pericratonic Kootenay terrane, deposited on the distal margin of ancestral North American plate. More specifically, the rock formations of the area are comprised of Paleozoic sequence of metasedimentary and metavolcanic rocks, Devonian orthogneiss, mid-Cretaceous granitic rocks, Early Tertiary quartz feldspar porphyry, basalt and lamprophyre dykes, Eocene sedimentary and volcanic rocks, and Miocene Plateau lavas. Paleozoic metasedimentary and metavolcanic rocks are represented by Eagle Bay Assemblage and Fennell Formation. These rocks occur in four structural slices. The upper three fault slices contain only Eagle Bay rocks, while the lowest slice comprises Eagle Bay strata structurally overlain by rocks of the Fennell Formation. The Fennell and Eagle Bay successions are cut by mid-Cretaceous granitic rocks of the Raft and Baldy batholiths and by Early Tertiary quartz feldspar porphyry, basalt, and lamprophyre dykes. The structural history of the area is complex as multiple stages of folding and faulting occur from the Jurassic to the Tertiary periods.

Locally, the Rose Property claims are underlain by unit EBG of Eagle Bay Assemblage and its members Tshinakin Limestone (EBGt) and EBGs. The EBG unit mainly consists of calcareous chlorite schist which are typically medium to dark green, fine grained and well foliated with a platy splitting habit and include calcite and quartz veins. Subordinate lithologies in Unit-EBG comprise light grey, finely crystalline, limestone and rusty weathering chloritic dolostone, and pale grey to greenish grey chlorite-sericite-quartz phyllite. Tshinakin Limestone (EBGt) predominantly consist of light grey to white, finely crystalline typically massive limestone. Buff weathering dolostone and chlorite schist is present in places. EBGs member consists of metasedimentary rocks, mainly medium to dark grey, siliceous and graphitic phyllites grading to light to dark grey platy siltite and very fine grained platy sericitic quartzite, impure limestone, and light to medium grey, massive to platy quartzite.

Structurally, the Birk Creek thrust Fault which separates rocks of the third Eagle Bay fault slice from underlying rocks of the first and second slices occur in the vicinity of the Rose Property. The thrust dips to the northeast and emplaced Unit EBQ on Unit EBA. The hanging wall EBQ unit dips towards southwest and footwall (EBG) rocks dip northeast. The Birk Creek thrust Fault (which separates rocks of the third Eagle Bay fault slice from underlying rocks of the first and second slices occur in the vicinity of the Rose Property. The thrust dips to the northeast and emplaced Unit EBQ on Unit EBA. The hanging wall EBQ unit dips towards southwest and footwall (EBG) rocks dip northeast. Logan and Mann (2000) marked an inferred normal fault on the east side of the Rose Property running from the centre of the Adams Lake. Two other faults trending approximately north-south have displaced EBGt and EBG units. The schistosity is commonly oriented northwest and dipping to the north.

The history of exploration in the Adam Plateau dates to early 1920's when silver-lead-zinc mineralization was discovered in Lucky Coon. The exploration of the Adams Plateau area continued intermittently since then and numerous mineral occurrences on the Rose Property and the neighboring areas were discovered. There are two historical mineral showings on the Rose Property which are known as Rose and Summit. The history on the Rose group of claims indicate that this area was staked first by I. Bennett, and was held under option by Tombac Explorations Ltd. during 1961. A total of 480m (1,575 feet) of diamond drilling was done before the option was dropped. Casa Del Oro Resources Inc. carried out extensively trenching and drilled one hole to a depth of 306 meters in the year 1982. Ostensoe (1982, Assessment report 10782) defined trench geology as discontinuous strands of dark brown to grey-black colored sphalerite occurring throughout dense white vein quartz. The drill hole intersected mineralized zone between 130.5m and 133.65m but assay results are not available. In 1985, Casa Del Oro Resources Inc. drilled 50 short rotary test holes ranging in depth from 2.4 meters to 14 meters. Zinc values ranged from 61ppm-201ppp on terraces along the shore of Adams Lake. C. Delmore staked the claims as DEL-1 to DEL-4 between September 29 and October 26, 1985. A small diamond drill program consisting of 4 drill holes (100m and 150m west of 1982 drilling) was completed in 1986. These holes did not succeed in intersecting zinc bearing quartz veins. The Summit occurrence is located at an elevation of approximately 1250 metres on the east side of a hill, approximately 2.3 kilometres southeast of the southeast end of Johnson Lake. The work in this area was carried out from the early 1980s to 2007 and led to discoveries of several copper, gold, and zinc showings.

Geomap Exploration Inc. completed an exploration work program on the Rose Property during the period of January - March 2021, which included geological observations, prospecting, sampling, and ground geophysical surveying (magnetic and VLF). The focus of the prospecting / mapping was to carry out detailed sampling of the Eagle Bay Assemblage. The sampling program was designed to represent various prospective geological units and rock formations. A total of 118 grab including eight duplicate, and 5 float samples were collected from rock outcrops. A Magnetic and VLF ground geophysical survey was also carried out along four survey grid areas (SURVEY#1, SURVEY#2, SURVEY#3, and SURVEY#4) on claims 1079803 and 1080416. A total of 363 measurements were recorded at about 5-25-m intervals on approximately 6.53-km of grid line. Measurements were collected by a single GEM GSM-19 portable magnetometer and VLF-EM system with an absolute accuracy of about ± 0.1 nT.

Results of prospecting and sampling work indicated anomalous values of copper, gold, silver and other metals as follows:

- Silver values are in the range of 0.01 ppm to 4.37ppm, out of which only 5 samples are over one ppm, 9 samples have values between 0.5 ppm to 0.87 ppm, 66 samples are between 0.1 to 0.49 ppm and 31 samples are below 0.1 ppm and 12 are <0.01 parts per million (below detection limit).

- Gold values are detected in 108 samples (above the laboratories method detection limit of 0.001 ppm). Ten samples are below 0.001 ppm. Values range from 0.001-0.009 ppm in seventy-six samples, 0.01-0.092 ppm in twenty-eight samples, 0.317-2.6 ppm in four samples. The sample #102527 and 102528 contain 1.15 and 2.60 ppm of Au, respectively. Gold was not analysed in S1-S5 samples.

- Copper values are in the range of 1.20 ppm to 4,140 ppm. Ninety-five samples have values less than 100ppm (1.2ppm-98.8ppm). Values range from 110ppm-487ppm in 20 samples and 615ppm-4140ppm in 5 samples. Only one samples (#102558) have 4,140 ppm copper.

- Manganese is from 34 ppm to 8010 ppm, forty-nine samples have values lower than 1000 ppm, thirty-nine samples range from 1010ppm-2010ppm, 25 samples contain 2410ppm-4000ppm and 10 samples are from 4000ppm-8010ppm. Five samples contain more than 6000ppm and two sample (102604 & 102594) have 7180ppm and 8010ppm ppm Mn, respectively.

- Zinc values are less than 200 ppm in 116 samples, ranges from 247ppm to 1660ppm in 3 samples and contain more than 10,000 ppm in four samples (76334,76335, S3#3 and S2 #2).

- Lead ranges from 0.9 ppm to 7,450 ppm, however values in 119 samples are less than 71ppm. Four samples range from 110ppm-7450ppm and only sample 102525 contain 7,450 ppm of Pb.

- Chromium is 6.40 ppm to 690 ppm, although 117 samples range from 6.4ppm to 260 ppm. Six samples contain 322 ppm and 690 ppm of Cr.

Magnetic and VLF-EM data collected from ground geophysical surveys have characterized some aspects of geologic features in the Rose Property. Physical properties of bedrock expressed in the geophysical maps as magnetic and apparent conductivity anomalies are intrinsically related to geological features that control the possible VMS style mineralization and intrusive-related sulphide mineralization. Mineralization is observed in veins within faults and shear zones near or within intrusive contacts. In areas where the RMI shows a significant magnetic HIGH, the area could represent the existence of a higher magnetizable features with magnetite or pyrrhotite minerals. Fine-grained basaltic rocks of Unit EBG also tend to show stronger residual magnetic anomalies as a result of higher bulk susceptibility. Whereas sedimentary rocks (Lower Cambrian Tshinakin Limestone) tend to show weaker residual magnetic anomalies as a result of lower bulk susceptibility.

The Author visited the Rose Property from February 23 to March 3, 2021. The purpose of the visit was to verify and examine mineralized outcrops and to collect necessary geological data and samples, and to verify the ongoing exploration work program. Another purpose of the Rose Property visit was to verify data collection methods, sample collection and sample preparation procedures. The data collected during the present study is considered reliable. The previously collected data reported in the historical information was also confirmed during this study.

The data presented in this report is based on published assessment reports available from Geomap Exploration Inc., the Company, the British Columbia Ministry of Mines, Minfile data, the Geological Survey of Canada, and the Geological Survey of BC. A part of the data was collected by the Author during the Rose Property visit. All the consulted data sources are deemed reliable. The data collected during present study is considered sufficient to provide an opinion about the merit of the Rose Property as a viable exploration target.

Based on its past exploration history, favourable geological and tectonic setting, presence of surface mineralization, and the results of present study, it is concluded that the Rose Property is a property of merit and possesses a good potential for discovery of silver, gold, copper, and other sulphide mineralization. Good road access together with availability of exploration and mining services in the vicinity makes it a worthy mineral exploration target. 2021 exploration work and other historical exploration data collected by previous operators on the Rose Property provides the basis for a follow-up work program.

Being an early-stage exploration property with no mineral resources or reserves there are some risks associated the Rose Property. Community consultation during every stage of the Rose Property development is an important consideration during the permitting process. Although the present infrastructure is sufficient during the exploration stage, however, significant improvements will be required to move the project beyond this stage.

Recommendations

In the Author’s opinion, the Rose Property has potential for further discovery of good quality silver, gold and other sulphide mineralization. The character of the Rose Property is sufficient to merit a follow-up work program. This can be accomplished through a two-phase exploration and development program, where each phase is contingent upon the results of the previous phase.

Phase 1 – Prospecting, Mapping, Sampling and Geophysical Surveys

The following target areas were identified during 2021 exploration program on the Rose Property and need follow-up work:

i. Sample assays near the lake shore show potential for significant zinc mineralization on claim 1079803 (Figure 16). The mineralization is in a limestone unit, which is recrystallized- finely crystalline, thick bedded to massive, abundant quartz veins, include disseminated pyrite, streaks of sphalerite. This limestone unit needs (Target 1 on Figure 20) to be followed up for detailed ground prospecting, geological mapping, channel and grab surface sampling.

ii. Several samples have anomalous value of silver and two samples collected along roadside (102527 and 102528) also show higher values of gold (Figure 13). These sampling areas also need detailed ground prospecting, geological mapping, channel and grab surface sampling to see the trend and continuity of the anomalies (Target 2 on Figure 20).

iii. The western part of the Rose Property was not prospected properly due to weather constraints and needs detailed ground prospecting, geological mapping, channel and grab surface sampling (Target 3 on Figure 20). The area around Summit / Bog showing needs detailed checking of several copper, silver and gold anomalies historically reported for this showing (Target 1 on Figure 20).

iv. The 2021 ground geophysical survey on all four grids identified open ended target areas for follow up work in a similar grid pattern as shown on Figures 21 and 22. It is therefore recommended to extend ground geophysical surveys in the direction of the anomalous trends as follows:

    a. The magnetic and VLF profiles on grid #1 indicated some structural trends to the northeast and northwest. The survey grid is recommended to be extended as a follow up ground geophysical coverage (Figure 21).

    b. The Survey Grid #2 needs to be extended to the east, west and south to cover magnetic and VLF anomalous trends. Similarly, the Survey Grids #3 and #4 show trends extending in various directions (Figure 22).

v. The north-western part of the Rose Property (Target 3 on Figure 20) was not accessible due to winter snow covers and needs detailed ground prospecting, geological mapping, channel and grab surface sampling, and ground geophysical surveying during summertime.

Total estimated cost of Phase 1 work is $140,700 (Table 9) and it will take 12 weeks to complete this work program.

Phase 2 – Drilling

Based on the results of Phase 1 program, a 1,000 m NQ size core drilling program is recommended to be executed on the following target areas:

- Zinc mineralization identified in the limestone unit from 2021 work shows wider extension along Target 1 area; and
- Silver and gold anomalies from 2021 work show continuity along strike on Target 2.

Scope of work, location of drill holes for Phase 2 will be prepared after reviewing the results of Phase 1 program. An estimated budget for Phase 2 work is provided in Table 1

Figure 12: Recommended Target Areas for Phase 1 Work

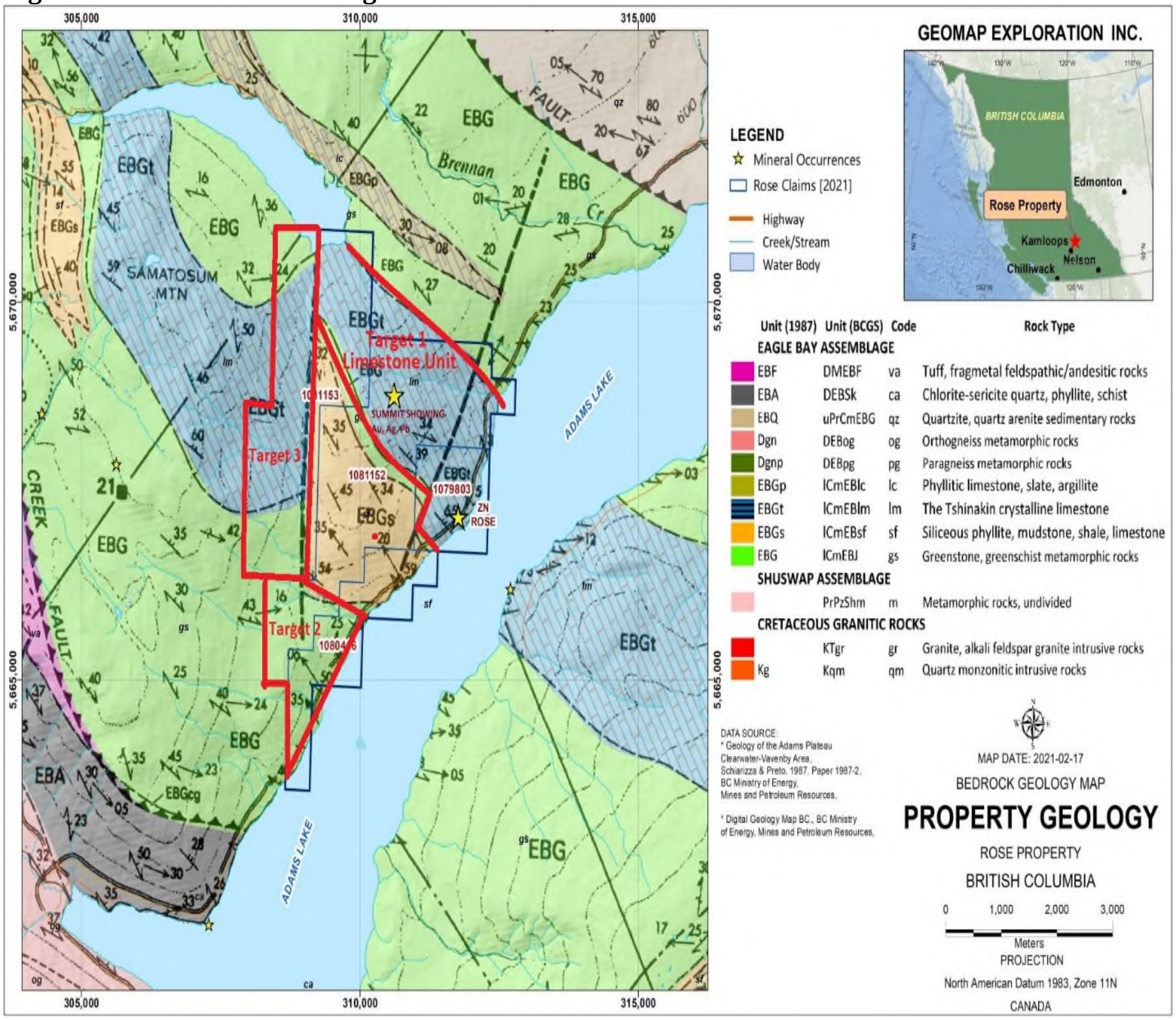


Figure 13: Geophysical survey Grid 1 extension recommendations

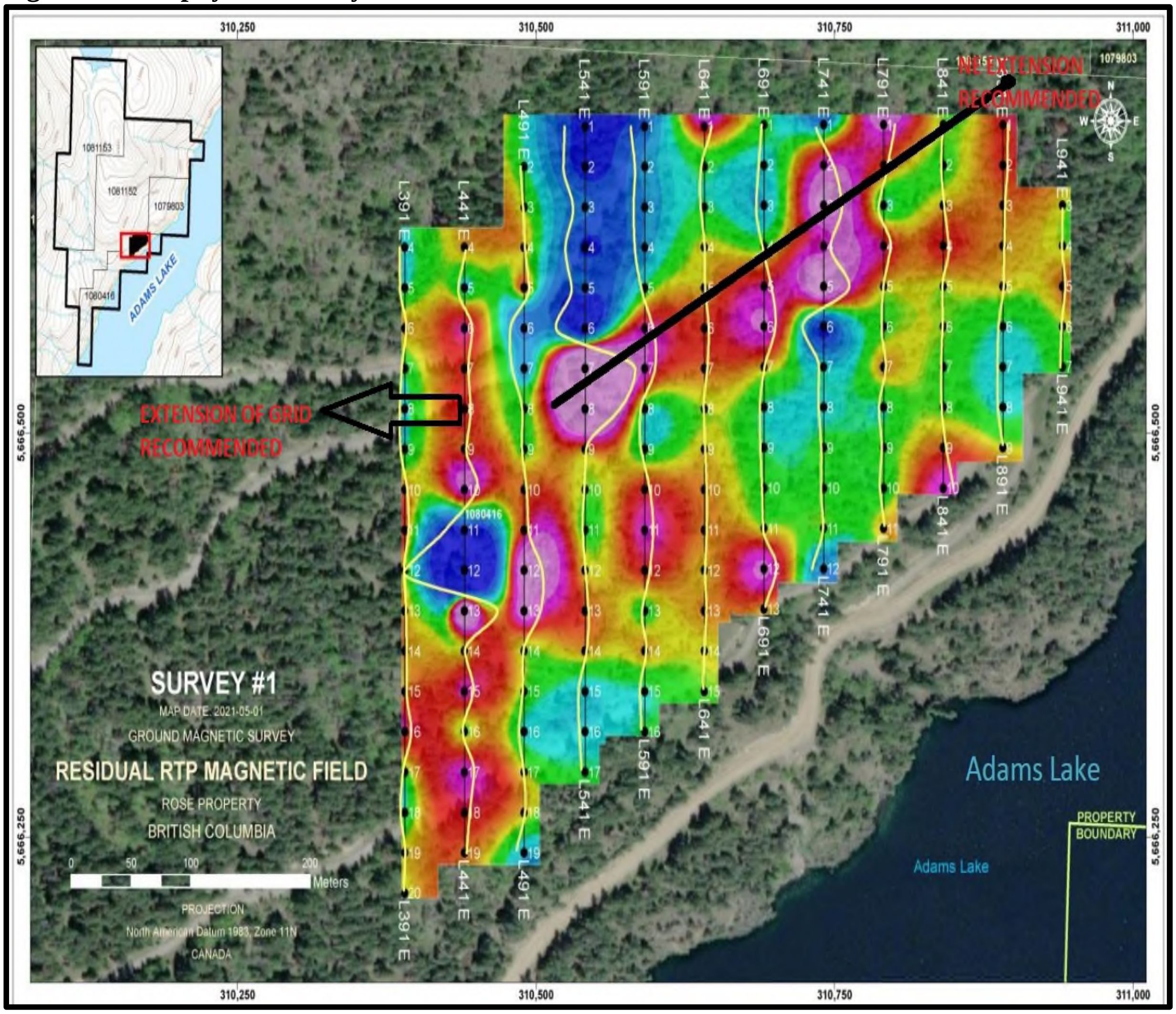


Figure 14: Geophysical survey grids 2, 3, and 4 extension recommendations

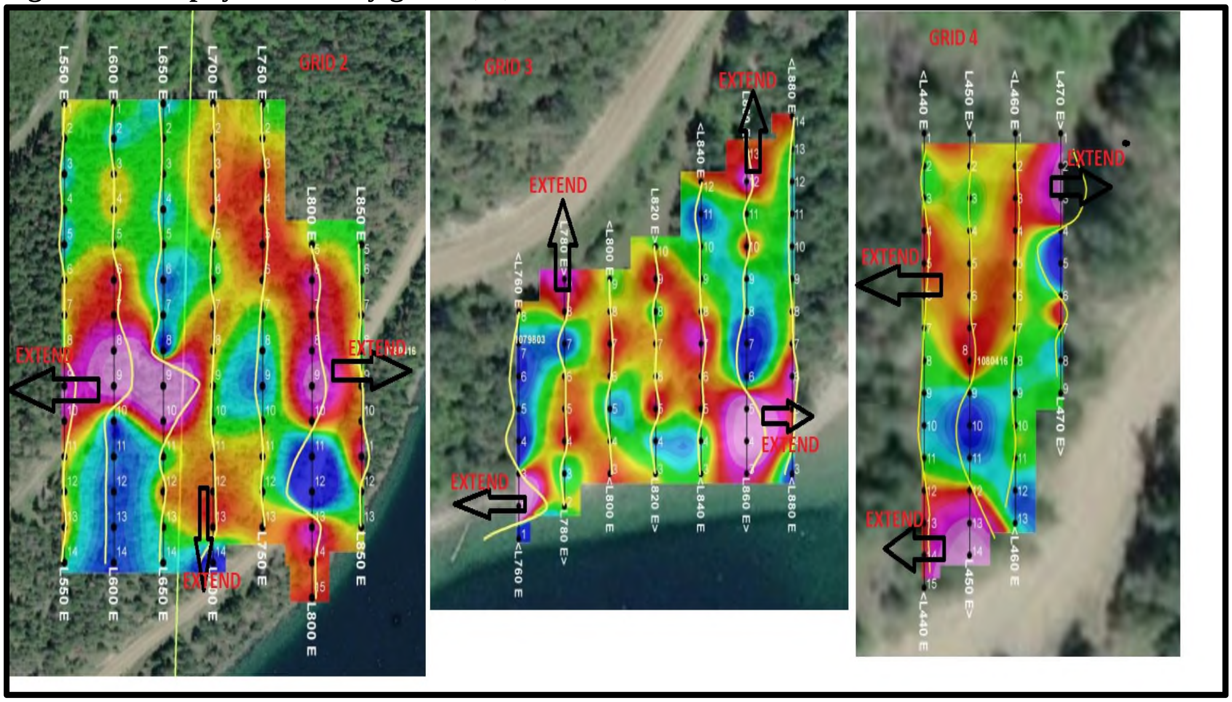


Table 9: Phase 1 Budget

Item	**Unit**	**Rate ($)**	**Number of Units**	**Total ($)**
Literature research and scope of work	Day	$750	2	$1,500
Field Crew:		_	_	
Project Geologist 1	Day	$750	21	$15,750
Project Geologist 2	Day	$750	21	$15,750
Prospector 1	Day	$450	30	$13,500
Prospector 2	Day	$450	30	$13,500
Field Costs:				
Accommodation	Day	$200	72	$14,400
Food	Day	$70	50	$3,500
Communications	Day	$100	15	$1,500
Shipping	Lump Sum			
Supplies	Lump Sum	$2,000	1	$2,000
Vehicle Rental with gas	Day	$200	30	$6,000
Transportation with mileage	km	$1	10000	$5,500
VLF Rental	Week	$1,000	4	$4,000
Rock / Soil samples	Sample	$100	250	$25,000
Report:				
Data Compilation	Day	$700	10	$7,000
GIS Work	Hours	$70	40	$2,800
Work Report Preparation	Day	$750	12	$9,000
Total Phase 1 Budget				**$140,700**

Table 10: Phase 2 Budget

Item	Unit	Unit Rate ($)	Number of Units	Total
Exploratory Drilling	M	$110	1,000	$110,000
Core Logging and drill hole management	Days	$650	20	$13,000
Permitting and bond	Ls	$20,000	1	$20,000
Core Shack	Ls	$5,000	1	$5,000
Core Cutting and Packing	M	$40	500	$20,000
Accommodations and Meals	Day	$250	60	$15,000
Supplies	Ls	$10,000	1	$10,000
Sample Assays	Sample	$85	500	$42,500
Transportation Road and Truck Rentals	Km	$1	10,000	$10,000
Data Compilation	Days	$750	15	$11,250
Report writing	Days	$750	15	$11,250
Project Management	Days	$650	5	$3,250
Total Phase 2 Budget				**$271,250**

5. SELECTED FINANCIAL INFORMATION

5.1 Financial Information – Annual Information

The following table sets forth selected financial information for the Company for the financial years ended June 30, 2022, 2021 and 2020. Such information is derived from the financial statements of the Company and should be read in conjunction with such financial statements. See Schedule "A" –*Annual Financial Statements of the Company for the Years Ended June 30, 2022, 2021 and 2020 and MD&A for the Year Ended June 30, 2022*.

	For the Financial Years Ended June 30		
Operating Data:	**2022**	**2021**	**2020**
Total revenues	$29,321	$27,838	$1,091,649
Total expenses	$1,531,165	$9,224,219	$13,659,592
Net loss for the year	($8,239,034)	($21,371,982)	($34,840,150)
Basic and diluted loss per share	($0.26)	($0.91)	($3.56)
Dividends	Nil	Nil	Nil
Statement of Financial Position Data:			
Total assets	$283,938	$3,549,978	$17,585,204
Total liabilities	$1,862,605	$3,753,111	$10,602,236

5.2 Financial Information – Quarterly Information

The results for each of the eight most recently completed quarters of the Company are summarized below:

Quarter Ended	Revenue $	Net Income (Loss) $	Comprehensive Income (Loss) $	Income (Loss) per Share $
September 30, 2020	Nil	(1,831,946)	(1,831,946)	(0.10)
December 31, 2020	Nil	(1,562,505)	(1,562,505)	(0.08)
March 31, 2021	Nil	(4,480,323)	(4,480,323)	(0.16)

June 30, 2021	27,838	(1,856,804)	(1,856,804)	(0.06)
September 30, 2021	6,960	(160,401)	(160,401)	(0.01)
December 31, 2021	6,959	(1,286,111)	(1,286,111)	(0.04)
March 31, 2022	Nil	(479,518)	(479,518)	(0.02)
June 30, 2022	7,180	237,811	237,811	(0.00)

5.3 Dividends

The Company has not declared or paid any dividends since its incorporation and management of the Company does not foresee paying any dividends in the foreseeable future, since available funds will be used primarily to conduct exploration activities. Any future payment of dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Company is not bound or limited in any way to pay dividends in the event that the Board determines that a dividend was in the best interest of the Shareholders.

5.4 Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Company are expected to be, prepared in accordance with IFRS.

The financial statements included in this Listing Statement are not prepared or presented on the basis of foreign GAAP.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's MD&A for the fiscal year ended June 30, 2022 are attached to this Listing Statement as Schedule "A" – *Annual Financial Statements of the Company for the Years Ended June 30, 2022, 2021 and 2020 and MD&A for the Year Ended June 30, 2022*.

7. MARKET FOR SECURITIES

On July 18, 2018, the Common Shares were listed on the CSE, under the symbol "CSI". Following the completion of the Change of Business, the Common Shares were listed and posted for trading on the CSE under the symbol "RMC". The Common Shares are also listed on the OTC Pink, under the symbol "CADMF", and on the Frankfurt Stock Exchange, under the symbol "CWAA", as of the date of this Listing Statement.

8. CONSOLIDATED CAPITALIZATION

Since June 30, 2022, there has been the following changes on the share and loan capital of the Company:

- on September 1, 2022, the Company closed the Equity Financing by issuing an aggregate of 14,000,000 units at a price of $0.10 per unit for total gross proceeds of $1,400,000. Each unit consists of one Common Share and one Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.12 until September 1, 2024. In addition, the Company paid $90,000 to the Optionor and issued 250,000 Common Shares to the Optionor. On this date, the Company also entered into debt settlement agreements with certain officers, directors and consultants of the Company pursuant to which it settled approximately $839,568 of debt incurred for services rendered to the Company through the issuance of 8,395,683 Common Shares, at a deemed price of $0.10 per Common Share.

The following table sets forth the capitalization of the Company as of June 30, 2022 and after giving effect to the changes described above:

	As at June 30, 2022	As at the date of this Listing Statement[(1)]
Common Shares	33,588,011[(2)]	56,233,694
Warrants	8,833,919[(2)]	21,181,311
Current Liabilities	$1,862,605	$288,740
Non-Current Liabilities	$Nil	$Nil
Total shareholders' equity (deficiency)	($1,578,667)	$783,308
Non-controlling interests	$nil	$nil
Total capitalization	$283,938	$1,072,048

Notes:

(1) After giving effect to the transactions set forth above.

(2) On a post-consolidation basis, giving effect to the Consolidation.

9. OPTIONS TO PURCHASE SECURITIES

The Company has established the Equity Incentive Plan, as most recently approved by the Shareholders on December 15, 2021, under which the Company is authorized to grant stock options ("**Stock Options**") and restricted share rights ("**RSRs**"). In addition, the Equity Incentive Plan provides for the grant to eligible directors of the Company deferred share units ("**DSUs**"). As at the date of this Listing Statement there are 1,370,000 Stock Options and 1,787,500 RSRs granted under the Equity Incentive Plan (in each case, after giving effect to the Consolidation), as set out below:

Category	Number of Stock Options	Exercise Price of Stock Options ($)	Expiry Date of Stock Options	RSRs
Officers (2)	390,000	265,000 at $1.80 and 125,000 at USD$1.40	265,000 expire January 13, 2025, and 125,000 expire January 13, 2026	825,000
Directors (6)	500,000	250,000 at $1.80 and 250,000 at US$1.40	250,000 expire January 13, 2025, and 250,000 expire January 13, 2026	600,000
Consultants	480,000	230,000 at $1.80 and 250,000 at US$1.40	230,000 expire January 13, 2025, and 250,000 expire January 13, 2026	362,500

There are currently no DSUs outstanding under the Equity Incentive Plan.

The Equity Incentive Plan provides for the following:

Stock Options

Option Grants

The Equity Incentive Plan authorizes the Board to grant Stock Options. The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and conditions of Stock Options granted pursuant to the Equity Incentive Plan from time to time are determined by the Board at the time of the grant, subject to the defined parameters of the Equity Incentive Plan. The date of grant for Stock Options is the date the Board approved the grant.

Exercise Price

The exercise price of any Stock Options shall not be less than one hundred per cent (100%) of the Fair Market Value. For the purposes of the Equity Incentive Plan, “Fair Market Value” means, with respect to an Award to receive a Common Share, the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the Award; and (b) the date of grant of the Award. However, for the purposes of calculating the number of Common Shares to be issued where an optionee elects to exercise the Stock Options on a cashless basis, “Fair Market Value” means the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of the election; and (b) the date of the election.

Exercise Period, Blackout Periods and Vesting

Stock Options are exercisable for a period of five years from the date the Stock Option is granted or such greater or lesser duration as determined by the Board. Stock Options may be earlier terminated in the event of death or termination of employment, retainer or appointment. Vesting of Stock Options is determined by the Board.

Unless otherwise determined from time to time by the Board, Stock Options shall vest and may be exercised (in each case to the nearest full Common Share) during the Option Period (as defined in the Equity Incentive Plan) as follows: (a) at any time during the first six months of the Option Period, the optionee may purchase up to 25% of the total number of Common Shares reserved for issuance pursuant to his or her Stock Option; and (b) at any time during each additional six-month period of the Option Period the optionee may purchase an additional 25% of the total number of Common Shares reserved for issuance pursuant to his or her Stock Option plus any Common Shares not purchased in accordance with the (a) or (b) until, after the 18^{th} month of the Option Period, 100% of the Stock Option will be exercisable.

The right to exercise a Stock Option may be accelerated in the event that a takeover bid in respect of the Common Shares is made.

When the expiry date of a Stock Option occurs during, or within ten (10) days following, a “blackout period”, the expiry date of such stock option is deemed to be the date that is ten (10) days following the expiry of such blackout period. Blackout periods are imposed by the Company to restrict trading of the Company’s securities by directors, officers, employees and certain others, in accordance with the Company’s policies in effect from time to time, particularly in circumstances where material non-public information exists, including when financial statements are being prepared but results have not yet been publicly disclosed.

Cashless Exercise Rights

Provided the Common Shares are listed on an Exchange (as defined in the Equity Incentive Plan), which includes the CSE, an optionee has the right to exercise Stock Options on a "cashless" basis by electing to receive, in lieu of receiving the Common Shares to which such Stock Options relate, a number of fully paid Common Shares which is equal to the quotient obtained by: (a) subtracting the applicable Stock Option exercise price per Common Share from the closing market price per Common Share on the trading day immediately prior to the exercise of the cashless exercise right and multiplying the remainder by the number of exercised Common Shares; and (b) dividing the product obtained under subsection (a) by the closing market price per Common Share on the trading day immediately prior to the exercise of the cashless exercise right.

Amendments and Cancellation

The terms of a Stock Option may not be amended once issued. If a Stock Option is cancelled prior to its expiry date, the Company must post notice of the cancellation with the CSE and the Company shall not grant new Stock Options to the same Person until 30 days have elapsed from the date of cancellation.

Termination or Death

If a Stock Option holder dies while employed by the Company, any Stock Option held by him or her will be exercisable for a period of 12 months or prior to the expiration of the Stock Options (whichever is sooner) by the person to whom the rights of the Stock Option holder shall pass by will or applicable laws of descent and distribution. If a Stock Option holder is terminated for cause, no Stock Option will be exercisable unless the Board determines otherwise. If a Stock Option holder ceases to be employed or engaged by the Company for any reason other than cause, then the Stock Options held by such holder will be exercisable for a period of 12 months or prior to the expiration of the Stock Options (whichever is sooner).

RSRs

RSR Grant

The Equity Incentive Plan authorizes the Board to grant RSRs, in its sole and absolute discretion, to any eligible participant. Each RSR provides the recipient with the right to receive Common Shares as payment in consideration of past services or as an incentive for future services, subject to the terms of the Equity Incentive Plan and with such additional provisions and restrictions as the Board may determine; for greater certainty, such RSRs shall be based on objective criteria. Each RSR grant shall be evidenced by a restricted share right grant letter which shall be subject to the terms of the Equity Incentive Plan and any other terms and conditions which the Board deems appropriate. For the purposes of calculating the number of RSRs to be granted, the Company shall value the Common Shares underlying such RSR at not less than the greater of the closing market price of the Common Shares on the CSE on the trading day prior to the grant of the RSR and the date of grant of the RSR.

Vesting of RSRs

Concurrent with the granting of an RSR, the Board shall determine the period of time during which the RSR is not vested and the holder of such RSR remains ineligible to receive Common Shares. Such period of time may be reduced or eliminated from time to time for any reason as determined by the Board. Once an RSR vests, the RSR is automatically settled through the issuance of an equivalent number of underlying Common Shares as RSRs held. Eligible participants who are resident in Canada for the purposes of the

Income Tax Act (Canada) may elect to defer some or all of any part of the Common Share grant until one or more later dates.

Retirement or Termination

In the event an eligible participant retires or is terminated during the vesting period, any RSR held by the eligible participant shall be terminated immediately; provided, however, that the Board shall have the absolute discretion to accelerate the vesting date. In the event of death or total disability of an eligible participant, the vesting period shall accelerate and the Common Shares underlying the RSRs held by such eligible participant shall be issued.

<u>DSUs</u>

DSU Grant

The Equity Incentive Plan authorizes the Board to grant DSUs, in its sole and absolute discretion at any time or on regular intervals, to eligible directors based on such formulas or criteria as the Board may from time to time determine, but such formulas and criteria shall be objective in nature. DSUs will be credited to the director's account when designated by the Board. Each DSU grant shall be evidenced by a DSU grant letter which shall be subject to the terms of the Equity Incentive Plan and any other terms and conditions which the Board deems appropriate. For the purposes of calculating the number of DSUs to be granted, the Company shall value the Common Shares underlying such DSU at not less than the greater of the closing market price of the Common Shares on the CSE for the trading day prior to the grant of the DSU and the date of grant of the DSU.

Vesting of DSUs

The DSUs held by each director who is not a person subject to taxation under the United States Internal Revenue Code of 1986 shall be redeemed automatically and with no further action by the director on the 20th business day following the date the director ceases to be an eligible participant under the Equity Incentive Plan (which for greater certainty, includes the director ceasing to be an eligible participant by reason of the director's death). For a person subject to taxation under the United States Internal Revenue Code of 1986, DSUs held by directors will be redeemed in accordance with the provisions detailed in the Equity Incentive Plan, which provisions are predicated on tax laws in the United States. Upon redemption, the former director shall be entitled to receive a number of Common Shares issued from treasury equal to the number of DSUs in the director's DSU account, subject to any applicable deductions and withholdings. In the event the director ceases to be an eligible participant under the Equity Incentive Plan during a year and DSUs have been granted to such director for that entire year, the director will only be entitled to a prorated issuance of Common Shares in respect of such DSUs based on the number of days that he or she was an eligible participant under the Equity Incentive Plan for that year.

No amount will be paid to, or in respect of, an eligible director under the Equity Incentive Plan or pursuant to any other arrangement, to compensate for a downward fluctuation in the value of the Common Shares nor will any other benefit be conferred upon, or in respect of, an eligible director for such purpose.

Death

In the event of the death of a director, the DSUs shall be redeemed automatically and with no further action on the 20th business day following the death of the director.

Provisions applicable to all grants of Awards

Transferability

Pursuant to the Equity Incentive Plan, any Awards granted to an eligible participant shall not be transferable except by will or by the laws of descent and distribution. During the lifetime of an eligible participant, Awards may only be exercised by the eligible participant.

Amendments to the Plan

The Board may amend, suspend or terminate the Equity Incentive Plan or any Award granted under the Equity Incentive Plan without the approval of Shareholders, including, without limiting the generality of the foregoing: (i) changes of a clerical or grammatical nature; (ii) changes regarding the persons eligible to participate in the Equity Incentive Plan; (iii) changes to the exercise price of Stock Options; (iv) changes to the vesting, term and termination provisions of Awards; (v) changes to the cashless exercise right provisions; (vi) changes to the authority and role of the Board under the Equity Incentive Plan; and (vii) changes to any other matter relating to the Equity Incentive Plan and the Awards granted thereunder; provided, however, that:

(a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Common Shares are listed, including the CSE;

(b) no amendment to the Equity Incentive Plan or to an Award granted thereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award;

(c) the terms of a Stock Option will not be amended once issued; and

(d) the expiry date of a Stock Option shall not be more than ten (10) years from the date of grant of such Stock Option; provided, however, that at any time the expiry date should be determined to occur either during a blackout period or within ten business days following the expiry of a blackout period, the expiry date of such stock option shall be deemed to be the date that is the tenth business day following the expiry of the blackout period.

If the Equity Incentive Plan is terminated, the provisions of the Equity Incentive Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award pursuant thereto remains outstanding.

Share Issuance Limits

The aggregate number of Common Shares that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Company, shall not exceed 20% of the Company's issued and outstanding share capital from time to time.

The above summary is subject to the full text of the Equity Incentive Plan, which is available on the Company's SEDAR profile, at www.sedar.com.

10. DESCRIPTION OF THE SECURITIES

10.1 General

The Company's authorized capital consists of an unlimited amount of Common Shares without par value, of which 56,233,694 Common Shares are issued and outstanding as at the date of this Listing Statement.

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of Shareholders, and each Common Share shall confer the right to one vote in person or by proxy at all meetings of Shareholders.

The holders of Common Shares have no pre-emptive rights to purchase additional Common Shares or other subscription rights. Common Shares carry no conversion rights and are not subject to redemption or to any sinking funds provisions. All Common Shares are entitled to share equally in dividends when, as and if declared by the Board, and upon the Company's liquidation or dissolution, whether voluntary or involuntary, to share equally in its assets available for distribution to its security holders.

10.2 – 10.6 Miscellaneous Securities Provisions

The only securities of the Company listed on CSE are its Common Shares, which are fully described in Section 10.1 above.

10.7 Prior Sales of Common Shares

The following table summarizes details of the Common Shares issued by the Company during the 12 month period prior to the date of this Listing Statement. All totals in the following table are presented on a post-consolidation basis, giving effect to the Consolidation.

Date	Number and Type of Securities	Issue/Exercise Price Per Security	Nature of Consideration Received
November 12, 2021	50,000(1)	Nil	N/A
November 29, 2021	5,196,667(2)	$0.24	Cash
January 1, 2022	37,000(3)	N/A	N/A
June 10, 2022	175,000(4)	US$0.85	N/A
September 1, 2022	14,000,000(5)	$0.10	Cash
September 1, 2022	250,000(6)	0.10	N/A
September 1, 2022	8,395,683(7)	$0.10	N/A

Notes:

(1) Issued in connection with the vesting of outstanding RSRs.
(2) Issued in connection with a non-brokered private placement for gross proceeds of $1,247,200 through the issuance of 10,393,335 units at a price of $0.12 per unit. Each unit consisted of one Common Share and one Common Share purchase warrant, which is exercisable for one Common Share at a price of $0.15 per Common Share for a period of 24 months.
(3) Issued in connection with the settlement of outstanding debt.
(4) Issued in connection with the settlement of outstanding debt.
(5) Issued pursuant to the Equity Financing.
(6) Issued pursuant to the Property Option Agreement.
(7) Issued in connection with the settlement of outstanding debt.

10.8 Stock Exchange Price

The Common Shares were listed on the CSE on July 18, 2018 under the symbol "CSI". The following summarizes the trading of the Common Shares on the CSE during the 12 months preceding the date of this Listing Statement:

Period	High ($)	Low ($)	Volume
November 1-24, 2022	0.13	0.08	441,000
October, 2022	0.24	0.075	385,132
September, 2022	0.225	0.105	312,835
August, 2022	0.19	0.07	221,981
July, 2022	0.10	0.07	32,049
April 1, 2022 - June 30, 2022	0.49	0.12	961,475
January 1 2022 - March 31, 2022	0.50	0.32	395,982
October 1, 2021 - December 31, 2021	0.75	0.26	4,481,236
July 1, 2021 - September 30, 2021	1.04	0.27	3,653,728
April 1, 2021 - June 30, 2021	1.86	0.96	10,548,826
January 1, 2021 - March 31, 2021	2.14	1.16	9,397,348
October 1, 2020 - December 31, 2020	1.50	0.49	3,962,365

Notes:

(1) Prices and volume are presented on a post-Consolidation basis.

Following the completion of the Change of Business, the Common Shares were listed on the CSE under the trading symbol "RMC".

11. ESCROWED SECURITIES

As at the date of this Listing Statement, there are no securities of the Company currently held in escrow.

12. PRINCIPAL SHAREHOLDERS

As of the date of this Listing Statement, to the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the Common Shares.

To the knowledge of the Company, no voting trust exists within the Company such that more than 10% of any class of voting securities of the Company are held, or are to be held, subject to any voting trust or other similar agreement.

13. DIRECTORS AND OFFICERS

The following disclosure sets out the names of the current directors and officers of the Company, all offices and positions with the Company each now holds, each director and officer's principal occupation, business or employment for the five (5) preceding years, the period of time during which each has been a director of the Company and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Listing Statement.

Name and Municipality of Residence and Position with the Company	Principal Occupation, Business or Employment for Last Five Years	Periods During Which Director or Officer has Served as a Director or Officer	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Josh Rosenberg Leander, Texas, U.S.A. Director	Businessman; Chairman and Chief Executive Office of Telecure Technologies Inc.	Director: since September 24, 2019	487,500
Mark Fields (1) North Vancouver, BC, Canada Director	President and Director of Discovery Harbour Resources Corp.; Director of Nickel Creek Platinum	Director: since April 18, 2022	150,000
Aman Parmar (1) Coquitlam, BC, Canada Interim CEO, Director	Businessman; Director of Telecure Technologies Inc.; Director of United Lithium Corp.	Director: since July 17, 2018	5,669,594(2)
Mike Aujla (1) Vancouver, BC, Canada Director	Businessman; Partner at Hunter West Legal Recruitment	Director: since July 27, 2018	2,560
Eli Dusenbury Vancouver, BC, Canada CFO and Corporate Secretary	CFO of Alpha Metaverse Technologies Inc.; CFO of Telecure Technologies Inc.; Former CFO of HAVN Life Sciences Inc.; and former CFO of Interra Copper Corp.	CFO: since September 7, 2018 Corporate Secretary: since September 1, 2021	2,982,917

Notes:

(1) Member of the Audit Committee of the Company.

(2) Includes 25,012 Common Shares held by Aman Parmar and 5,644,582 Common Shares held by 1428 Investments Inc., a company controlled by Aman Parmar.

(3) All directors of the Company have been elected or appointed to serve until the next annual meeting of shareholders of the Company, subject to earlier resignation or removal.

The directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over 9,292,571 Common Shares (16.52%) of the Company.

Currently, the Company has only one committee: the Audit Committee. The Company's Audit Committee is comprised of Mike Aujla, Mark Fields and Aman Parmar, and Mike Aujla is the Chair of the Audit Committee.

Further information on the business experience and professional qualifications of the Company's directors, officers and promoters is set forth below:

Josh Rosenberg, Director - Age 45

Mr. Rosenberg is a corporate executive with experience in global foodservice and other product distribution and executive leadership. Mr. Rosenberg led in his position as Chairman and Chief Executive Officer the successful buyout of Accent Food Services and transitioned the enterprise to private equity ownership and management, ultimately spear heading a strategic shift in customer strategy and company culture which resulted in Accent Food Services progressing from a single state operator to one of the largest multi-state operations in the Unattended Retail Industry. During Josh's six years in his position as Chairman and Chief Executive Officer, Accent Food Services grew top line revenue by more than six-fold from $38 million to $155 million, expanded operations to cover 11 U.S. states from being a single state operator, and grew to encompass more than 600 associates (from 179), 30,000+ customers (from 14,000), and the service of more than 750,000 customers.

Mr. Rosenberg was also an executive in the Coca-Cola System, where he led in his position as Vice President of Sale of the unattended retail and convenience services segment of the Coca-Cola Company after heading in his position as Channel and Product Commercialization of their food service division, their $700 million, multi-channel business. Over a progressive 18-year career, Josh rose through the ranks of the Coca Cola System, starting as a merchandiser and holding roles in sales, operations, commercial strategy, and call center management.

Mr. Rosenberg holds a Marketing degree from Madison University, completed the KPMG Quantum Shift 'Most Promising Top 40 Entrepreneurs Program', as well as the 'Power of Listening Leadership Program' at the Ross School of Business, University of Michigan, and Cornell University. Mr. Rosenberg's honours include being named the National Automatic Merchandising Associations' '2016 Person of the Year' and Automatic Merchandisers' Magazine's '2015 Pro to Know'. Mr. Rosenberg is a director of the Company and devotes approximately 30% of his time to the Company's affairs. Mr. Rosenberg has not entered into a non-competition or non-disclosure agreement with the Company.

Mark Fields, Director - Age 68

Mr. Fields has over 35 years of industry experience in mineral exploration and development. Mr. Fields has broad experience in overseeing mineral properties from exploration to production. Mr. Fields served as a geologist and business manager for the Rio Tinto Group (1991-1997), where he was involved in all aspects of Rio Tinto's Canadian exploration activities and was intimately involved in advancing the Diavik diamond project from various exploration stages to feasibility studies. Mr. Fields also served as the Corporate Affairs Manager for La Teko Resources Ltd. (1997-1999), where he oversaw corporate planning and reporting and project evaluation until the company accepted a $44 million take-over offer from Kinross Gold Corporation. Mr. Fields was the Vice President (1999-2001) and a director (1999-2009) of Copper Ridge Explorations Inc., where he was responsible for directing geological programs, project evaluations and continuous disclosure obligations of the company. Mr. Fields received the E.A. Scholz award in 2012 from the Association for Mineral Exploration BC for excellence in mine development for his key role in developing the Willow Creek metallurgical coal mine during his time at Pine Valley Mining Corporation as Executive Vice President (2001-2005). Mr. Fields has extensive public company experience as he has served as: a director (2010-present) and President and CEO (2017- present) of Discovery Harbour Resources Corp.; a director (2016-present) of Nickel Creek Platinum Corp.; a director of Geodex Minerals Ltd. (2009-2017); a director (2006-2013) and President and CEO (2012-2013) of Prime Meridian Resources Corp.; and a director of Bluestone Resources Inc. (2006-2012). Mr. Fields obtained his Bachelors of Commerce (Honours) from Queen's University (1976) and his Bachelors of Science (Geology) from The University of British Columbia (1986). Mr. Fields obtained his Canadian Securities Institute Diploma (Honours) in 1988. Mr. Fields is a director of the Company and devotes approximately 50% of his time to the Company's affairs. Mr. Fields has not entered into a non-competition or non-disclosure agreement with the Company.

Aman Parmar, Interim Chief Executive Officer and Director - Age 34

Mr. Parmar's corporate experience includes over 12 years of working with both public and private companies in the resources, health care, manufacturing, cannabis, and real estate sectors. Mr. Parmar has extensive experience in the capital markets and has been involved in corporate restructuring and financing for both public and private companies. Mr. Parmar obtained a Chartered Accountant designation in 2012 and holds a Bachelor of Technology in Accounting from the British Columbia Institute of Technology. Mr. Parmar is a director and the Interim Chief Executive Officer of the Company and devotes approximately 50% of his time to the Company's affairs. Mr. Parmar is an independent contractor and has not entered into a non-competition or non-disclosure agreement with the Company.

Mike Aujla, Director - Age 41

Mr. Aujla brings over 16 years of experience acting as a lawyer, director and officer for both public and private companies. He holds a Bachelor of Arts degree from the University of British Columbia and a Juris Doctor from the University of Victoria. Mr. Aujla was previously a corporate lawyer who worked with top international law firms. He has experience advising companies in financial services, corporate mergers and acquisitions and commercial real estate in various jurisdictions. Mr. Aujla is currently the Founding Partner of Hunter West Legal Recruitment. Mr. Aujla is a director of the Company and devotes approximately 30% of his time to the Company's affairs. Mr. Aujla has not entered into a non-competition or non-disclosure agreement with the Company.

Eli Dusenbury, Chief Financial Officer and Corporate Secretary - Age 40

Mr. Dusenbury, CPA, CA has experience in public accounting, providing services to both public and private sector clients reporting in Canada and in the United States over a broad range of industries including, but not limited to, technology, agriculture, engineering, mining & exploration, manufacturing and financing. Mr. Dusenbury obtained his Chartered Professional Accountant designation in 2011 and holds a Bachelor of Business Administration in Business and Accounting from Capilano University. Mr. Dusenbury has served as consultant for audit and public practice firms in both Canada and the United States and has held Chief Financial Officer positions for: Integral Technologies, Inc. (resigned June 2018), YDX Innovation Corp. (resigned May 2019), Isodiol International Inc. (resigned June 2020), Chemesis International Inc. (since September 2018); IMC International Mining Corp. (resigned February 2020); and Havn Life Sciences Inc. (April 2020 - July 2021). Mr. Dusenbury is the Chief Financial Officer and Corporate Secretary of the Company and devotes approximately 50% of his time to the Company's affairs. Mr. Dusenbury is an independent contractor and has not entered into a non-competition or non-disclosure agreement with the Company.

<u>Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies</u>

Other than as set forth below, no director or officer of the Company nor any Shareholder holding sufficient securities of the Company to affect materially the control of the Company is, or within 10 years before the date of this Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under securities law, for a period of more than 30 consecutive days,

(b) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days,

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On January 11, 2022, the British Columbia Securities Commission issued a cease trade order to the Company for failing to file audited financial statements for the year ended June 30, 2021, along with the accompanying management's discussion and analysis as well as the interim financial statements for the period ended September 30, 2021, along with the accompanying management's discussion and analysis, within the required time period. The cease trade order was revoked on March 29, 2022. During the period in which the cease trade order was in effect, Aman Parmar (director and interim chief executive officer), Josh Rosenberg (director), Mike Aujla (director), and Eli Dusenbury (chief financial officer) were either directors and/or officers of the Company.

None of the Company's directors, officers or any Shareholder holding a sufficient number of the Company's securities to affect materially the control of the Company has been:

(a) 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) 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.

None of the Company's directors, officers or any Shareholder holding a sufficient number of the Company's securities to affect materially the control of the Company, or a personal holding company of any such persons has, within the 10 years before the date of this 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 the director or officer.

Conflicts of Interest

The Company's directors are required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, the Company's directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which the Company may participate, the officers and directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflicts of interest arise at a meeting of the Company's directors, such conflicts of interest must be declared, and the declaring parties must abstain from voting for or against the approval of such participation. The remaining directors will determine whether or not the Company will participate in any such project or opportunity.

The Company's directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers will disclose, in accordance with the BCBCA, all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

14. CAPITALIZATION

14.1 Common Shares

The following table set out details with respect to the ownership of the Common Shares.

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**%of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	56,233,694	78,728,795	100%	100%
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)	7,837,005	11,967,000	13.94%	15.20%
Total Public Float (A-B)	48,396,689	66,761,795	86.06%	84.80%
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)	22,645,683	36,645,683	40.27%	46.55%
Total Tradeable Float (A-C)	33,588,011	42,083,112	59.73%	53.45%

Public Securityholders (Registered)

Information of the following is extracted from the list of Shareholders of the Company as of August 31, 2022 as maintained by its registrar and transfer agent, Odyssey Trust Company.

Class of Security				
Size of Holding		**Number of holders**		**Total number of securities**
1 – 99 securities		10,222		551,190
100 – 499 securities		1,502		461,887
500 – 999 securities		1,920		1,109,535
1,000 – 1,999 securities		1,058		1,313,763
2,000 – 2,999 securities		185		487,208
3,000 – 3,999 securities		65		252,123
4,000 – 4,999 securities		197		891,235
5,000 or more securities		733		51,166,753
Total		15,882		56,233,694

Public Securityholders (Beneficial)

The following information is based on data files provided to Broadridge by financial intermediaries that hold the Company's securities.

Class of Security				
Size of Holding		**Number of holders**		**Total number of securities**
1 – 99 securities		10,222		551,190
100 – 499 securities		1,502		461,887
500 – 999 securities		1,920		1,109,535
1,000 – 1,999 securities		1,057		1,311,813
2,000 – 2,999 securities		185		487,208

3,000 – 3,999 securities		65		252,123
4,000 – 4,999 securities		51		236,434
5,000 or more securities		699		48,007,581
Total		15,701		52,417,771

Non-Public Securityholders (Registered)

Class of Security				
Size of Holding		**Number of holders**		**Total number of securities**
1 – 99 securities		0		0
100 – 499 securities		0		0
500 – 999 securities		0		0
1,000 – 1,999 securities		0		0
2,000 – 2,999 securities		0		0
3,000 – 3,999 securities		0		0
4,000 – 4,999 securities		0		0
5,000 or more securities		0		0
Total		0		0

14.2 Convertible/Exchangeable Securities

The following chart sets out details of securities of the Company convertible or exchangeable into any Common Shares:

Description of Security	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Warrants	1,843,710 (exercisable at USD$0.68 until January 18, 2023) 5,196,666 (exercisable at $0.30 until November 29, 2023) 15,625 (exercisable at $30 until December 21, 2023) 19,230 (exercisable at $49 until January 21, 2024) 75,000 (exercisable at $50 until March 1, 2024) 9,459 (exercisable at $50 until May 30, 2024) 18,918 (exercisable at $50 until May 30, 2024) 2,702 (exercisable at $50 until June 13, 2024) 14,000,000 (exercisable at $0.12 until September 1, 2024)	21,181,310
Stock Options	625,000 (exercisable at US$1.40 until January 13, 2026) 745,000 (exercisable at $1.80 until January 13, 2025)	1,370,000
Restricted Share Rights	1,787,500 (all such RSRs have vested)	1,787,500

14.3 Other Listed Securities Reserved for Issuance

There are no other listed securities of the Company reserved for issuance.

15. EXECUTIVE COMPENSATION

Please see Schedule "B" – *Statement of Executive Compensation* for details regarding the compensation of the directors and executive officers of the Company.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company, nor any proposed nominee for election as a director of the Company, nor any associate of any such director, officer or proposed nominee: (i) is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its Subsidiaries, or (ii) has or had at any time since the beginning of the most recently completed financial year indebtedness to another entity which is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its Subsidiaries.

17. RISK FACTORS

An investment in the Common Shares should be considered highly speculative due to the nature of the Company's business and the present stage of development. An investment in the Common Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment and who are able to understand the unique nature and risks of the Company and mining. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this Listing Statement, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations.

The following are certain factors relating to the Company's business, which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this Listing Statement. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

Risks Related to the Company

There is substantial doubt about whether the Company can continue as a going concern

The Company's ability to continue as a going concern is dependent on raising capital to fund its business plans and ultimately to attain profitable operations. However, there is no assurance that the Company will be successful in raising such capital. Accordingly, there is substantial doubt as to whether the Company's existing cash resources and working capital are sufficient to enable the Company to continue its operations as a going concern. Ultimately, in the event that the Company cannot obtain additional financial resources, or achieve profitable operations, the Company may have to liquidate its business interests and investors may lose their investment. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Continued operations are dependent on the Company's ability to obtain additional financial resources or generate profitable operations. Such additional financial resources may not be available or may not be available on reasonable terms. The Company's financial statements do not include any adjustments that may result from the outcome of this uncertainty. Such adjustments could be material.

Negative cash flow from operating activities

The Company incurs negative cash flow from operating activities and there is no assurance that the Company will operate profitably or will generate positive cash flow. The Company's operations are focused on the exploration of the Rose Property, which is in the exploration stage and there are no known mineral resources or mineral reserves and the proposed exploration programs on the Rose Property are exploratory in nature. Significant capital investment is required to achieve commercial production from the Rose Property. There is no assurance that the Rose Property will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

The Company's operations may be disrupted, and its financial results may be adversely affected, by global outbreaks of contagious diseases, including the novel coronavirus (COVID-19) pandemic

Global outbreaks of contagious diseases, including the December 2019 outbreak of COVID-19 have the potential to significantly and adversely impact the Company's operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. Pandemics or disease outbreaks such as the currently ongoing COVID-19 outbreak may have a variety of adverse effects on the Company's business, including by depressing commodity prices and the market value of the Company's securities and limiting the ability of the Company's management to meet with potential financing sources. The spread of COVID-19 has had, and continues to have, a negative impact on the financial markets, which may impact the Company's ability to obtain additional financing in the near term.

As a result of the COVID-19 pandemic, 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. Such volatility has led to significant challenges to the global supply chain, disrupted labour markets and has recently contributed to rising levels of inflation. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. As such, the Company cannot predict with any certainty what the future impacts the pandemic may have on its business.

Geopolitical Risk and Conflict

As the Company's operations expand and reliance on global supply chains increase, the impact of significant geopolitical risk and conflict globally may have a more sizeable and unpredictable impact on the Company's business, financial condition, and operations than has been the case. The recent conflict in Ukraine and the global response to this conflict as it relates to sanctions, trade embargos, and military support, has resulted in significant uncertainty as well as economic and supply chain disruptions. Should this conflict go on for an extended period of time, expand beyond Ukraine, or should other geopolitical disputes and conflicts emerge in other regions, this could result in material adverse effects on the Company.

Increasing Interest Rates

Increases to benchmark interest rates may have an impact on the Company's cost of borrowing under any debt financing the Company may negotiate, resulting in a reduced amounts available to fund the Company's exploration, development and production activities and could negatively impact the market price of its Common Shares and/or the price of precious and base metals, which could have a material adverse effect on the Company's operations and/or financial condition.

Inflation Risks

The Company's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations. The Company's inability to manage costs may impact, among other things, future development decisions, which could have a material adverse impact on the Company's financial performance.

The Company may have difficulty meeting its current and future capital requirements

The Company has entered into the Property Option Agreement, however has yet to fully exercise the Option, and in order to exercise the Option, the Company is required to incur cumulative exploration expenditures on the Property of $360,000 over a two-year period (as of the date of this Listing Statement, the Company has incurred nil of these expenditures) and is required to pay an aggregate of $170,000 (of which $90,000 has been paid as of the date of this Listing Statement). In addition, the Company must have sufficient funds to pay general and administrative expenses and conduct other exploration activities. If the Company is unable to fund these amounts by way of financings, including public or private offerings of equity or debt securities, the Company will need to reorganize or significantly reduce the Company's operations, which may result in an adverse impact on the Company's business, financial condition and exploration activities. If the Company is unable to fund the amounts specified under the Option, the Company may lose its ability to acquire the Rose Property. The Company does not have a credit, off-take or other commercial financing arrangement in place that would finance continued evaluation or development of the Rose Property, and the Company believes that securing credit for this project may be difficult. Moreover, equity or debt financing may not be available on attractive terms and, if available, will likely result in significant dilution to existing Shareholders.

The Company is an exploration stage mining company with no history of operations in the mineral exploration industry

The Company is an exploration stage enterprise engaged in mineral exploration. The Company has very limited operating history and is subject to all the risks inherent in a new business enterprise. As an exploration stage company, the Company may never enter the development and production stages. The Company has not generated any revenues from operating activities in the mineral exploration and development industry and will rely upon equity financing to fund its operations. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with an exploration stage business, and the competitive and regulatory environment in which the Company operates, such as under-capitalization, personnel limitations, and limited financing sources.

No known mineral reserves or mineral resources

There are no known bodies of commercial minerals on the Rose Property. The exploration programs proposed for the Rose Property constitute an exploratory search for mineral resources and mineral reserves. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves. Further, there is no assurance that any mineral deposits the Company may identify on the Rose Property will qualify as an ore body that can be legally and economically exploited or that any particular level of recovery of minerals from discovered mineralization will in fact be realized. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Even if the presence of reserves is established at a project, the legal and economic viability of the project may not justify exploitation.

The Company's business plan is highly speculative, and its success largely depends on the successful exploration of the mineral claims comprising the Rose Property

The Company's business plan is focused on exploring the Rose Property to identify mineral resources and mineral reserves and, if appropriate, to ultimately develop the Rose Property. There are no known mineral resources on the Rose Property, and thus, the Company has not established any reserves and remains in the exploration stage. The Company may never enter the development or production stage. Exploration of mineralization and determination of whether the mineralization might be extracted profitably is highly speculative, and it may take a number of years until production is possible, during which time the economic viability of the project may change. Substantial expenditures are required to establish reserves, extract metals from ore and construct mining and processing facilities.

The Rose Property is subject to all of the risks inherent in mineral exploration and development. The economic feasibility of any mineral exploration and/or development project is based upon, among other things, estimates of the size and grade of mineral resources and mineral reserves, proximity to infrastructures and other resources (such as water and power), anticipated production rates, capital and operating costs, and metals prices. To advance from an exploration project to a development project, the Company will need to overcome various hurdles, including completing favorable feasibility studies, securing necessary permits, and raising significant additional capital to fund activities. There can be no assurance that the Company will be successful in overcoming these hurdles.

The Company is uncertain that it will be able to maintain sufficient cash to accomplish its business objectives

The Company is not engaged in any revenue producing activities, and the Company does not expect to be in the near future. Currently, the Company's potential sources of funding consist of the sale of additional equity or debt securities, entering into joint venture agreements or selling a portion of the Company's interests in its assets. There is no assurance that any additional capital that the Company will require will be obtainable on terms acceptable to it, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of exploration of the Rose Property. Additional financing, if available, will likely result in substantial dilution to existing Shareholders.

The Company's exploration activities will require significant amounts of capital that may not be recovered

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that the Company's activities will ultimately lead to an economically feasible project or that the Company will recover all or any portion of is investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further exploration efforts. The cost of mineral exploration is often uncertain, and cost overruns are common. The Company's drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond the Company's control, including title problems, weather conditions, protests, compliance with governmental requirements, including permitting issues, and shortages or delays in the delivery of equipment and services.

The Company's success depends on developing and maintaining relationships with local communities and other stakeholders

The Company's success depends on developing and maintaining productive relationships with the communities surrounding the Company's operations and other stakeholders in the Company's operating locations. Local communities and stakeholders can become dissatisfied with the Company's activities, which may result in legal or administrative proceedings, civil unrest, protests, direct action or campaigns against the Company. Any such occurrences could materially and adversely affect the Company's financial condition, results of operations and cash flows.

Compliance with laws is costly and may result in unexpected liabilities

The Company is subject to various laws and regulations in Canada. These laws include compliance with the *Extractive Sector Transparency Measures Act* (Canada), which requires companies to report annually on payments made to all levels of governments both in Canada and abroad. The Company is also required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada).

In addition, as a reporting issuer, the Company is subject to additional laws and regulations, compliance with which is both time consuming and costly. If the Company and/or its business are subject to an enforcement action or are found to be in violation of any such laws, this may result in significant penalties, fines and/or sanctions which could have a material adverse effect on the Company, which could cause a significant decline in the value of the Common Shares.

The directors and officers may have conflicts of interest with the Company

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. The Company will comply with and rely on laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, including the BCBCA, to resolve any conflicts of interest. However, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company may be subject to costly and unpredictable legal proceedings

The Company may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurance that these matters will not have a material adverse effect on the Company's business.

The Company is exposed to information systems and cyber security risks

The Company's information systems (including those of any of its counterparties) may be vulnerable to the increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or the Company's information through fraud or other means of deception. The Company's operations depend, in part, on how well the Company and its counterparties protect networks, equipment, information technology systems and software against damage from threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. There can be no assurance that the Company or its counterparties will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

Reliance upon key personnel

Presently, the Company utilizes outside consultants, and in large part rely on the efforts of its officers and directors. The Company's success will depend, in part, upon the ability to attract and retain qualified personnel.

The Company faces general risks in respect of its option and joint venture agreements

The Company has and may continue to enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying mineral claims.

The Company may expand into other geographic areas, which could increase the Company's operational, regulatory and other risks

The Company's exploration activities are currently in Canada, however, the Company may in the future expand into other geographic areas, which could increase the Company's operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The Company may not be able to successfully identify suitable acquisition and expansion opportunities, or integrate such operations successfully with the Company's existing operations.

Risks Relating to the Mineral Exploration Industry

There are inherent risks in the mineral exploration industry

The Company is subject to all of the risks inherent in the minerals exploration industry, including, without limitation, the following:

- the Company is subject to competition from a large number of companies, most of which are significantly larger than the Company are, in the acquisition, exploration, and development of mining properties;
- the Company might not be able raise enough money to pay the fees and taxes and perform the labour necessary to maintain its concessions in good status;
- exploration for minerals is highly speculative, involves substantial risks and is frequently unproductive, even when conducted on properties known to contain significant quantities of mineralization, and the Company's exploration at the Rose Property may not result in the discovery of commercially mineable deposits of ore;

- the Company's operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls, and the Company may not be able to comply with these regulations and controls; and
- a large number of factors beyond the Company's control, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

Metals prices are subject to extreme fluctuation

The Company's activities are influenced by the prices of commodities, including, without limitation, precious and base metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control, including interest rates, expectations for inflation, speculation, currency values, global and regional demand, political and economic conditions and production costs in major metal-producing regions of the world.

The Company's ability to establish mineral resources and mineral reserves through its exploration activities, the Company's future profitability and its long-term viability will depend, in large part, on the market prices of precious and base metals.

The market prices for these metals are volatile and are affected by numerous factors beyond the Company's control, including:

- global or regional consumption patterns;
- supply of, and demand for these metals;
- speculative activities and producer hedging activities;
- expectations for inflation;
- political and economic conditions; and
- supply of, and demand for, consumables required for production.

Future weakness in the global economy could increase volatility in metals prices or depress metals prices, which could in turn reduce the value of the Rose Property, make it more difficult to raise additional capital, and make it uneconomical for the Company to continue its exploration activities.

The Company's operations require additional permits from various governmental authorities

The Company's operations are governed by laws and regulations governing prospecting, mineral exploration, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, mining royalties and other matters. There can be no assurance that the Company will be able to acquire all required licenses, permits or property rights on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties.

Title to the Company's properties may be challenged or defective

The Company attempts to confirm the validity of its rights of title to, or contract rights with respect to, the Rose Property and any future acquired properties. However, the Company cannot guarantee that title to its properties will not be challenged. The Rose Property may be subject to prior unregistered agreements, interests or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of any of the claims comprising the Rose Property that, if successful, could impair possible development and/or operations with respect to the Rose Property in the future. Challenges to permits or property rights (whether successful or unsuccessful), changes to the terms of permits or property rights, or a failure to comply with the terms of any permits or property rights that have been obtained could have a material adverse effect on the Company's business by delaying or preventing or making continued operations economically unfeasible.

A title defect could result in the Company losing all or a portion of its right, title, and interest to and in the Rose Property or any future acquired property to which the title defect relates. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure title to the Rose Property or any future acquired property or mining concessions comprising such properties may be severely constrained. In addition, the Company may be unable to operate the Rose Property as permitted or to enforce its rights with respect to the Rose Property.

The Company is subject to complex environmental and other regulatory risks, which could expose it to significant liability and delay and potentially the suspension or termination of its exploration efforts

The Company's mineral exploration activities are subject to federal, provincial and local environmental regulations in Canada. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. No assurance can be given that environmental standards imposed by the government of Canada will not be changed, thereby possibly materially adversely affecting the Company's activities. Compliance with these environmental requirements may also necessitate significant capital outlays or may materially affect the Company's earning power.

Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees.

Future changes in environmental regulations in Canada may adversely affect the Company's exploration activities, make them prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on the properties in which the Company currently hold interests, or may hold interests in the future, that are unknown to the Company at present and that have been caused by the Company or previous owners or operators, or that may have occurred naturally. The Company may be liable for remediating any damage that the Company may have caused. The liability could include costs for removing or remediating the release and damage to natural resources, including ground water, as well as the payment of fines and penalties.

The mineral exploration and development industry is highly competitive, attractive mineral properties and property concessions are scarce, and the Company may not be able to obtain quality properties or concessions

The Company competes with other mining and exploration companies in the acquisition of mineral properties and property concessions. There is competition for a limited number of attractive mineral property acquisition opportunities, some of which is with other companies having substantially greater financial resources, staff and facilities than the Company does. As a result, the Company may have difficulty acquiring quality mineral properties or property concessions.

The Company's operations are subject to various hazards

The Company is subject to risks and hazards, including environmental hazards, possible encounters with unusual or unexpected geological formations, cave-ins, flooding and earthquakes, and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or the destruction of, mineral properties or future production facilities, personal injury or death, environmental damage, delays in the Company's exploration activities, asset write-downs, monetary losses and possible legal liability. The Company may not be insured against all losses or liabilities, either because such insurance is unavailable or because the Company has elected not to purchase such insurance due to high premium costs or other reasons. The realization of any significant liabilities in connection with the Company's activities as described above could negatively affect the Company's activities.

Social and environmental activism can negatively impact exploration, development and mining activities

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations (**"NGOs**") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While, the Company aims to operate in a socially responsible manner and develop relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of the Rose Property or any future acquired property, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company operates specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Risks Relating to the Common Shares

Investors may lose their entire investment

An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company. The Company has no history of profits, limited cash reserves, a limited operating history in the mineral exploration and development industry, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

An active and liquid market for the Common Shares may not develop

Currently, the Company's Common Shares are listed on the CSE under the trading symbol "RMC"; however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop or is not sustained, it may be difficult for investors to sell the Common Shares at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

Further equity financings may lead to the dilution of the Company's common stock

In order to finance future operations, the Company may raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the size and terms of future issuances of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to present and prospective security holders. Demand for equity securities in the mining industry has been weak; therefore, equity financing may not be available on attractive terms and, if available, will likely result in significant dilution to existing shareholders.

Risks associated with evolving corporate governance and public disclosure regulations

The Company is subject to changing rules and regulations promulgated by the Canadian governmental and self-regulated organizations, including the Canadian Securities Administrators, the CSE or such other exchange or marketplace on which the Company's securities are listed or trade, and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. The Company's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

No dividends are anticipated

At the present time, the Company does not anticipate paying dividends, cash or otherwise, on its Common Shares in the foreseeable future. Future dividends will depend on the Company's earnings, if any, the Company's financial requirements and other factors. There can be no assurance that the Company will pay dividends.

Equity securities are subject to trading and volatility risks

The trading price of the Common Shares may be subject to wide fluctuations in response to announcements of the Company's business developments, results and progress of the Company's exploration activities at the Rose Property, progress reports on the Company's exploration activities, and other events or factors. In addition, stock markets have experienced significant price volatility in recent months and years. This volatility has had a substantial effect on the share prices of companies, at times for reasons unrelated to their operating performance. These fluctuations could be in response to: (i) volatility in metal prices; (ii) political developments; and (iii) news reports relating to trends in the Company industry or general economic conditions. These broad market and industry fluctuations may adversely affect the price of the Common Shares, regardless of the Company's operating performance.

The Company cannot make any predictions or projections as to what the prevailing market price for the Common Shares will be at any time, including as to whether the Company's common stock will achieve or remain at levels at or near its offering price, or as to what effect the sale of shares or the availability of Common Shares for sale at any time will have on the prevailing market price.

18. PROMOTERS

Management is not aware of any person or company who could be characterized as a promoter of the Company or a Subsidiary of the Company within the two years immediately preceding the date of this Listing Statement.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

On October 19, 2020, Carlsbad Naturals, LLC and Carlsbad Naturals LLC filed a claim, in the Superior Court of the State of California, against the Company for unpaid services in the amount of US$2,000,000 worth of Common Shares of the Company. The Company continues to dispute this claim and has not accrued any amounts as the Company believes the claim to be without merit.

19.2 Regulatory Actions

The Company has not been subject to any:

(a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three (3) years immediately preceding the date of this Listing Statement;

(b) other penalties or sanctions imposed by a court or regulatory body against the Company necessary to contain full, true and plain disclosure of all material facts relating to the securities listed; and

(c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three (3) years immediately preceding the date hereof.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the following persons or companies have or have had any material interest, direct or indirect, in any transaction within the three (3) years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Company or a Subsidiary of the Company:

(a) any director or executive officer of the Company;
(b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of the Company's outstanding voting securities; and
(c) an associate or affiliate of any of the persons or companies referred to in subparagraphs (a) or (b).

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Company's auditor is Manning Elliott LLP, having an address at 1700-1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3.

The Company's transfer agent and registrar is Odyssey Trust Company, having an address at The United Kingdom Building, Suite 350, 490 Granville Street, Vancouver, British Columbia, Canada V6C 1T2.

22. MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business during the course of the two years prior to the date of this Listing Statement, the Company entered into the Property Option Agreement (see *Section 4. Narrative Description of the Business - Section 4.3 - Mineral Project - Rose Property - Terms of the Property Option Agreement for the Rose Property*) which is a material contract and is still in effect as of the date of this Listing Statement. The Property Option Agreement was filed on SEDAR on November 24, 2022 and can be viewed online under the Company's profile on SEDAR at www.sedar.com.

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 prepared or certified a report or valuation described in this Listing Statement:

(a) has received or will receive any direct or indirect interest in the property of the Company or of an associate, affiliate or Related Person of the Company;

(b) has beneficial ownership, direct or indirect, in any securities or property of the Company or of an associate, affiliate or Related Person of the Company; or

(c) is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate, affiliate or Related Person of the Company, nor is a director, officer or employee of a person or company referred to in this item, expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate, affiliate or Related Person of the Company.

Technical information regarding the Rose Property included in this Listing Statement is based on the Rose Property Technical Report prepared by Muzaffer Sultan, who is a "Qualified Person" as such term is defined in NI 43-101. Muzaffer Sultan is independent of the Company within the meaning of NI 43-101 and has taken responsibility for all sections of the Rose Property Technical Report.

GreenGrowth CPAs, is independent of the Company in accordance with Code of Professional Conduct of the Chartered Professional Accountants of British Columbia and the Canadian Securities Authority.

24. OTHER MATERIAL FACTS

There are no other material facts about the Company and its securities that are not disclosed in this Listing Statement which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

25. FINANCIAL STATEMENTS

The following financial statements are included in this Listing Statement:

Schedule "A" – Annual comparative financial statements of the Company for the financial years ended June 30, 2022 and 2021 and MD&A for the Year Ended June 30, 2022.

SCHEDULE “A”
ANNUAL COMPARATIVE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEARS ENDED JUNE 30, 2022 AND 2021 AND MD&A FOR THE YEAR ENDED JUNE 30, 2022

(*See attached*)

CHEMESIS INTERNATIONAL INC.

Consolidated Financial Statements
As at and for the years ended June 30, 2022 and 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Chemesis International Inc.

Opinion

We have audited the consolidated financial statements of Chemesis International Inc. (the Group), which comprise the consolidated statements of financial position as at June 30, 2022 and the related consolidated statements of loss and comprehensive loss, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2022, and the results of its operations 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the relevant 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.

Emphasis of Matter – Material Uncertainty Related to Going concern

Without qualifying our conclusion, we draw attention to Note 2 in the consolidated financial statements which indicates that the Company incurred a net loss of $8,239,035 for the year ended June 30, 2022 and, as of that date, had an accumulated deficit of $102,065,825. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company´s ability to continue as a going concern.

Other Matter

The consolidated financial statements of Chemesis International Inc. for the year ended June 30, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on March 25, 2022.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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 audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

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 and 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 Group'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 Group'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 Group 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.

Furthermore, our responsibilities in a group audit are to: (i) obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements., (ii) being responsible for the direction, supervision and performance of the group audit and (iii) remain solely responsible for our audit opinion.

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.

GreenGrowthCPAs

October 7, 2022

Marko Glisic
GreenGrowth CPAs
10250 Constellation Blvd.
Los Angeles, CA 90067

Chemesis International Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at		June 30, 2022		June 30, 2021
ASSETS				
Current assets				
Cash	$	-	$	1,719,845
GST receivable		233,938		201,964
Loan receivable		-		55,631
Assets held for sale (Note 6)		-		345,257
		233,938		2,322,697
Non-current assets				
Exploration and Evaluation deposit (Note 5)		50,000		-
Note receivable (Note 6)		-		1,227,281
		50,000		1,227,281
TOTAL ASSETS	**$**	**283,938**	**$**	**3,549,978**
LIABILITIES				
Current				
Bank indebtedness	$	519	$	-
Accounts payable and accrued liabilities		1,727,924		2,287,347
Derivative liability (Note 9)		1,442		1,185,923
Convertible debt (Note 8)		132,720		129,382
Liabilities held for sale (Note 6)		-		150,459
TOTAL LIABILITIES		1,862,605		3,753,111
EQUITY				
Share capital (Note 9)		93,211,926		85,611,273
Subscriptions received		50,000		40,500
Contributed surplus		7,299,073		7,564,425
Accumulated other comprehensive income		(73,841)		(311,202)
Deficit		(102,065,825)		(94,757,209)
Equity attributable to shareholders of Chemesis		**(1,578,667)**		**(1,852,213)**
Non-controlling interests (Note 7)		-		1,649,080
TOTAL EQUITY		**(1,578,667)**		**(203,133)**
TOTAL LIABILITIES AND EQUITY	**$**	**283,938**	**$**	**3,549,978**

Subsequent events (Note 17)   Going concern (Note 2)   Contingent liabilities (Note 16)

Approved on behalf of the Board of Directors:

"Josh Rosenberg", Director   *"Aman Parmar",* Director

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

Chemesis International Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the year ended June 30	
	2022	2021
REVENUES	29,321	27,838
COST OF GOODS SOLD	(22,751)	(31,124)
GROSS MARGIN	6,570	(3,286)
EXPENSES		
Depreciation	-	46,580
Foreign exchange loss	2,234	14,828
General and administration (Note 11)	1,528,931	7,327,353
Share-based payments (Note 9)	-	1,835,458
TOTAL EXPENSES	(1,531,165)	(9,224,219)
LOSS BEFORE OTHER ITEMS	**(1,524,595)**	**(9,227,505)**
OTHER INCOME (EXPENSES):		
Interest expense	(13,173)	33,459
Gain (loss) on debt settlement	101,245	(585,131)
Impairment	-	(119,247)
Change in fair value of derivative liabilities (Note 9.2)	1,184,481	12,488
	1,272,553	**(658,431)**
NET LOSS BEFORE DISCONTINUED OPERATIONS AND INCOME TAXES	**(252,042)**	**(9,885,936)**
Income tax recovery (expense)	-	76,974
NET LOSS FROM CONTINUING OPERATIONS	**(252,042)**	**(9,808,962)**
Net income (loss) from discontinued operations (Note 6)	(7,986,992)	(11,563,020)
NET LOSS	**(8,239,034)**	**(21,371,982)**
OTHER COMPREHENSIVE INCOME (LOSS)		
Cumulative translation adjustment - discontinued operations	319,574	(664,003)
COMPREHENSIVE LOSS	**(7,919,460)**	**(22,035,985)**
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Chemesis International Inc.	(252,043)	(9,808,962)
Discontinued operations	(7,986,992)	(11,563,020)
NET LOSS	**(8,239,035)**	**(21,371,982)**
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:		
Chemesis International Inc.	(252,043)	(9,808,962)
Discontinued operations	(7,667,417)	(12,227,023)
COMPREHENSIVE LOSS	$ **(7,919,460)**	$ **(22,035,985)**
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:		
Chemesis International Inc.	(252,043)	(9,808,962)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**(252,043)**	**(9,808,962)**
COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:		
Chemesis International Inc.	(252,043)	(9,808,962)
COMPREHENSIVE INCOME FROM CONTINUING OPERATIONS	$ **(252,043)**	$ **(9,808,962)**

The accompanying notes are an integral part of these consolidated financial statements. (CONTINUED ON NEXT PAGE)

Chemesis International Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

Income (loss) per share, basic and diluted, total operations	$	$ (0.26)	$ (0.91)
Continuing operations		(0.01)	(0.46)
Discontinued operations		(0.26)	(0.44)
Weighted average number of common shares outstanding		**31,209,027**	**21,193,688**

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

Chemesis International Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital									
	Number	**Amount**	**Subscriptions received**	**Contributed surplus**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Equity attributable to shareholders of Chemesis**	**Non-controlling interests**	**Total equity**
		$	$	$	$	$	$	$	$
As at June 30, 2021	27,664,808	85,611,273	40,500	7,564,425	(311,202)	(94,757,209)	(1,852,213)	1,649,080	(203,133)
Conversion of RSUs into common shares	150,000	265,352	-	(265,352)	-	-	-	-	-
Value of Chemesis common shares held by GSRX previously eliminated upon consolidation	364,594	6,027,801	-	-	-	-	6,027,801	-	6,027,801
GSRX Non-controlling interest disposed of	-	-	-	-	-	-	-	(908,122)	(908,122)
Non-controlling interest removed upon dissolution of US subsidiaries	-	-	-	-	-	-	-	107,248	107,248
Shares for services	212,000	60,300	-	-	-	-	60,300	-	60,300
Shares issued for cash	5,196,668	1,247,200	-	-	-	-	1,247,200	-	1,247,200
Shares for debt	-	-	9,500	-	-	-	9,500	-	9,500
Net loss	-	-	-	-	-	(7,308,616)	(7,308,616)	(930,419)	(8,239,035)
Other comprehensive loss (income)	-	-	-	-	237,361	-	237,361	82,213	319,574
As at June 30, 2022	**33,588,070**	**93,211,926**	**50,000**	**7,299,073**	**(73,841)**	**(102,065,825)**	**(1,578,667)**	**-**	**(1,578,667)**

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

Chemesis International Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital								
	Number	**Amount**	**Subscriptions received**	**Reserves**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Equity (deficiency) attributable to shareholders of Chemesis**	**Non-controlling interests**	**Total equity (deficiency)**
		$	$	$	$	$	$	$	$
As at June 30, 2020	16,945,847	77,952,340	22,500	5,814,928	240,078	(76,517,929)	7,511,917	4,325,446	11,837,363
							-		-
Shares issued for cash	3,115,110	2,469,811	(22,500)	-	-	-	2,447,311	-	2,447,311
Allocation to derivative liability	-	(1,198,411)	-	-	-	-	(1,198,411)	-	(1,198,411)
Share issuance costs	-	(59,602)	-	24,602	-	-	(35,000)	-	(35,000)
Conversion of RSUs into common shares	62,500	110,563	-	(110,563)	-	-	-	-	-
Exercise of warrants	5,378,502	4,534,586	-	-	-	-	4,534,586	-	4,534,586
Shares for debt	2,162,849	1,801,986	-	-	-	-	1,801,986	-	1,801,986
Subscriptions received	-	-	40,500	-	-	-	40,500	-	40,500
Disposal of non-controlling interests	-	-	-	-	-	-	-	569,059	569,059
Share-based payments	-	-	-	1,835,458	-	-	1,835,458	-	1,835,458
Net loss	-	-	-	-	-	(18,239,281)	(18,239,281)	(3,132,702)	(21,371,983)
Other comprehensive loss (income)	-	-	-	-	(551,279)	-	(551,279)	(112,723)	(664,002)
As at June 30, 2021	**27,664,808**	**85,611,273**	**40,500**	**7,564,425**	**(311,201)**	**(94,757,210)**	**(1,852,213)**	**1,649,080**	**(203,133)**

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

Chemesis International Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended		June 30, 2022		June 30, 2021
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Net loss for the year from continuing operations	$	(252,043)	$	(9,808,962)
Items not involving cash:				
Share-based payments		-		1,835,458
Change in fair value of derivative liabilities		(1,184,481)		(12,488)
Loss on recognition and change in fair value of note receivable		-		422,549
Interest accretion on convertible debt		13,218		149,132
Loss on debt settlement		(101,245)		345,131
Foreign exchange		-		(58,703)
Impairment of assets		-		119,247
Depreciation		-		46,580
Net changes in non-cash working capital items:				
Prepaid expenses and deposits		-		176,477
Income tax payable		-		(76,974)
Amounts receivable		(31,974)		(69,325)
Amounts payable and other payables		387,889		(91,191)
Net cash used in operating activities from continuing operations		(1,168,636)		(7,023,069)
Net cash used in operating activities from discontinued operations		(1,804,179)		(2,870,768)
		(2,972,815)		(9,893,837)
INVESTING ACTIVITIES:				
Note receivable		-		(55,631)
Net cash used in investing activities from continuing operations		-		(55,631)
Net cash provided by investing activities from discontinued operations		-		4,564,834
		-		4,509,203
FINANCING ACTIVITIES:				
Proceeds from private placement, net		1,247,200		2,447,311
Subscriptions received		50,000		-
Deposit on exploration and evaluation asset		(50,000)		-
Finder’s fees		-		(35,000)
Collection of loans receivable		55,631		-
Proceeds from warrant exercise		-		4,534,586
Subscriptions received		(40,500)		40,500
Convertible debentures		-		(250,000)
Interest paid		(9,880)		(13,500)
Net cash provided by financing activities from continuing operations		1,252,451		6,723,897
Effect of exchange rate changes on cash		-		(664,003)
Net increase in cash		(1,720,364)		675,260
Cash, beginning of year		1,719,845		1,044,585
Cash, end of year	$	-	$	1,719,845
Bank indebtedness, end of year	$	519	$	-

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

1. NATURE OF OPERATIONS

Chemesis International Inc. ("Chemesis" or "the Company") was incorporated under the Business Corporations Act of British Columbia on April 26, 2013. Chemesis' registered records office is Suite 2200 - 885 West Georgia Street, Vancouver, BC V6C3E8 and the corporate head office is at Suite 2200 - 885 West Georgia Street, Vancouver, BC V6C3E8. The Company trades on the Canadian Securities Exchange ("CSE") under the symbol CSI, on the OTC markets under the symbol CADMF, and on the Frankfurt Stock Exchange under the symbol CWAA.

During the year ended June 30, 2022, the Company entered into an option agreement with Geomap Exploration Inc.("Geomap"), a privately-owned BC company, to acquire up to 100% interest in the Rose Property which is located in the Kamloops Mining Division in British Columbia. As such, the Company is in the process of completing a Change of Business ("COB") as defined by Policy 8 of the CSE. The special meeting of the shareholders occurred June 21, 2022. Upon completion of the COB, the Company will rename itself as Refined Energy Corp., under the ticker "REC". See Notes 5 and 17.

Subsequent to June 30, 2022, the Company completed a 2:1 share consolidation, whereby two of the pre-consolidation shares is consolidated in to one post-consolidation share. All disclosures in these consolidated financial statements reflect the shares post-consolidation.

During the year ended June 30, 2022, the Company was in active negotiations with a seller to dispose of 100% Chemesis' equity interest in GSRX, which completed on June 30, 2022. As such, the sum of the post-tax loss of the discontinued operations and post-tax gain or loss recognized on the measurement to fair value less cost to sell or fair value adjustments on the disposal of the assets has been presented as a single amount on the face of the statement of comprehensive income. See Note 6.

As at June 30, 2021, the Company was in active negotiations with a seller to dispose of 100% of the Company's interest in La Finca. During the year ended June 30, 2022, the plan of sale changed and as such La Finca no longer qualified under IFRS 5 *Assets held for sale and discontinued operations.* See Note 6.

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. The Company's operations have not been affected by the COVID-19 global pandemic.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. During the year ended June 30, 2022, the Company incurred a loss of $8,239,035 and as at June 30, 2022 has a working capital deficit of $1,628,667 and an accumulated deficit of $102,065,825 and remains dependent upon the receipt of additional equity or debt financing. While management has been successful in obtaining required financing in the past, there is no assurance that additional financing will be available or be available on favourable terms. The Company's ability to continue as a going concern is dependent upon the ability to raise financing and ultimately generate profitable operations. These consolidated financial statements do not reflect and adjustments to the carrying value of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

3. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies below have been applied to all periods presented in these consolidated financial statements and are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

These consolidated financial statements were authorized for issue by the Board of Directors on October 7, 2022.

3.1. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. All amounts are presented in Canadian dollars unless otherwise specified.

3.2. Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually 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 results could differ from these estimates.

Critical Accounting Judgments

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Going concern

The assessment of the Company's ongoing viability as an operating entity and determination of the related disclosures require significant judgment. In assessing the Company's ability to continue as a going concern, market and regulatory factors are considered.

Business combinations

Judgment is used when determining whether an acquisition is a business combination or an asset acquisition. Judgment is also used in measuring the fair value of equity instruments issued as consideration for a business combination, and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. Non-controlling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of this equity in the acquiree's identifiable net assets. The excess of the aggregate of the consideration transferred and the amount of any non-controlling interests in the acquiree over the net assets of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

3. BASIS OF PRESENTATION (CONTINUED)

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to the entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which the entity operations and is re-evaluated when facts and circumstances indicate that conditions have changed.

Collectability of amounts receivable

The Company monitors its exposure for credit losses on its customer and related party receivable balances and the creditworthiness of the customers and related parties on an ongoing basis and records related allowances for doubtful accounts. Allowances are estimated based upon specific customer and related party balances, where a risk of default is identified, and also include a provision for non-customer specific defaults based upon historical experience and aging of accounts.

Assets held for sale and related disposal groups

During the year ended June 30, 2021, and subsequent to, the Company entered into or are in the process of negotiating disposal of the shares of NVPR, the net assets related to certain P1493 operations, the shares of GSRX. Judgement was used in determining the completeness of each disposal group as well as in the classification of assets held for sale as at June 30, 2022 and 2021.

Financial instruments

The determination of categories of financial assets and liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

The identification of convertible note component is based on interpretations of the substance of the contractual arrangement and therefore requires judgement from management. The separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest of the liability component. The determination of fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Critical Accounting Estimates

Share-based payments

Where applicable, the fair value of certain equity instruments is subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Income Taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

3. BASIS OF PRESENTATION (CONTINUED)

Valuation of equity consideration granted

The valuation of share consideration granted involves management judgment in determining valuation of the share consideration granted. Judgment is exercised in the reliability of the fair value of consideration received.

Estimated useful lives, impairment considerations and amortization of tangible assets, intangible assets, and goodwill

Amortization of tangible and intangible assets is dependent upon estimates of useful lives based on management's judgment.

Assets held for sale

The recoverable value of a disposal group under IFRS 5 Assets held for sale and discontinued operations is based on estimates of the net consideration received. Estimates can change due to changes in negotiations or due to professional fees.

3.3 Basis of consolidation

These consolidated financials are presented in Canadian dollars ("CAD") and incorporate the financial results of the Company and its controlled subsidiaries: The Company has 10 subsidiaries (the "**Subsidiaries**"), as follows:

- 1145411 B.C. Ltd. (British Columbia, Canada) (100%)
- 10998451 Canada Inc. (Canada) (100%)
- 1247262 B.C. Ltd. (British Columbia, Canada) (100%)
- La Finca Interacviva-Arachna MED SAS (100%)

In respect of La Finca Interacviva-Arachna MED SAS ("La Finca"), the Company has ceased operations in Colombia and is currently working with Colombian legal counsel to wind-up this Subsidiary. Once La Finca is wound up, the Company will also wind up the inactive holding companies, 10998451 Canada Inc. and 1247262 BC Ltd.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Intangible assets

Intangible assets acquired individually or with a group of other assets from others (other than in a business combination) are recognized at cost, including transaction costs, and allocated to the individual assets acquired based on relative fair values and no goodwill is recognized. Cost is measured based on cash consideration paid. If consideration given is in the form of non-cash assets, liabilities incurred, or equity interests issued, measurement of cost is based on either the fair value of the consideration given or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and more reliably measurable. Costs of internally developing, maintaining or restoring intangible assets that are not specifically identifiable, have indeterminate lives or are inherent in a continuing business are expensed as incurred.

Intangibles with a finite useful life are amortized and those with an indefinite useful life are not amortized. The useful life is the best estimate of the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Company. The useful life is based on the duration of the expected use of the asset by the Company and the legal, regulatory or contractual provisions that constrain the useful life and future cash flows of the asset, including regulatory acceptance and approval, obsolescence, demand, competition and other economic factors. If an income approach is used to measure the fair value of an intangible asset, the Company considers the period of expected cash flows used to measure the fair value of the intangible asset, adjusted as appropriate for Company-specific factors discussed above, to determine the useful life for amortization purposes. If no regulatory, contractual, competitive, economic or other factors limit the useful life of the intangible to the Company, the useful life is considered indefinite.

Intangibles with a finite useful life are amortized on the straight-line method unless the pattern in which the economic benefits of the intangible asset are consumed or used up are reliably determinable. The Company evaluates the remaining useful life of intangible assets each reporting period to determine whether any revision to the remaining useful life is required. If the remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over the revised remaining useful life. Licenced rights are amortized on a straight-line basis over the lease period of the leased premises to which the licensed rights are related.

Intangibles with an indefinite useful life are not amortized until its useful life is determined to be no longer indefinite. If the useful life is determined to be finite, the intangible is tested for impairment and the carrying amount is amortized over the remaining useful life in accordance with intangibles subject to amortization. Indefinite-lived intangibles are tested for impairment annually and more frequently if events or circumstances indicate that it is more-likely-than-not that the asset is impaired. The Company has not recognized any intangible assets with an indefinite useful life.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets, including tangible assets, intangible assets, and liabilities of the acquire at the date of acquisition. At the date of acquisition, goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is tested at least annually for impairment at the CGU level and is carried at cost less accumulated impairment losses.

4.3 Revenue recognition, accounts receivable and allowance for doubtful accounts

The Company's revenue consists solely of product sales and as such, the Company recognizes revenues when a contract has been entered into and performance obligations are known, the price has been determined, control of the goods passes to the customer and the significant risks and benefits of ownership are transferred and performance obligations have been satisfied. Revenue is measured based on the price specified, net of excise taxes, trade discounts and estimated returns at the time of sale. Historical experience is used to estimate allowances for returns.

Due to the "pay at purchase" model that the Company's vending machines adopted, no accounts receivable arises at purchase as the company has received payment.

During the years ended June 30, 2022 and 2021, the Company derived revenue from *the retail sale of CBD products at vending machines.*

Revenue is recognized upon transfer of control of the promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Performance obligations are satisfied, and revenue is recognized, at a point in time upon delivery to the customer.

4.4 Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If 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. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to 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 profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

4.6 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Income taxes (continued)

Changes in deferred tax assets or liabilities are recognized as a component of income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4.8 Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as contributed surplus.

4.9 Share-based payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged either to profit or loss or exploration and evaluation properties, with the offsetting credit to contributed surplus. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in contributed surplus.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4.11 Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

4.12 Financial instruments - recognition and measurement

The Company accounts for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Loan receivable	Amortized cost
Note receivable	FVTPL
Accounts payable	Amortized cost
Derivative liability	FVTPL
Convertible debt	Amortized cost

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Measurement (continued)

Financial assets and liabilities at fair value through profit and loss

Financial assets and liabilities at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of 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 consolidated statements of loss in the period in which they arise. The Company's cash is measured at FVTPL.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's amounts receivable are financial assets at amortized cost. The Company's accounts payable and convertible debt are financial liabilities at amortized cost.

(iii) Impairment of financial assets at amortized cost.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company 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 Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of 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.

(iv) Derecognition

Financial assets

The Company 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. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

(v) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to share capital at the option of the holder. If the number of shares to be issued is fixed and does not vary, the liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Share Purchase Warrants issued in conjunction with a convertible debt are allocated a proportion value of the equity component and included within contributed surplus. If the number of share vary, the embedded derivative liability is recognized initially at fair value and the residual amount is allocated to the convertible debt liability. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. The embedded derivative is remeasured at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.13 Share issuance costs

Share issuance costs, which include commissions, facilitation payments, professional fees and regulatory fees, are charged directly to share capital.

4.14 Comprehensive income (loss)

Total comprehensive income (loss) comprises all components of profit or loss and other comprehensive income (loss). Other comprehensive income (loss) includes items such as gains or losses on re-measuring FVTOCI financial assets and the effective portion of gains and losses on hedging instruments in a cash flow hedge.

4.15 Foreign currency translation

Functional currency

Items included in the consolidated financial statements of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the parent company is the Canadian dollar. All the Company's subsidiaries except 1145411 have the US dollar as the functional currency, except for La Finca, which uses the Colombian peso.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rate prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of net loss and comprehensive loss.

Subsidiaries

The results and financial position of the Company's subsidiaries that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period;
- Equity is translated using historical rates; and
- All resulting exchange differences are recognised in other comprehensive income as foreign currency translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income (loss). When a foreign operation is sold, such exchange differences are recognised in the statement of loss as part of the gain or loss on sale.

4.16 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration transferred less the recognized amount of the identifiable assets and liabilities assumed, all measured at the acquisition date. Transactions costs, other than those associated with the issue of equity instruments, incurred in connection with a business combination are expensed as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development or use or sell the asset. Other development expenditures are expensed as incurred.

5. PROPERTY OPTION AGREEMENT WITH GEOMAP

During the year ended June 30, 2022, the Company entered into a property option agreement with Geomap Explorations Inc, a privately-owned B.C. company to acquire up to 100% interest in the Rose Property, located in Kamloops Mining Division, B.C for consideration as follows:

- Cash payments of $170,000 to be made on the following dates:
    - $90,000 10 days after the effective date of the agreement: ($50,000 paid as at June 30, 2022, $40,000 paid subsequent)
    - $30,000 one year after the effective date
    - $50,000 two years after the effective date
- Issuing 800,000 common shares on the following dates:
    - 250,000 common shares 10 days after the effective date of the agreement;
    - 250,000 common shares one year after the effective date
    - 300,000 common shares two years after the effective date of the agreement; and
- Incurring exploration expenditures as follows:
    - $110,000 on or before the date that is one year after the effective date; and
    - $250,000 on or before the date that is two years after the effective date.

Shares issued pursuant to this agreement are subject to escrow terms, whereby one quarter of the shares issued will vest every three months.

Once the title to the property is granted to the Company, the Company will grant a 3% Net Smelter Royalty("NSR") on commercial production on the property to Geomap. Chemesis has an irrevocable option to acquire one third of the NSR for $1,000,000.

Concurrently with the mineral property agreement acceptance, the Company has applied for new financing and a Change of Business under Policy 8 of the CSE. See Note 1 for details.

(Expressed in Canadian dollars)

6. DISCONTINUED OPERATIONS

During the year ended June 30, 2021, the Company entered into negotiations to dispose of 100% of its equity interest in La Finca in exchange for the Company issuing shares to settle $180,000 in liabilities, and as such La Finca was classified as an asset held for sale. However during the year ended June 30, 2022, the Company started the wind-up of La Finca instead of disposal, therefore La Finca no longer meets the criteria of IFRS 5 as at June 30, 2022, and as such, net assets of La Finca were written down to their fair values.

During the year ended June 30, 2022, the Company disposed of the Company's remaining ownership of GSRX to a third party, being 54,301,122 common shares and 1,000 preferred shares of GSRX in exchange for forgiveness of approximately US $229,000 intercompany loans. Upon disposition of the GSRX shares, 364,594 common shares, which are held by GSRX, are now considered issued and outstanding rather than treasury shares. As such, $6,027,801, the fair value initially recorded upon the issuance of the Company's common shares exchanged for the GSRX shares, was reclassified to share capital. Upon disposition, $908,122 in non-controlling interest was charged to the Statement of Comprehensive Loss. See Note 7.

7. NON-CONTROLLING INTERESTS

During the years ended June 30, 2020 and 2019, the Company acquired several companies with significant non-controlling interests. Non-controlling interests are initially recorded at the non-controlling interests' percentage of the total fair value of net assets acquired.

During the year ended June 30, 2021, the Company disposed of Natural Ventures.

During the nine year ended June 30, 2022, the Company disposed of its entire equity interest GSRX in exchange for forgiveness of a US $243,000 intercompany loan. See Note 6.

A continuity of the Company's non-controlling interests is below:

	Kieley Growth	**GSRX**	**SAP**	**Total**
	United States	*Puerto Rico*	*United States*	
Balance, June 30, 2021	$ 99,679	$ 1,671,007	$ (206,927)	$ 1,563,759
Net loss	-	(930,418)		(930,418)
Other comprehensive loss	-	167,533	-	167,533
Deemed disposal	(99,679)	-	206,927	107,248
Disposal	-	(908,122)	-	(908,122)
Balance, June 30, 2022	**$ -**	**$ -**	**$ -**	**$ -**

(Expressed in Canadian dollars)

8. CONVERTIBLE DEBT

During the year ended June 30, 2020, the Company completed a convertible debt financing for total gross proceeds of $1,455,080 (USD$1,100,000). The convertible debentures bear interest at a rate of 10% per year and mature two years from the closing date. The convertible debentures are unsecured and are convertible, at the option of the holder, into common shares of the Company at a price of USD$2.00 per common share. The debentures carry a derivative liability whereby the number of shares is fixed to the US dollar. The Company recognized a derivative liability of $620,960 and re-measures the liability at the end of each reporting period using the Black-Scholes option pricing model. Of this amount, $100,000 USD plus principal and interest is outstanding as at June 30, 2022.

The Company has the right to repay and cancel convertible debentures at any time prior to the maturity date at a price equal to 105% of the principal amount of the convertible debentures then outstanding plus accrued and unpaid interest thereon.

The following table summarizes the Company's convertible debt:

Balance, June 30, 2021	**$**	**129,382**
Interest expense		13,173
Interest repayment		(9,835)
Balance, June 30, 2022	**$**	**132,720**

9. SHAREHOLDERS' EQUITY

9.1 Authorized share capital

Unlimited number of common shares with no par value.

9.2 Issued share capital

Subsequent to June 30, 2022, the Company completed a 2:1 share consolidation (Note 1). All shares are stated post-consolidation in these consolidated financial statements.

Common shares issued and outstanding as at June 30, 2022 are 33,588,070. As at June 30, 2022 the Company held no common shares in escrow.

During the year ended June 30, 2022, the Company issued 150,000 common shares pursuant to the exercise of RSRs and 5,196,668 units of the Company at a price of $0.12 per unit for total proceeds of $1,247,200.

During the year ended June 30, 2022, the Company issued 464,000 common shares with a fair value of $180,000 to settle liabilities in La Finca.

During the year ended June 30, 2022, the Company reclassified its 364,594 Chemesis common shares held internally by GSRX to shares issued and outstanding on the statement of changes in equity.

(Expressed in Canadian dollars)

9. SHAREHOLDERS' EQUITY (CONTINUED)

9.2 Issued share capital (continued)

Derivative liability

In January, 2021, the Company issued 1,843,709 common share purchase warrants exercisable at $0.68 USD for a period of two years. As the exercise price is in a foreign currency, the fixed for fixed equity criteria are not met and therefore is recorded as a liability. At inception, the fair value of $1,198,411 was calculated using the Black-Scholes Option pricing model, however was 100% allocated to the proceeds from the related private placement of $1,198,411. At June 30, 2022, the fair value of the liability was $1,442, calculated using the Black-Scholes Option Pricing Model and using inputs of 132% volatility, $0.05 share price, $0.68 USD exercise price and a period of 0.6 years. A gain of $995,085 was recorded during the year ended June 30, 2022.

9.3 Warrants

As of June 30, 2022, 10,013,220 warrants were outstanding:

Expiry date	Warrants		Exercise Price
December 21, 2023	15,625	$	30.00
January 21, 2024	19,230		49.00
March 1, 2024	75,000		50.00
May 30, 2024	9,459		50.00
May 30, 2024	18,918		50.00
June 13, 2024	2,702		50.00
July 3, 2022 (Note 17)	1,306,400		2.00
July 24, 2022 (Note 17)	346,208		1.70
January 18, 2023	1,843,710		US 0.68
November 29, 2023	5,196,667		0.30
Balance, June 30, 2022	**8,833,919**	**$**	**1.49**

At June 30, 2022, the weighted-average remaining life of the outstanding warrants was 0.98 years.

9.4 Options and share-based compensation

As at June 30, 2022, the Company had 1,897,500 (2021 – 1,897,500) options outstanding with expiry dates as follows:

			Outstanding and exercisable	
Expiry date	Options		Exercise price	Remaining contractual life (years)
January 12, 2025	1,147,500	$	1.80	2.53
January 12, 2026	750,000		US 1.40	3.53
Balance, June 30, 2022	**1,897,500**	**$**	**1.80**	**2.93**

The Company has adopted a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the CSE.

(Expressed in Canadian dollars)

9. SHAREHOLDERS' EQUITY (CONTINUED)

9.4 Options and share-based compensation (continued)

The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority. Stock options granted to any person engaged in investor relations activities will vest over a period of not less than 12 months with no more than 25% of the stock options vesting in any six-month period. The exercise price of any stock options granted under the plan shall be determined by the Board but may not be less than the market price of the common shares on the Exchange on the date of grant (less any discount permissible under Exchange rules). The term of any stock options granted under the plan shall be determined by the Board at the time of grant but may not exceed ten years.

As at June 30, 2022 the estimated remaining life of the outstanding options was 1.98 years.

9.5 Restricted Share Rights ("RSR")

As at June 30, 2021, the Company has 1,787,500 RSRs outstanding and exercisable, each allowing the holder to exercise one RSR into one common share at the holder's option.

10. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the directors and officers of the Company. Management compensation transactions for the years ended June 30, 2022 and 2021 is summarized as follows:

		2022		2021
Management fees	$	365,612	$	772,673
Consulting fees		49,506		-
Share-based payments		-		1,724,896
Total	**$**	**415,118**	**$**	**2,497,569**

As at June 30, 2022, $1,198,568 (2020 - $477,424) is owed to directors and officers of the Company for unpaid fees and expenses paid on behalf of the Company.

During the year ended June 30, 2022, the Company accrued $34,000 (2021 - $190,500) included in management fees to the CEO and Director of the Company pursuant to CEO and director services provided.

During the year ended June 30, 2022, the Company accrued $140,000 (2021 - $150,000) included in management fees to the CFO of the Company pursuant to CFO services provided.

During the year ended June 30, 2022, the Company accrued $144,000 (2021 - $300,000) included in management fees to a director of the Company pursuant to director services provided.

During the year ended June 30, 2021, the Company accrued $47,612 (2021 - $96,173) included in management fees to a director of the Company pursuant to President and Director services provided. $40,506 was included in consulting fees in 2022 relating to consulting work performed on Vendco.

During the year ended June 30, 2022, the Company paid $9,000 (2021 - $36,000) included in consulting fees to the Corporate Secretary and Director and of the Company pursuant to corporate secretary and director services provided.

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

During the year ended June 30, 2021, the Company issued 1,500,000 RSUs to directors and officers of the Company with a fair value of $1,035,000.

Subsequent to June 30, 2022, the Company settled $599,284 through the issuance of 5,992,839 common shares of the Company with a fair value of $599,284. Of this, 2,751,589 common shares with a fair value of $275,159 was issued to a director of the Company, 2,753,750 common shares with a fair value of $275,375 were issued to the CFO of the Company, and 487,500 common shares with a fair value of $48,750 issued to the President and Director of the Company.

During the year ended June 30, 2021, 1,250,000 stock options were issued to directors and officers and vested. Share-based compensation of $nil was recognized.

November 27, 2020, the Company withdrew its interests in NVPR in substance transferring them to the CEO of the Company.

During the year ended June 30, 2021, $30,835 was paid in interest relating to a convertible debenture to a director of the Company.

11. GENERAL AND ADMINISTRATION

General and administrative costs from continuing operations during the years ended June 30, 2022 and 2021 are as follows:

		2022		2021
Advertising and marketing	$	-	$	4,779,627
Consulting		172,767		386,408
Management fees (Note 10)		365,612		518,250
Office and miscellaneous		77,077		161,337
Professional fees - general		798,522		1,259,811
Rent		-		60,000
Transfer agent and filing fees		144,792		118,650
Travel		10,667		43,270
	$	**1,528,931**	**$**	**7,327,353**

12. NON-CASH INVESTING AND FINANCING ACTIVITIES

See the following for non-cash note disclosures:

i) Interest paid - see Statement of Changes in Shareholders' Equity

13. RISK MANAGEMENT

13.1 Financial risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

b. Credit risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk is low. The maximum amount exposed to credit risk is equal to trade receivables.

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at June 30, 2022, the Company's working capital deficiency of $1,628,667. The Company plans to seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

13. RISK MANAGEMENT (CONTINUED)

c. Liquidity risk (continued)

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Contractual undiscounted cash flow requirements for contractual obligations as at June 30, 2021 are as follows:

	Less Than 1 Year $	Years 2 and 3 $	Years 4 and 5 $	More Than 5 Years $	Total $
Bank indebtedness	519	-	-	-	-
Accounts payable and accrued liabilities	1,727,924	-	-	-	-
Derivative Liability (Note 9)	1,442				
Convertible debt (Note 8)	132,720	-	-	-	-

d. Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company does not have a practice of trading derivatives

Foreign currency risk
The Company's foreign exchange risk arises from transactions denominated in other currencies.

13.2 Fair values

The carrying values of trade receivables and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity. The carrying value of convertible debt approximates its fair value based on current market rates.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(Expressed in Canadian dollars)

13. RISK MANAGEMENT (CONTINUED)

As at June 30, 2022 and 2021 the Company held the following measured at their stated fair value hierarchy level:

	June 30, 2022	June 30, 2021
Level 1		
Cash	$ -	$ 1,719,845
Level 3		
Note receivable*	$ -	$ 1,227,281

At June 30, 2022, the Company held cash of $nil measured at Level 1 and a note receivable of $nil at Level 3. During the years ended June 30, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements and there were no transfers in and out of Level 3 fair value measurements.

*Note receivable was disposed as part of the GSRX discontinued operations (Note 6).

14. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its cash and share capital.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

15. CONTINGENT LIABILITIES

As at June 30, 2022, the Company has the following claims open:

a) On October 19, 2020, Carlsbad Naturals, LLC and Carlsbad Naturals LLC filed a claim for unpaid services $2,000,000 USD of common shares of the Company pursuant to an asset purchase agreement. A hearing date is set for December 14, 2022. The Company disputes this claim and has not accrued any amounts as the Company believes the claim to be without merit.

(Expressed in Canadian dollars)

16. INCOME TAXES

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

	June 30, 2022 $	June 30, 2021 $
Net loss for the year before income taxes	(8,239,034)	(21,371,982)
Expected tax recovery at a combined federal and provincial rate of 27.0% (2020 - 27.0%)	(2,224,000)	(5,770,435)
Effects of change in statutory, foreign tax, foreign exchange rates	217,000	1,608,461
Permanent differences and other	516,000	3,137,000
Share issue costs	(9,000)	(55,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	13,000	31,000
Changes in unrecognized deductible temporary differences, excluding disposal	1,487,000	972,000
Income tax expense (recovery)	-	(76,974)
Current income tax expense (recovery)	-	(76,974)
Deferred income tax expense (recovery)	-	-
Income tax expense (recovery)	-	(76,974)

As at June 30, 2022 and 2021, the Company had $nil U.S. income taxes payable.

Significant components of the Company's deferred income tax assets and liabilities are as follows:

	June 30, 2022 $	June 30, 2021 $
Deferred tax assets (liabilities)		
Equipment	40,000	528,000
Share issue costs	68,000	68,000
Investments	1,957,000	1,438,000
Derivative liability	320,000	320,000
Leasehold improvements	-	623,000
Intangible assets	405,000	927,000
Non-capital losses available for future period	12,628,000	15,506,000
	15,418,000	20,410,000
Unrecognized deferred tax assets	(15,418,000)	(20,410,000)
Net deferred tax assets	-	-

(Expressed in Canadian dollars)

16. INCOME TAXES (CONTINUED)

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:

	June 30, 2022 $	Expiry date range	June 30, 2021 $	Expiry date range
Temporary differences				
Equipment	133,000	No expiry date	$2,771,000	No expiry date
Share issue costs	253,000	2040 to 2043	253,000	2040 to 2043
Investment in GSRX	14,537,000	No expiry date	10,648,000	No expiry date
Leasehold improvements	2,227,000	2040 to 2043	2,227,000	2040 to 2043
Intangible assets	1,501,000	No expiry date	2,819,000	No expiry date
Non-capital losses available for future periods	51,903,000	2027 to indefinite	65,682,000	2026 to indefinite

The following losses are available for utilization in future years:

	June 30, 2022 $	Expiry date range	June 30, 2021 $	Expiry date range
Net operating losses				
Canada	45,540,000	2037 to 2040	44,148,000	2037 to 2039
USA - California	5,339,000	2038 to Indefinite	5,339,000	2038 to indefinite
USA - Puerto Rico	-	-	15,166,704	2026 to 2029
Colombia	1,028,000	2029 to 2032	1,028,000	2029 to 2031

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

17. SUBSEQUENT EVENTS

Subsequent to June 30, 2022, the Company completed a private placement for $1,400,000 through the issuance of 14,000,000 units of the Company at a price of $0.10 per unit. Each unit consists of one common share and one common share purchase warrant with a strike price of $0.12, expiring September 1, 2024.

Concurrently, the Company issued Geomap 250,000 common shares with a fair value of $25,000. Further, the Company settled $839,568 in debt for services through the issuance of 8,395,683 common shares at a price of $0.10 per share. Of this amount, the Company issued 5,992,839 common shares of the Company with a fair value of $599,284 to related parties.

Subsequent to June 30, 2022, 1,271,400 common share purchase warrants at an exercise price of $2.00 and 346,208 common share purchase warrants with an exercise price of $1.70 expired unexercised.

The Arrangement:

Further to Notes 1 and 5, subsequent to June 30, 2022, the CSE has approved the Company's plan of arrangement (the "Arrangement"), whereby, the Company has now completed a Change of Business under Policy 8 of the CSE, entered into a property option agreement with to acquire up to 100% interest in the Rose Property, located in Kamloops Mining Division, B.C. See Note 5 and closed a private placement to be used towards exploration and evaluation activities and ongoing business operations.

CHEMESIS

CHEMESIS INTERNATIONAL INC.

Consolidated Financial Statements
For the years ended June 30, 2021 and 2020

manning elliott

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Chemesis International Inc.

Opinion

We have audited the consolidated financial statements of Chemesis International Inc. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at June 30, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 *Auditors' Responsibilities for the Audit of the Consolidated 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 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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 audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 as issued by the International Accounting Standards Board, 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 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.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 auditors' report is Michael Ryan Ayre.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada

March 25, 2022

Chemesis International Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at		June 30, 2021		June 30, 2020
ASSETS				
Current assets				
Cash	$	1,719,845	$	1,044,585
Amounts receivable (Note 15)		201,964		752,668
Prepaid expenses		-		85,162
Inventory (Note 10)		-		1,129,131
Loan receivable		55,631		-
Biological assets (Note 9)		-		1,842,848
Assets held for sale (Note 5)		345,257		-
		2,322,697		4,854,394
Non-current assets				
Deposits		-		1,033,234
Fixed assets (Note 13)		-		4,249,892
Note receivable (Note 17)		1,227,281		-
Right of use assets (Note 8)		-		2,916,092
Intangible assets (Note 11)		-		2,051,774
Goodwill (Note 7)		-		7,334,212
		1,227,281		17,585,204
TOTAL ASSETS	$	3,549,978	$	22,439,598
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 17)	$	2,287,347	$	6,051,158
Income tax payable (Note 26)		-		76,974
Current portion of lease liabilities (Note 8)		-		1,313,386
Derivative liability (Note 16)		1,185,923		-
Convertible debt (Note 14)		129,382		1,063,562
Liabilities held for sale (Note 5)		150,459		-
		3,753,111		8,505,080
Non-current liabilities				
Lease liabilities (Note 8)		-		2,097,156
TOTAL LIABILITIES		3,753,111		10,602,236
EQUITY (DEFICIENCY)				
Share capital (Note 16)		85,611,273		77,952,340
Subscriptions received		40,500		22,500
Reserves		7,564,425		5,814,928
Accumulated other comprehensive income (loss)		(311,202)		240,078
Deficit		(94,757,209)		(76,517,929)
Equity (deficiency) attributable to shareholders of Chemesis		(1,852,213)		7,511,917
Non-controlling interests (Note 12)		1,649,080		4,325,445
TOTAL EQUITY (DEFICIENCY)		(203,133)		11,837,362
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	$	3,549,978	$	22,439,598

Going concern (Note 2)
Contingent liabilities (Note 25)
Subsequent events (Note 27)

Approved on behalf of the Board of Directors:

"Josh Rosenberg", Director *"Aman Parmar",* Director

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

Chemesis International Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the years ended		June 30, 2021		June 30, 2020
REVENUES	$	27,838	$	1,091,649
COST OF GOODS SOLD		(31,124)		(1,097,707)
GROSS LOSS		(3,286)		(6,058)
EXPENSES				
Depreciation (Notes 11 and 13)		46,580		1,731,176
Foreign exchange loss (gain)		14,828		(112,594)
General and administration (Note 18)		9,080,490		8,471,422
Share-based payments (Notes 16 and 17)		1,835,458		3,569,588
TOTAL OPERATING EXPENSES		(10,977,356)		(13,659,592)
LOSS BEFORE OTHER ITEMS		(10,980,642)		(13,665,650)
OTHER INCOME (EXPENSES):				
Interest expense		(55,751)		(1,413,294)
Interest income and other (Note 17)		89,210		140,647
Change in fair value of derivative liabilities (Notes 14, 16)		12,488		3,773,450
Loss on recognition and change in fair value of loan receivable (Note 17)		(422,549)		-
Loss on debt settlement (Notes 14 and 17)		(585,131)		(3,900,042)
Loss on investment in GSRX (Note 6)		-		(9,839,396)
Impairment of assets (Note 22)		(119,247)		(9,991,891)
		(1,080,980)		(21,230,526)
NET LOSS BEFORE DISCONTINUED OPERATIONS AND INCOME TAXES		(12,061,622)		(34,896,176)
Income tax recovery (expense) (Note 26)		76,974		56,026
NET LOSS FROM CONTINUING OPERATIONS		(11,984,648)		(34,840,150)
Net loss from discontinued operations (Note 6)		(9,387,334)		(3,778,327)
NET LOSS		(21,371,982)		(38,618,477)
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) that may be reclassified to net loss:				
Cumulative translation adjustment from continuing operations		(773,573)		(387,707)
Cumulative translation adjustment from discontinued operations		109,570		8,207
		(664,003)		(379,500)
COMPREHENSIVE LOSS		(22,035,985)		(38,997,977)
NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:				
Chemesis International Inc.		(11,439,489)		(33,845,426)
Non-controlling interests		(545,159)		(994,724)
		(11,984,648)		(34,840,150)
NET LOSS FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO:				
Chemesis International Inc.		(6,779,791)		(3,145,017)
Non-controlling interests		(2,587,543)		(633,310)
	$	(9,387,334)	$	(3,778,327)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Chemesis International Inc.		(18,790,560)		(37,437,525)
Non-controlling interests		(3,245,425)		(1,560,452)
	$	(22,035,985)	$	(38,997,977)

The accompanying notes are an integral part of these consolidated financial statements. (CONTINUED ON NEXT PAGE)

Chemesis International Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

Loss per share, basic and diluted				
Continuing operations	$	(0.25)	$	(1.78)
Discontinued operations		(0.15)		(0.17)
Total operations	$	(0.40)	$	(1.95)
Weighted average number of common shares outstanding		44,962,402		18,995,633

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

Chemesis International Inc.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars)

	Share Capital								
	Number	**Amount**	**Subscriptions received**	**Reserves**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Equity (deficiency) attributable to shareholders of Chemesis**	**Non-controlling interests**	**Total equity (deficiency)**
		$	$	$	$	$	$	$	$
As at June 30, 2020	**33,891,638**	**77,952,340**	**22,500**	**5,814,928**	**240,078**	**(76,517,929)**	**7,511,917**	**4,325,446**	**11,837,363**
Shares issued for cash	6,230,219	2,469,811	(22,500)	-	-	-	2,447,311	-	2,447,311
Allocation to derivative liability	-	(1,198,411)	-	-	-	-	(1,198,411)	-	(1,198,411)
Share issuance costs	-	(59,602)	-	24,602	-	-	(35,000)	-	(35,000)
Conversion of RSUs into common shares	125,000	110,563	-	(110,563)	-	-	-	-	-
Exercise of warrants	10,757,003	4,534,586	-	-	-	-	4,534,586	-	4,534,586
Shares for debt	4,325,697	1,801,986	-	-	-	-	1,801,986	-	1,801,986
Subscriptions received	-	-	40,500	-	-	-	40,500	-	40,500
Disposal of non-controlling interests	-	-	-	-	-	-	-	569,059	569,059
Share-based payments	-	-	-	1,835,458	-	-	1,835,458	-	1,835,458
Net loss	-	-	-	-	-	(18,239,281)	(18,239,281)	(3,132,702)	(21,371,983)
Other comprehensive loss (income)	-	-	-	-	(551,279)	-	(551,279)	(112,723)	(664,002)
As at June 30, 2021	**55,329,557**	**85,611,273**	**40,500**	**7,564,425**	**(311,201)**	**(94,757,210)**	**(1,852,213)**	**1,649,080**	**(203,133)**

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

Chemesis International Inc.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars)

	Number	Amount	Subscriptions received	Reserves	Accumulated other comprehensive income (loss)	Deficit	Equity attributable to shareholders of Chemesis	Non-controlling interests	Total equity
		$	$	$	$	$	$	$	$
As at June 30, 2019	**9,216,353**	**56,954,958**	**-**	**5,067,327**	**569,066**	**(39,527,486)**	**23,063,865**	**258,772**	**23,322,637**
Acquisition of GSRX common shares	1,488,071	8,437,358	-	-	-	-	8,437,358	4,811,232	13,248,590
Shares held internally	(729,187)	(6,027,801)	-	-	-	-	(6,027,801)	-	(6,027,801)
Acquisition of SAP	100,000	1,780,000	-	(2,602,879)	118,094	-	(704,785)	704,785	-
Acquisition of GSRX preferred shares	400,000	2,268,000	-	-	-	-	2,268,000	-	2,268,000
Shares issued for intangible asset	15,750	269,316	-	-	-	-	269,316	-	269,316
Shares issued to settle note payable	60,000	732,000					732,000	-	732,000
Shares issued to settle liabilities	1,621,684	1,337,828	-	-	-	-	1,337,828	-	1,337,828
Convertible debt	8,072,054	6,649,269	-	-	-	-	6,649,269	-	6,649,269
Private placements, net	13,606,031	5,246,177	-	-	-	-	5,246,177	-	5,246,177
Subscriptions received	-	-	22,500	-	-	-	22,500	-	22,500
Shares issued for options exercised	10,000	248,000	-	(108,000)	-	-	140,000	-	140,000
Shares issued for services	30,882	57,235	-	-	-	-	57,235	-	57,235
Issuance of shares by GSRX for services	-	-	-	(85,285)	-	-	(85,285)	111,109	25,824
Share-based payments	-	-	-	3,543,765	-	-	3,543,765	-	3,543,765
Net loss	-	-	-	-	-	(36,990,443)	(36,990,443)	(1,628,034)	(38,618,477)
Other comprehensive loss	-	-	-	-	(447,082)		(447,082)	67,582	(379,500)
As at June 30, 2020	**33,891,638**	**77,952,340**	**22,500**	**5,814,928**	**240,078**	**(76,517,929)**	**7,511,917**	**4,325,446**	**11,837,363**

Chemesis International Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended		June 30, 2021		June 30, 2020
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Net loss for the year from continuing operations	$	(11,984,648)	$	(34,840,150)
Items not involving cash:				
Share-based payments		1,835,458		3,569,588
Shares issued for consulting fees		-		57,235
Change in fair value of derivative liabilities		(12,488)		(3,773,450)
Loss on recognition and change in fair value of note receivable		422,549		-
Interest accretion on convertible debt		149,132		1,058,510
Loss on debt settlement		585,131		4,248,086
Loss on investment in GSRX		-		9,839,396
Foreign exchange		(58,703)		-
Impairment of assets		119,247		9,991,891
Depreciation		46,580		-
Net changes in non-cash working capital items:				
Prepaid expenses and deposits		176,477		(2,474)
Income tax payable		(76,974)		(67,188)
Amounts receivable		(69,325)		1,295,416
Amounts payable and other payables		(91,191)		1,719,413
Net cash used in operating activities from continuing operations		(8,958,755)		(6,903,727)
Net cash provided by (used in) operating activities from discontinued operations		(935,082)		1,038,693
		(9,893,837)		(5,865,034)
INVESTING ACTIVITIES:				
Note receivable		(55,631)		-
Loan receivable		(1,649,830)		-
Cash received upon acquisition of GSRX		-		2,026,139
Net cash provided by (used in) investing activities from continuing operations		(1,705,461)		2,026,139
Net cash provided by (used in) investing activities from discontinued operations		6,214,664		(568,970)
		4,509,203		1,457,169
FINANCING ACTIVITIES:				
Proceeds from private placement, net		2,447,311		5,246,177
Finder's fees		(35,000)		-
Proceeds from option and warrant exercise		4,534,586		140,000
Subscriptions received		40,500		22,500
Convertible debentures		(250,000)		1,455,080
Interest paid		(13,500)		-
Net cash provided by financing activities from continuing operations		6,723,897		6,863,757
Net cash provided by (used in) financing activities from discontinued operations		-		(1,454,649)
		6,723,897		5,409,108
Effect of exchange rate changes on cash		(664,003)		(598,241)
Net increase in cash		675,260		403,002
Cash, beginning of year		1,044,585		641,583
Cash, end of year	$	1,719,845	$	1,044,585

Non-cash investing and financing activities - See Note 19.

1. NATURE OF OPERATIONS

Chemesis International Inc. ("Chemesis" or "the Company") was incorporated under the Business Corporations Act of British Columbia on April 26, 2013. Chemesis' registered records office is Suite 2200 - 885 West Georgia Street, Vancouver, BC V6C3E8 and the corporate head office is at Suite 2200 - 885 West Georgia Street, Vancouver, BC V6C3E8. The Company trades on the Canadian Securities Exchange ("CSE") under the symbol CSI, on the OTC markets under the symbol CADMF, and on the Frankfurt Stock Exchange under the symbol CWAA.

During the years ended June 30, 2021 and 2020, the Company's principal business was the production, distribution and sale of cannabis and cannabis related products. In December 2020, the Company entered into sale agreements with Puerto Rico Industrial Commercial Holdings Biotech Corp for the sale of substantially all the operating assets held by the Company's 80%-owned Puerto Rican subsidiary, Natural Ventures Puerto Rico, and substantially all of the Puerto Rican assets of Project 1493, a wholly-owned Puerto Rican subsidiary of the Company's 66%-owned American subsidiary, GSRX. See Notes 5 and 6. The Company's continuing business includes the sale of cannabis related products from vending machines in the United States.

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. The Company's operations have not been affected by the COVID-19 global pandemic.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

On October 29, 2021, the Company applied for and received approval of a Management Cease Trade Order primarily due to the COVID-19 pandemic. On January 11, 2021, the British Columbia Securities Commission ("BCSC") issued a Cease Trade Order ("CTO") to the Company for failure to file its annual audited Financial Statements and Management Discussion and Analysis and for the year ended June 30, 2021 and its interim Financial Statements and Management Discussion and Analysis and for the three months ended September 30, 2021. The Company is working diligently to correct its filing deficiencies and have the BCSC revoke the CTO.

During the year ended June 30, 2021, the Company incurred a net loss of $21,371,982 and as at June 30, 2021 has a negative working capital of $1,430,414 and an accumulated deficit of $94,757,209 and remains dependent upon the receipt of additional equity or debt financing. These factors indicate the existence of a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern. While management has been successful in obtaining required financing in the past, there is no assurance that additional financing will be available or be available on favourable terms. The Company's ability to continue as a going concern is dependent upon the ability to raise financing and ultimately generate profitable operations. These consolidated financial statements do not reflect and adjustments to the carrying value of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

In the United States, 36 states, the District of Columbia, and four U.S. territories allow the use of medical cannabis. 16 states allow the sale and adult-use of recreational cannabis.

2. GOING CONCERN (CONTINUED)

At the federal level, however, cannabis currently remains a Schedule I controlled substance under the Federal Controlled Substances Act of 1970 ("Federal CSA"). Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, even in those states in which marijuana is legalized under state law, the manufacture, importation, possession, use or distribution of cannabis remains illegal under U.S. federal law. This has created a dichotomy between state and federal law, whereby many states have elected to regulate and remove state-level penalties regarding a substance which is still illegal at the federal level.

There remains uncertainty about the US federal government's position on cannabis with respect to cannabis-legal states. A change in its enforcement policies could also impact the ability of the Company to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

3. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies below have been applied to all periods presented in these consolidated financial statements and are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

These consolidated financial statements were authorized for issue by the Board of Directors on March 25, 2022.

3.1. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. All amounts are presented in Canadian dollars unless otherwise specified.

3.2. Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually 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 results could differ from these estimates.

3. BASIS OF PRESENTATION (CONTINUED)

Critical Accounting Judgments

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Going concern

The assessment of the Company's ongoing viability as an operating entity and determination of the related disclosures require significant judgment. In assessing the Company's ability to continue as a going concern, market and regulatory factors are considered.

Business combinations

Judgment is used when determining whether an acquisition is a business combination or an asset acquisition. Judgment is also used in measuring the fair value of equity instruments issued as consideration for a business combination, and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. Non-controlling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of this equity in the acquiree's identifiable net assets. The excess of the aggregate of the consideration transferred and the amount of any non-controlling interests in the acquiree over the net assets of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to the entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which the entity operations and is re-evaluated when facts and circumstances indicate that conditions have changed.

Leases

Judgement is used when determining if the exercise of a lease renewal option is reasonably certain.

3. BASIS OF PRESENTATION (CONTINUED)

Financial instruments

The determination of categories of financial assets and liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

The identification of convertible note component is based on interpretations of the substance of the contractual arrangement and therefore requires judgement from management. The separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest of the liability component. The determination of fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Critical Accounting Estimates

Collectability of amounts receivable

The Company monitors its exposure for credit losses on its customer and related party receivable balances and the creditworthiness of the customers and related parties on an ongoing basis and records related allowances for doubtful accounts. Allowances are estimated based upon specific customer and related party balances, where a risk of default is identified, and also include a provision for non-customer specific defaults based upon historical experience and aging of accounts.

Biological assets

Determination of the fair value of biological assets requires the Company to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales prices, wastage and expected yields of the cannabis plant. In determining final inventory value, the Company estimates obsolete or slow-moving inventory in determining net realizable value.

The Company's estimates are, by their nature, subject to change and differences from such change will be reflected in the gain or loss on biological assets in future periods.

Inventory

The Company estimates the net realizable value of inventory taking into account the most reliable evidence available at each reporting date.

Share-based payments

Where applicable, the fair value of certain equity instruments is subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

3. BASIS OF PRESENTATION (CONTINUED)

Valuation of equity consideration granted

The valuation of share consideration granted involves management judgment in determining valuation of the share consideration granted. Judgment is exercised in the reliability of the fair value of consideration received.

Estimated useful lives, impairment considerations and amortization of tangible assets, intangible assets, and goodwill

Amortization of tangible and intangible assets is dependent upon estimates of useful lives based on management's judgment.

Assets held for sale

The recoverable value of a disposal group under IFRS 5 Assets held for sale and discontinued operations is based on estimates of the net consideration received. Estimates can change due to changes in negotiations or due to professional fees.

Recoverable value of goodwill

Goodwill impairment testing requires management to make critical estimates within the impairment testing model. On an annual basis, the Company tests whether goodwill is impaired.

Impairment of tangible and intangible assets with limited lives are affected by judgments about impairment indicators and estimates used to measure impairment losses where necessary.

The recoverable value of goodwill and tangible and intangible assets is determined using discounted cash flow models, which incorporate assumptions about future events including future cash flows, growth rates and discount rates.

Fair value of note receivable

Management uses judgment when estimating the fair value of note receivable including the discount rate and the timing of expected cash flows.

Valuation of derivative liabilities

The Company measures the warrants issued in a foreign currency using the Black Scholes Option Pricing model. The estimates include calculation of volatility and forfeiture rates.

3. BASIS OF PRESENTATION (CONTINUED)

3.3 Basis of consolidation

These consolidated financials are presented in Canadian dollars ("CAD") and incorporate the financial results of the Company and its controlled subsidiaries:

Entity	Country	Functional currency	Ownership %
Chemesis International Inc.	Canada	CAD	Parent
1145411 BC Ltd. ("1145411")	Canada	CAD	100%
Desert Zen LLC ("Desert Zen")	USA - California	US dollar ("USD")	100%
10998451 Canada Inc.	Canada	CAD	100%
Kieley Growth Management LLC ("Kieley")	USA - California	USD	60%
La Finca Interacviva Arachna Inc. SAS. (La Finca")	Colombia	Colombian Peso	100%
Bonhomie Labs LLC ("Bonhomie")	USA - California	USD	100%
SAP Global Inc. ("SAP Global")	USA - California	USD	100%
Vending Co. ("VendCo")*	USA - Nevada	USD	100%
GSRX Industries Inc. ("GSRX")**	USA	USD	66%

*VendCo was incorporated in Nevada on November 13, 2020.
**List of subsidiaries and percentage of ownership held under GSRX includes the following:

Subsidiaries held by GSRX	Country	GSRX Ownership %
Andalucia 511, LLC;	USA	100%
Spirulinex, LLC;	USA	51%
Sunset Connect Oakland, LLC;	USA	55%
Green Spirit Essentials, LLC;	USA	55%
Green Spirit Mendocino, LLC;	USA	100%
138 Main Street PA, LLC.	USA	100%
GSRX SUPES, LLC	USA	100%
Point Arena Supply Co., LLC	USA	100%
Ukiah Supply Company, LLC	USA	100%
Project 1493, LLC***	USA	100%
Pure and Natural, LLC	USA	100%
Point Arena Manufacturing, LLC	USA	94%
Point Arena Distribution, LLC	USA	100%
Pure and Natural-Lakeway, LLC	USA	51%
Pure and Natural One-TN, LLC	USA	51%
Green Room Palm Springs, LLC	USA	95%

***On November 11, 2020, the Company disposed of the majority of the assets in Project 1493.

On November 27, 2020, the Company disposed of Natural Ventures Puerto Rico ("Natural Ventures") (Note 6).

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated.

3. BASIS OF PRESENTATION (CONTINUED)

3.4 Non-controlling interests

Where the Company's interest is less than 100%, the interest attributable to outside shareholders is reflected in non-controlling interests. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein., and are initially recognized at the pro-rata share of ownership of the Company's net identifiable assets. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. See Note 12 for non-controlling interests' disclosures.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Intangible assets

Intangible assets acquired individually or with a group of other assets from others (other than in a business combination) are recognized at cost, including transaction costs, and allocated to the individual assets acquired based on relative fair values and no goodwill is recognized. Cost is measured based on cash consideration paid. If consideration given is in the form of non-cash assets, liabilities incurred, or equity interests issued, measurement of cost is based on either the fair value of the consideration given or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and more reliably measurable. Costs of internally developing, maintaining or restoring intangible assets that are not specifically identifiable, have indeterminate lives or are inherent in a continuing business are expensed as incurred.

Intangibles with a finite useful life are amortized and those with an indefinite useful life are not amortized. The useful life is the best estimate of the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Company. The useful life is based on the duration of the expected use of the asset by the Company and the legal, regulatory or contractual provisions that constrain the useful life and future cash flows of the asset, including regulatory acceptance and approval, obsolescence, demand, competition and other economic factors. If an income approach is used to measure the fair value of an intangible asset, the Company considers the period of expected cash flows used to measure the fair value of the intangible asset, adjusted as appropriate for Company-specific factors discussed above, to determine the useful life for amortization purposes. If no regulatory, contractual, competitive, economic or other factors limit the useful life of the intangible to the Company, the useful life is considered indefinite.

Intangibles with a finite useful life are amortized on the straight-line method unless the pattern in which the economic benefits of the intangible asset are consumed or used up are reliably determinable. The Company evaluates the remaining useful life of intangible assets each reporting period to determine whether any revision to the remaining useful life is required. If the remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over the revised remaining useful life. Licenced rights are amortized on a straight-line basis over the lease period of the leased premises to which the licensed rights are related.

Intangibles with an indefinite useful life are not amortized until its useful life is determined to be no longer indefinite. If the useful life is determined to be finite, the intangible is tested for impairment and the carrying amount is amortized over the remaining useful life in accordance with intangibles subject to amortization. Indefinite-lived intangibles are tested for impairment annually and more frequently if events or circumstances indicate that it is more-likely-than-not that the asset is impaired. The Company has not recognized any intangible assets with an indefinite useful life.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets, including tangible assets, intangible assets, and liabilities of the acquire at the date of acquisition. At the date of acquisition, goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is tested at least annually for impairment at the CGU level and is carried at cost less accumulated impairment losses.

4.3 Revenue recognition, accounts receivable and allowance for doubtful accounts

The Company's revenue consists solely of product sales and as such, the Company recognizes revenues when a contract has been entered into and performance obligations are known, the price has been determined, control of the goods passes to the customer and the significant risks and benefits of ownership are transferred and performance obligations have been satisfied. Revenue is measured based on the price specified, net of excise taxes, trade discounts and estimated returns at the time of sale. Historical experience is used to estimate allowances for returns.

Accounts receivable consist of amounts due from customers and are recorded upon the sale of product to customers. Credit terms are extended to customers in the normal course of business and no collateral is required. The Company estimates an allowance for doubtful accounts based on historical losses, the existing economic conditions and the financial stability of its customers. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when collected.

During the years ended June 30, 2020 and 2019, the Company derived revenue from:

- *Resale of cannabis products, oils and extracts.* The Company held certain licenses in California and Puerto Rico facilitating both retail and bulk sales of CBD and other cannabis products;
- *Sale of internally produced cannabis products, oils and extracts*. The Company held certain manufacturing and sales licenses. The Company grew cannabis to harvest and then sold it using its sales licenses and storefronts; and
- *Retail sale of CBD products at vending machines.*

Revenue is recognized upon transfer of control of the promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Performance obligations are satisfied, and revenue is recognized, at a point in time upon delivery to the customer.

4.4 Inventory

Inventory of raw materials, merchandise and devices and finished goods are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method, which under the circumstances, management believes will provide for the most practical basis for the measurement of periodic income. Harvested cannabis plants are transferred from biological assets into inventory at their fair value at harvest less costs to sell which is deemed to be their cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value. Management periodically reviews inventory for slow moving or obsolete items and considers realizability based on the Company's marketing strategies and sales forecasts to determine if an allowance is necessary. If net realizable value is below cost, then an allowance is created to adjust the carrying amount of inventory.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Biological assets

The Company's biological assets consist of cannabis plants. All of the biological assets are presented as current assets on the consolidated statement of financial position. The Company measures biological assets at fair value less cost to sell up to the point of harvest which becomes the basis for the cost of finished goods inventories after harvest. Gains or losses arising from changes in fair value less cost to sell are included in the results of operations of the related period.

4.6 Impairment of tangible and intangible assets

At the end of each reporting period, the Company’s assets are reviewed to determine whether there is any indication that those assets may be impaired. If 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. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to 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 profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4.7 Equipment, vehicles, building and leasehold improvements

Fixed asset items, including equipment, vehicles, building and leasehold improvements, are carried at cost less accumulated depreciation and accumulated impairment losses. In the year of acquisition, depreciation is recorded at one-half the normal rate. Depreciation is recognized using the declining balance method at the following annual rates or over the useful life:

Equipment	Declining-Balance	10%
Vehicles	Declining-Balance	10%
Leasehold improvements	Declining-Balance	20%
Building	Straight-line	25 years

A fixed asset that is withdrawn from use or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditure relating to an item of fixed assets is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditure is recognized as repairs and maintenance expense.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Equipment, vehicles, building and leasehold improvements (continued)

Subsequent expenditure relating to an item of equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditure is recognized as repairs and maintenance expense.

4.8 Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

4.9 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Income taxes (continued)

Changes in deferred tax assets or liabilities are recognized as a component of income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4.10 Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as contributed surplus.

4.11 Share-based payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged either to profit or loss or exploration and evaluation properties, with the offsetting credit to contributed surplus. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in contributed surplus.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4.13 Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

4.14 Financial instruments - recognition and measurement

The Company accounts for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Amounts receivable	Amortized cost
Loan receivable	Amortized cost
Note receivable	FVTPL
Accounts payable	Amortized cost
Derivative liability	FVTPL
Convertible debt	Amortized cost

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Measurement (continued)

Financial assets and liabilities at fair value through profit and loss

Financial assets and liabilities at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of 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 consolidated statements of loss in the period in which they arise. The Company's cash is measured at FVTPL.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's amounts receivable are financial assets at amortized cost. The Company's accounts payable and convertible debt are financial liabilities at amortized cost.

(iii) Impairment of financial assets at amortized cost.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company 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 Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of 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.

(iv) Derecognition

Financial assets

The Company 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. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

(v) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to share capital at the option of the holder. If the number of shares to be issued is fixed and does not vary, the liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Share Purchase Warrants issued in conjunction with a convertible debt are allocated a proportion value of the equity component and included within contributed surplus. If the number of share vary, the embedded derivative liability is recognized initially at fair value and the residual amount is allocated to the convertible debt liability.Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. The embedded derivative is remeasured at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Share issuance costs

Share issuance costs, which include commissions, facilitation payments, professional fees and regulatory fees, are charged directly to share capital.

4.16 Comprehensive income (loss)

Total comprehensive income (loss) comprises all components of profit or loss and other comprehensive income (loss). Other comprehensive income (loss) includes items such as gains or losses on re-measuring FVTOCI financial assets and the effective portion of gains and losses on hedging instruments in a cash flow hedge.

4.17 Foreign currency translation

Functional currency

Items included in the consolidated financial statements of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the parent company is the Canadian dollar. All the Company's subsidiaries except 1145411 have the US dollar as the functional currency, except for La Finca, which uses the Colombian peso.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rate prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of net loss and comprehensive loss.

Subsidiaries

The results and financial position of the Company's subsidiaries that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:
- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period;
- Equity is translated using historical rates; and
- All resulting exchange differences are recognised in other comprehensive income as foreign currency translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income (loss). When a foreign operation is sold, such exchange differences are recognised in the statement of loss as part of the gain or loss on sale.

4.18 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration transferred less the recognized amount of the identifiable assets and liabilities assumed, all measured at the acquisition date. Transactions costs, other than those associated with the issue of equity instruments, incurred in connection with a business combination are expensed as incurred.

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development or use or sell the asset. Other development expenditures are expensed as incurred.

5. ASSETS AND LIABILITIES HELD FOR SALE

During the year ended June 30, 2021, the Company entered into negotiations to dispose of 100% of its equity interest in La Finca in exchange for the Company paying USD $100,000 to dispose of its liabilities. Further, subsequent to June 30, 2021, the Company entered into an agreement to sell substantially all of the assets of the Green Spirit Mendocino, LLC for USD $200,000. As management believes the sales are highly probable and the remaining criteria under IFRS 5 *Assets Held for Sale and Discontinued Operations* are met, the La Finca and Green Spirit Mendocino, LLC assets and liabilities were classified as held for sale at June 30, 2021 and are as follows:

As at		**June 30, 2021**
Current		
Cash	$	15
Amounts receivable (Note 14)		19,594
Prepaids		1,642
Inventory (Note 10)		4,186
		25,437
Non-current assets		
Building (Note 12)		284,197
Intangible assets (Note 11)		35,623
Total non-current assets		319,820
TOTAL ASSETS	$	345,257
LIABILITIES		
Current		
Accounts payable	$	150,459
NET ASSETS	$	194,798

(Expressed in Canadian dollars)

6. DISCONTINUED OPERATIONS

On November 11, 2020, GSRX's subsidiary, Project 1493 entered into an asset purchase agreement (the "Asset Purchase Agreement") with Puerto Rico Industrial Commercial Holdings, LLC ("PRICH") to sell and transfer all of Project 1493's operating assets in Puerto Rico in consideration for US$3,993,333 cash, or $5,111,866. Additionally, PRICH assumed all of Project 1493's liabilities in respect of the assets sold and the leases assumed. A loss of $4,344,519 was recognised on the measurement to fair value less costs to sell and on the disposal of the assets and disposal groups constituting the discontinued operations.

On November 13, 2020, Natural Ventures entered into an agreement (the "Natural Ventures Agreement") with Puerto Rico Industrial Commercial Holdings Biotech Corp ("PRICH") to sell and transfer all of Natural Ventures' operating assets in Puerto Rico in consideration for US$550,000 cash. On November 17, 2020, the Company transferred licenses and operations to PRICH. On November 27, 2020, the Company withdrew its membership interest in Natural Ventures in substance transferring them to the CEO of the Company (Note 17). A loss of $3,277,271 was recognised on the measurement to fair value less costs to sell and on the disposal of the assets and disposal groups constituting the discontinued operations.

During the year ended June 30, 2021, the Company entered into negotiations to dispose of 100% of its equity interest in La Finca and as at June 30, 2021, its assets and liabilities were classified as held for sale (see Note 5).

An analysis of the post-tax loss on discontinued operations and the post-tax loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups for Project 1493, Natural Ventures and La Finca constituting the discontinued operations is as follows:

	For the years ended June 30, 2021	June 30, 2020
Revenue	$ 5,572,845	$ 12,123,429
Cost of goods sold	(3,147,936)	(6,407,950)
	2,424,909	5,715,479
Fair value adjustment included in cost of sales and gain on biological assets	(507,543)	(58,568)
Gross profit	1,917,366	5,656,911
General and administrative costs	(4,042,296)	(8,511,444)
Other expenses	(209,673)	(923,794)
Loss recognised on the measurement to fair value less costs to sell and on the disposal of the assets or disposal groups constituting discontinued operations	(7,621,790)	-
Disposal of non-controlling interest	569,059	-
Net income (loss)	**(9,387,334)**	(3,778,327)
Other comprehensive income	109,570	8,207
Comprehensive income (loss)	**$ (9,227,764)**	**$ (3,770,120)**

(Expressed in Canadian dollars)

7. GOODWILL AND ACQUISITIONS

Goodwill arose over the acquisition of Natural Ventures, Desert Zen, Kieley Growth, and GSRX due to the benefit of expected revenue growth in North American and Latin America markets and future market developments. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions are expected to be deductible for tax purposes. All acquisitions were dealt with at arm's length with non-related parties at the time of transaction. The fair value of assets and liabilities as at acquisition date are within the measurement period, as such, these values may change.

The Company's goodwill arose on acquisitions and are summarized as follows:

	GSRX	**Natural Ventures**	**Kieley Growth**	**Desert Zen**	**Total**
	Puerto Rico	*Puerto Rico*	*United States*	*United States*	
Cost					
Balance, June 30, 2019	$ -	$ 3,557,713	$ 2,259,080	$ 374,830	$ 6,191,623
Additions	5,577,799	-	-	-	5,577,799
Balance, June 30, 2020	**$ 5,577,799**	**$ 3,557,713**	**$ 2,259,080**	**$ 374,830**	**$ 11,769,422**
Disposition	**(5,577,799)**	**(3,557,713)**	**-**	**-**	**(9,135,512)**
Balance, June 30, 2021	**$ -**	**$ -**	**$ 2,259,080**	**$ 374,830**	**$ 2,633,910**
Accumulated impairment					
Balance, June 30, 2019	**$**	**$**	**$ -**	**$ -**	**$ -**
Addition	-	1,801,300	2,259,080	374,830	4,435,210
Balance, June 30, 2020	**$ -**	**$ 1,801,300**	**$ 2,259,080**	**$ 374,830**	**$ 4,435,210**
Disposition	-	(1,801,300)	-	-	(1,801,300)
Balance, June 30, 2021	**$ -**	**$ -**	**$ 2,259,080**	**$ 374,830**	**$ 2,633,910**
NET					
Balance, June 30, 2019	**$ -**	**$ 3,557,713**	**$ 2,259,080**	**$ 374,830**	**$ 2,633,910**
Balance, June 30, 2020	**$ 5,577,799**	**$ 1,756,413**	**$ -**	**$ -**	**$ 7,334,212**
Balance, June 30, 2021	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Impairment of goodwill and intangible assets

During the year ended June 30, 2020, the Company noted indicators of impairment for certain of the Company's non-current assets domiciled in California, United States, including a significant drop in demand. As such, the Company temporarily and permanently ceased certain operations during the year ended June 30, 2020. Goodwill of $374,830 related to the Desert Zen CGU and $2,259,080 related to the Kieley CGU were charged to the consolidated statement of comprehensive loss during the year ended June 30, 2020.

On December 7, 2020, the Company disposed of Natural Ventures and of certain Project 1493 assets, which represented the total of goodwill for GSRX. As such, $1,756,413 and $5,577,799, respectively, were included in loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups during the year ended June 30, 2021.

(Expressed in Canadian dollars)

7. GOODWILL AND ACQUISITIONS (CONTINUED)

The balance of investment in GSRX is as follows:

Balance, June 30, 2019	**$**	**14,497,777**
Unrealized loss on investment in GSRX		(9,839,396)
Investment balance transferred as consideration for GSRX acquisition		(4,658,381)
Balance, June 30, 2020 and 2021	**$**	**-**

On August 28, 2019, the Company acquired 42,634,124 common shares of GSRX in exchange for 1,488,071 common shares of the Company for a total fair value of $8,437,358 and acquired 100% of the preferred shares in exchange for 400,000 common shares of the Company with an estimated fair value of $2,268,000. Immediately after the transaction the Company held a 66.39% common share interest in GSRX. The acquisition of GSRX was accounted for as a business combination.

The unrealized loss on investment in GSRX was not included in the loss from discontinued operations (Note 6) as the Company still holds its common shares of GSRX and Project 1493 as at June 30, 2021 and 2020.

Acquisition of GSRX on August 28, 2019 is as follows:

Consideration		
Fair value of initial investment in GSRX	$	4,658,381
Common shares		10,705,358
Total consideration	$	15,363,739
Fair value of net assets acquired		
Cash	$	2,026,139
Accounts receivable		47,627
Inventory		689,750
Deposits		367,027
Equipment		472,310
Land		322,316
Building		1,147,069
Leasehold improvements		954,273
License		2,727,986
Right of use assets		2,912,084
Construction in progress		897,157
Investment in Chemesis		6,027,801
Total assets	$	18,591,539
Current liabilities	$	1,082,159
Lease liabilities		2,912,084
Total liabilities	$	3,994,243
Net identifiable assets		**14,597,296**
Less: non-controlling interests portion	$	**(4,811,269)**
Company's share of net assets acquired		**9,786,027**
Goodwill	**$**	**5,577,712**

On the acquisition date, the Company held 11,668,998 shares of GSRX's common shares with a fair value of $4,658,381, which were issued on April 1, 2019 and classified as financial assets at FVTPL. On August 28, 2019 the Company issued 1,488,071 common shares of the Company with a fair value of $8,437,358, which are to be released in equal tranches every six months, starting six months from grant date.

7. GOODWILL AND ACQUISITIONS (CONTINUED)

In connection with the acquisition of controlling interests in GSRX on August 28, 2019, the Company issued an additional 400,000 common shares to exchange for the preferred shares of GSRX, which represent 51% of voting rights.

During the year ended June 30, 2020, the Company disposed of certain Project 1493 assets, including goodwill (Note 6).

Caribbean Green LLC

On September 9, 2019, Natural Ventures entered into an asset acquisition agreement to acquire three dispensaries in Puerto Rico for total payments of USD $1,200,000, due in monthly installments of USD $50,000. During the year ended June 30, 2021, this agreement was transferred to discontinued operations (Note 6).

(Expressed in Canadian dollars)

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Company's right-of-use asset relates to the lease of office space. On adoption of IFRS 16, the group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 15%.

The entirety of the Company's leases and right of use assets were disposed of during the year ended June 30, 2021. The movement during the years ended June 30, 2021 and 2020 are shown in the continuity below:

Cost		
Balance, July 1, 2019, on adoption of IFRS 16	$	**2,603,855**
Acquisition of GSRX (Note 5)		2,912,084
Additions		300,647
Disposals		(1,701,477)
Impairment		(261,955)
Effects of foreign exchange		150,511
Balance, June 30, 2020	**$**	**4,003,665**
Termination of lease		(2,520,323)
Effects of foreign exchange		284,141
Disposition (Note 6)		(1,767,483)
Balance, June 30, 2021	**$**	**-**
Accumulated depreciation		
Balance, July 1, 2019	$	-
Disposals		(231,350)
Depreciation		1,331,012
Impairment		(36,393)
Effects of foreign exchange		24,304
Balance, June 30, 2020		**1,087,573**
Disposals		(299,950)
Depreciation		428,163
Disposition (Note 6)		(1,215,786)
Balance, June 30, 2021		**-**

Balance July 1, 2019	$	**2,603,855**
Balance, June 30, 2020	**$**	**2,916,092**
Balance, June 30, 2021	**$**	**-**

(Expressed in Canadian dollars)

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The carrying value of the lease liabilities is as follows:

Lease liabilities		
Lease liabilities, adoption of IFRS 16, July 1, 2019	**$**	**2,603,855**
Acquisition of GSRX		2,912,084
Additions		300,647
Repayments		(1,454,649)
Disposals		(1,562,769)
Accretion		474,196
Effects of foreign exchange		137,178
Balance, June 30, 2020	**$**	**3,410,542**
Accretion		213,863
Repayments		(914,988)
Termination of lease		1,688,967
Effects of foreign exchange		(159,842)
Disposition (Note 6)		(860,608)
Balance, June 30, 2021	**$**	**-**

As at June 30, 2021, the Company had no further lease commitments.

9. BIOLOGICAL ASSETS

The Company's biological assets consist of cannabis plants. The movement during the years ended June 30, 2021 and 2020 is as follows:

		June 30, 2021		**June 30, 2020**
Biological assets, beginning	$	1,842,848	$	1,244,938
Production costs		388,589		1,959,421
Biological assets transferred to Inventory		(1,102,691)		(2,352,119)
Net increase in fair value less costs to sell due to biological transformation		248,187		925,159
Effects of foreign exchange rates		(154,275)		65,449
Disposition (Note 6)		(1,222,658)		-
Biological assets, end	**$**	**-**	**$**	**1,842,848**

Biological assets are presented at their fair values less costs to sell up to the point of harvest. The Company's biological assets are primarily cannabis clones, mother plants and flowering plants, and because there is no actively traded commodity market for plants, the valuation of these biological assets is obtained using valuation techniques where the inputs are based upon unobservable market data (Level 3).

(Expressed in Canadian dollars)

9. BIOLOGICAL ASSETS (CONTINUED)

The significant assumptions used in determining the fair value of biological assets as at June 30, 2020 include:

Unobservable inputs	Amounts	Sensitivity
Estimated selling price of dry cannabis - varies by strain and is obtained through listed selling prices or estimated selling prices if historical results are not available.	$158 per dry ounce.	A slight increase in the estimated selling price per strain would result in a significant increase in fair value, and vice versa.
Estimated yield per plant - varies by strain and is obtained through historical growing results (6 month trailing average) or grower estimate if historical results are not available.	5.83 oz per flowering cannabis plant.	A slight increase in the estimated yield per plant would result in a significant increase in fair value, and vice versa.
Stage of cannabis plant within its life cycle.	12 - 15 weeks	A slight increase in the estimated stage in the life cycle would result in a slight increase in fair value, and vice versa.
Selling costs - are estimated based on the salaries paid to marketing and inventory personnel.	$nil/oz	A slight decrease in the estimated selling costs would result in a slight increase in fair value, and vice versa.

The Company estimates the average grow cycle of plants up to the point of harvest is approximately 13 weeks. The Company's estimates are, by their nature, subject to change and differences from the anticipated yield will be reflected the gain or loss on biological assets in future periods.

10. INVENTORY

During the year ended June 30, 2021, the Company expensed $31,124 (2020 - $1,097,707) of inventory included within cost of goods sold.

During the year ended June 30, 2021, the Company wrote down certain of its inventory to net realizable value in the amount of $nil (2020 - $307,435), which is included in cost of goods sold in the analysis of the post-tax loss on discontinued operations (see Note 6).

(Expressed in Canadian dollars)

10. INVENTORY (CONTINUED)

The Company's inventory comprised the following as at:

		June 30, 2021		June 30, 2020
Dried cannabis flowers	$	-	$	99,649
Finished goods		-		1,029,482
Total	**$**	**-**	**$**	**1,129,131**

11. INTANGIBLE ASSETS

Cost		**License rights**
Balance, June 30, 2019	**$**	**3,156,561**
Acquisition of GSRX licenses		2,727,986
Additions		269,316
Impairment		(1,663,252)
Balance, June 30, 2020	**$**	**4,490,611**
Disposal (Note 6)		(4,490,611)
Balance, June 30, 2021	**$**	**-**
Accumulated amortization		
Balance, June 30, 2019	**$**	(614,619)
Additions		(2,247,317)
Impairment		423,099
Balance, June 30, 2020	**$**	**(2,438,837)**
Disposal (Note 6)		2,438,837
Balance, June 30, 2021	**$**	**-**
Net book value		
June 30, 2019	$	**2,541,942**
June 30, 2020	$	**2,051,774**
June 30, 2021	$	**-**

The Company's license rights are summarized as follows:

SAP Brand rights
On July 20, 2018, the Company issued 66,464 common shares for a fair value of $255,886 pursuant to an acquisition of licensed rights from SAP. Further, the Company paid $110,000 cash. An impairment charge of $223,393 was recognized during the year ended June 30, 2020 as the license was no longer in use.

11. INTANGIBLE ASSETS (CONTINUED)

Rapid Dose Therapeutics Inc. ("RDT")

On October 12, 2018, the Company acquired the license rights from RDT, a Canadian bio-technology company which provides proprietary drug delivery technologies. During the year ended June 30, 2020, the Company issued additional 15,750 common shares with a fair value at $17.10 for a total fair value of $269,316. An impairment charge of $432,371 was recognized during the year ended June 30, 2020 as the license is no longer in use.

Kieley Growth Management License

On May 24, 2019, the Company acquired a 60% interest in Kieley, who held a Type-6 Cannabis Processing License as issued by the California Department of Health. This license had a value of $404,040 and is amortized over one year. Due to a declining market in the US during the year ended June 30, 2020, the Company wrote off the balance of the license of $441,611 in accordance with Level 3 of the fair value hierarchy.

Desert Zen License

On August 21, 2018, the Company acquired Desert Zen, which holds licenses issued by the California Department of Health. The licenses had a fair value of $230,000 on acquisition and are amortized over one year. Due to a declining market in the US during the year ended June 30, 2020, the Company wrote off the balance of the license of $142,778 in accordance with Level 3 of the fair value hierarchy.

GSRX Licenses

GSRX operates 5 cannabis dispensaries in Puerto Rico, through its wholly owned subsidiary, Project 1493, LLC. The licenses were measured at a fair value of $2,727,986, at the acquisition date of GSRX on August 28, 2019. The licenses have a useful life of 3 to 5 years. During the year ended June 30, 2021, these licenses were disposed of an included in discontinued operations (Note 6).

(Expressed in Canadian dollars)

12. NON-CONTROLLING INTERESTS

During the years ended June 30, 2020 and 2019, the Company acquired several companies with significant non-controlling interests. Non-controlling interests are initially recorded at the non-controlling interests' percentage of the total fair value of net assets acquired.

During the year ended June 30, 2021, the Company disposed of Natural Ventures.

A continuity of the Company's non-controlling interests is below:

	Natural Ventures	Kieley Growth	GSRX	SAP	Total
	Puerto Rico	*United States*	*Puerto Rico*	*United States*	
Balance, June 30, 2019	**$ 459,550**	**$ 504,006**	$ **-**	$ **(704,785)**	$ **258,771**
Acquisition	-	-	4,811,232	-	4,811,232
Disposal	-	-	-	704,785	704,785
Net loss	(404,193)	(418,892)	(804,949)	-	(1,628,034)
Other comprehensive loss	(10,425)	14,565	63,442	-	67,582
Shares issued for services	-	-	111,109	-	111,109
Balance, June 30, 2020	**$ 44,932**	**$ 99,679**	**$ 4,180,834**	**$ -**	**$ 4,325,445**
Net loss	(613,991)	-	(2,311,784)	(206,927)	(3,132,702)
Other comprehensive loss	-	-	(112,722)	-	(112,722)
Disposal	569,059	-			569,059
Balance, June 30, 2021	**$ -**	**$ 99,679**	**$ 1,756,328**	**$ (206,927)**	**$ 1,649,080**

Summarized financial information from each subsidiary with significant non-controlling interests is as follows as at and for the year ended June 30, 2021:

	Natural Ventures	Kieley Growth	GSRX	SAP	Total
Total assets	$ -	$ -	$ 43,249	$ -	$ 43,249
Total liabilities	-	122,970	150,459	12,249	285,678
Revenues	-	-	-	-	-
Cost of goods sold	-	-	76,975	-	76,975
Other loss	(3,069,953)	(517,318)	(4,535,662)	-	(8,122,933)
Expenses	-	-	(1,753,137)	-	(1,753,137)
Net loss	$ (3,069,953)	$ (517,318)	$ (6,211,824)	$ -	$ (9,799,095)

(Expressed in Canadian dollars)

12. NON-CONTROLLING INTERESTS (CONTINUED)

Summarized financial information from each subsidiary with significant non-controlling interests is as follows as at and for the year ended June 30, 2020:

	Natural Ventures	Kieley Growth	GSRX	SAP	Total
Total assets	$ 8,762,931	$ -	$ 13,081,326	$ -	$ 21,844,257
Total liabilities	4,195,026	130,899	2,607,689	13,039	6,946,653
Revenues	2,385,210	424,579	11,103,245	-	13,913,034
Cost of goods sold	(2,802,332)	(61,281)	(4,841,761)	(674,681)	(8,380,055)
Other loss	(582,544)	(1,034,862)	(799,115)	(2,826,738)	(5,243,259)
Expenses	(2,195,321)	(375,666)	(6,424,725)	(1,019,830)	(10,015,542)
Net loss	**$ (3,194,987)**	**$ (1,047,230)**	**$ (962,356)**	**$ (4,521,249)**	**$ (9,725,822)**

(Expressed in Canadian dollars)

13. FIXED ASSETS

The Company's fixed assets are as follows:

	Machinery and equipment	Leasehold improvements	Buildings	Construction in progress	Land	Total
Cost						
Balance, June 30, 2019	$ 5,272,609	$ 2,153,651	$ -	$ -	$ -	$ $ 7,426,260
Acquisition of GSRX	472,441	954,236	1,147,023	897,122	322,303	3,793,125
Additions	154,655	828,888	-	195,641	-	1,179,183
Transfer	(563,817)	563,817	-	-	-	-
Impairment	(3,964,176)	(2,394,284)	-	(202,690)	-	(6,561,150)
Disposals	-	(23,367)	(905,475)	-	(323,383)	(1,252,225)
Changes in foreign exchange	93,503	92,248	9,463	28,095	1,080	224,389
Balance, June 30, 2020	**$ 1,465,215**	**$ 2,175,189**	**$ 251,011**	**$ 918,168**	**$ -**	$ **$4,809,583**
Disposals (Note 6)	(1,332,720)	(2,175,189)	(251,011)	(918,168)	-	(4,677,088)
Impairment	(132,495)	-	-	-	-	(132,495)
Balance, June 30, 2021	**$ -**	$ -	$ -	$ -	$ -	$ -
Depreciation						
Balance, June 30, 2019	$ 228,733	$ 140,012	$ -	$ -	$ -	$ $ 368,745
Additions	306,972	526,783	8,884	-	-	842,639
Reclassification	(39,024)	39,024	-	-	-	-
Disposals	-	-	(3,645)	-	-	(3,645)
Impairment	(281,796)	(379,179)	-	-	-	(660,975)
Changes in foreign exchange	4,655	8,153	119	-	-	12,927
Balance, June 30, 2020	**$ 219,540**	**$ 334,793**	**$ 5,358**	**$ -**	**$ -**	**$ $ 559,691**
Additions	13,248	-	-	-	-	13,248
Disposals (Note 6)	(206,292)	334,793)	(5,358)	-	-	(546,443)
Impairment	(26,496)	-	-	-	-	(26,496)
Balance, June 30, 2021	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net book value						
June 30, 2019	**$ 5,043,876**	**$ 2,013,639**	**$ -**	**$ -**	**$ -**	**$ 7,057,515**
June 30, 2020	**$ 1,245,675**	**$ 1,840,396**	**$ 245,653**	**$ 918,168**	**$ -**	**$ 4,249,892**
June 30, 2021	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

14. CONVERTIBLE DEBT

During the year ended June 30, 2020, the Company completed a convertible debt financing for total gross proceeds of $1,455,080 (USD$1,100,000). The convertible debentures bear interest at a rate of 10% per year and mature two years from the closing date. The convertible debentures are unsecured and are convertible, at the option of the holder, into common shares of the Company at a price of USD$1.00 per common share. The debentures carry a derivative liability whereby the number of shares is fixed to the US dollar. The Company recognized a derivative liability of $620,960 and re-measures the liability at the end of each reporting period using the Black-Scholes option pricing model.

The Company has the right to repay and cancel convertible debentures at any time prior to the maturity date at a price equal to 105% of the principal amount of the convertible debentures then outstanding plus accrued and unpaid interest thereon.

14. CONVERTIBLE DEBT (CONTINUED)

During the year ended June 30, 2020, the Company entered into debt settlement agreement with one of the debentures holders whereby the Company settled $1,036,750 of the carrying value of the principal and outstanding interest amount by issuing 1,561,418 common shares of the Company for total fair value of $1,327,205 and recognizing a loss on settlement of $290,455 included in the loss on debt settlement in the consolidated statement of comprehensive income and loss.

During the year ended June 30, 2019, the Company completed two tranches of convertible debt financing for total gross proceeds of $3,500,000. The first tranche of $2,000,000 closed on December 4, 2018 and the final tranche of $1,500,000 closed on December 20, 2018. The convertible debentures bear interest at a rate of 8% per year and mature two years from the closing date. The convertible debentures are unsecured and are convertible, at the option of the holder, into common shares of the Company at a price of $12.50 per common share. In addition, the Company granted one common share purchase warrant for each common share underlying the convertible debentures for a total of 280,000 warrants. Each warrant is exercisable into one common share at an exercise price of $15.00 for a period of 24 months.

The Company has the right to repay and cancel the convertible debentures at any time prior to the maturity date at a price equal to 105% of the principal amount of the convertible debentures then outstanding plus accrued and unpaid interest thereon. In addition, the Company has the right to compel the conversion of the convertible debentures in the event that the daily volume weighted average trading price of the common shares exceeds $2.50 per common share for 10 consecutive trading days. The Company recognized a derivative liability of $1,079,782 relating to the first tranche closed on December 4, 2018 and a derivative liability of $692,013 on the second tranche closed on December 20, 2018 and re-measures the liability at the end of each reporting period using the Black-Scholes option pricing model. There was no residual value allocated to the warrants attached to the debentures.

The Company during the year ended June 30, 2020 entered into debt settlement agreements with the debentures holders for the tranche closed December 4, 2018 whereby the Company settled of the principal and outstanding interest amount of $2,184,000 with a carrying value of $1,581,007 by issuing a total of 4,976,482 common shares of the Company for total fair value of $4,054,715 and recognizing a loss on settlement of $2,473,708 included in the loss on debt settlement in the consolidated statement of comprehensive income and loss. The Company incurred $100,000 in early settlement penalties, being 5% of the outstanding which were settled, and are included as part of the loss on debt settlement.

During the year ended June 30, 2020, the Company entered into debt settlement agreements with certain debentures holders for the tranche closed December 20, 2018 whereby the Company settled of the principal and outstanding interest amount of $601,898 with a carrying value of $469,790 by issuing a total of 1,537,425 common shares of the Company for total fair value of $1,255,233 and recognizing a loss on settlement of $785,443 included in the loss on debt settlement in the consolidated statement of comprehensive income and loss. The Company incurred $27,650 in early settlement penalties, being 5% of the outstanding which were settled, and are included as part of the loss on debt settlement.

During the year ended June 30, 2021, the Company settled $1,011,109 (Note 16) through the issuance of 2,309,019 common shares with an estimated fair value of $863,551 and the issuance of $250,000 cash, resulting in a loss on debt settlement of $102,442.

(Expressed in Canadian dollars)

14. CONVERTIBLE DEBT (CONTINUED)

The following table summarizes the Company's convertible debt:

Balance, June 30, 2019	**$**	**2,243,404**
Additions		1,455,080
Allocation to derivative liabilities		(620,960)
Settlement		(3,087,547)
Accretion and interest		1,058,510
Foreign exchange		15,075
Balance, June 30, 2020	**$**	**1,063,562**
Interest expense		135,632
Foreign exchange		(58,703)
Settlement		(1,011,109)
Balance, June 30, 2021	**$**	**129,382**

The following table summarizes the Company's derivative liability related to the convertible debentures:

Balance, June 30, 2019	**$**	**3,152,490**
Additions		620,960
Change in fair value during the year		(3,773,450)
Balance, June 30, 2020 and 2021	**$**	**-**

15. AMOUNTS RECEIVABLE

Amounts receivable as at June 30, 2021 and June 30, 2020 consist of:

		June 30, 2021		June 30, 2020
GST	$	201,964	$	71,184
Trade receivables		-		681,484
	$	**201,964**	**$**	**752,668**

(Expressed in Canadian dollars)

16. SHAREHOLDERS' EQUITY

16.1 Authorized share capital

Unlimited number of common shares with no par value.

16.2 Issued share capital

Common shares issued and outstanding as at June 30, 2021 are 55,329,557, which is net of 729,187 common shares held by GSRX, which are considered to be treasury shares. As at June 30, 2021, the Company held 344,041 common shares in escrow (2020 - 1,032,104).

During the year ended June 30, 2021:

- In July, 2020, the Company completed a private placement of 2,542,800 units of the Company for total proceeds of $1,271,400, at a price of $0.50 per unit. Each unit consists of one common share and one common share purchase warrant exercisable at $1.00 per common share for two years. 70,000 finders' warrants with the same terms were issued with a fair value of $24,602;
- In January, 2021, the Company completed a private placement of 3,687,419 common shares for total proceeds of $1,198,411, at a price of $0.325 per common share;
- The Company issued 10,757,003 common shares for cash proceeds of $4,534,586 from the exercise of share purchase warrants; and
- The Company issued 125,000 common shares pursuant to exercise of RSRs with a fair value of $110,563.

The Company also settled liabilities as follows:

Date	Number of shares	Fair value per share	Total fair value	Purpose
August 5, 2020	730,723*	$ 0.74	$ 540,735	Debt settlement
November 20, 2020	313,313	0.26	81,461	Debt settlement
January 18, 2021	1,912,106	0.325	621,434	Convertible debenture settlement
January 19, 2021	972,642	0.325	316,109	Debt settlement
April 30, 2021	396,913	0.61	242,117	Convertible debenture settlement

* In addition, there were 692,416 share purchase warrants issued with a fair value of $78,747, with an exercise price of $0.85 per warrant exercisable into one common share for a period of two years. The fair value was determined using the Black-Scholes Option Pricing Model, using a share price of $0.50, volatility of 100% and a discount rate of 0.95%.

Derivative liability

In January, 2021, the Company issued 3,687,419 common share purchase warrants exercisable at $0.34 USD for a period of two years. As the exercise price is in a foreign currency, the fixed for fixed equity criteria are not met and therefore is recorded as a liability. At inception, the fair value of $1,198,411 was calculated using the Black-Scholes Option pricing model, however was 100% allocated to the proceeds from the related private placement of $1,198,411. At June 30, 2021, the fair value of the liability was $1,185,923, calculated using the Black-Scholes Option Pricing Model and using inputs of 132% volatility, $0.51 share price, $0.34 USD exercise price and a period of 1.5 years. A gain of $12,488 was recorded during the year.

(Expressed in Canadian dollars)

16. SHAREHOLDERS' EQUITY (CONTINUED)

16.2 Issued share capital (continued)

During the year ended June 30, 2020:

On August 28, 2019 the Company issued 1,488,071 common shares for common share of GSRX with a fair value of $8,437,358. The fair value of the 1,488,071 common shares was determined using a DLOM model, which discounts time-released common shares at rates between 20%-35%.

In connection with the acquisition of controlling interests in GSRX on August 28, 2019, the Company agreed to issue an additional 400,000 common shares to exchange for the preferred shares of GSRX, which represent 51% of voting rights. The fair value of the common shares was valued at closing price of the acquisition date. The 400,000 common shares were issued on November 6, 2019.

On January 23, 2020, the Company closed a private placement of 13,506,030 units of the Company at price of $0.370 per unit (the "Units") for total proceeds of $5,000,000. Each Unit is comprised of one common share and one common share purchase warrant, which is exercisable for one common share at a price of $0.405 for a period of 24 months. Of the total proceeds:

i) 3,742,807 units were issued to settle $1,141,556 owed under a convertible debt held by a director of the Company and 1,128,771 units were issued to settle $344,275 of other convertible debentures (Note 12);
ii) $239,742 in accounts payable owing to a director of the Company was settled with 786,039 units; and;
iii) The balance of $3,274,427 was received in cash.

Concurrently, the Company settled liabilities of $1,508,575:

i) $271,944 owed under a convertible debenture repaid through the issuance of 406,348 units with a fair value of $361,933. A penalty of $12,500 was incurred due to the early settlement clause (Note 12) with each unit being comprised of one common share and one common share purchase warrant exercisable at a price of $0.70 for a period of 24 months;
ii) $1,109,440 under certain convertible debentures through the issuance of 1,232,711 units of the Company (Note 12). Each unit being comprised of one common share and one common share purchase warrant which is exercisable at a price of $1.12 for a period of 24 months.
iii) $114,691 owed to a creditor was settled through the issuance of 163,844 units with a fair value of $145,821. Each unit being comprised of one common share and one common share purchase warrant exercisable at a price of $0.70 for a period of 24 months.

On April 21, 2020, the Company issued 2,500,000 restricted share units ("RSU") to employees and consultants. These restricted share units vested over a period of three months, and a fair value of $1,719,874 was charged to share-based payments during the year, based on the pro-rata fair value with reference to the shares' grant date price of US$0.626. The restriction period on these shares ends on July 21, 2020.

During the year ended June 30, 2020, other following cash share transactions occurred:

	Number of shares	Fair value per share	Total fair value	Purpose
July 4, 2019	10,000	$ 14.00	$ 140,000	Option exercise
September 18, 2019	54,054	$ 7.40	$ 400,000	Private placement
October 3, 2019	23,649	$ 7.40	$ 175,000	Private placement
December 3, 2019	100,000	$ 0.73	$ 73,000	Private placement
May 19, 2020	1,420,000	$ 0.50	$ 710,000	Private placement
May 20, 2020	1,272,500	$ 0.50	$ 636,250	Private placement

(Expressed in Canadian dollars)

16. SHAREHOLDERS' EQUITY (CONTINUED)

During the year ended June 30, 2020, the following non-cash share transactions occurred:

Date	Number of shares		Fair value per share		Total fair value	Purpose
July 3, 2019	100,000	$	17.80	$	1,780,000	Acquisition of SAP (Note 5)
July 12, 2019	15,750	$	17.10	$	269,316	Rapid Dose equipment purchase (Note 11)
August 14, 2019	60,000	$	12.20	$	732,000	Notes payable settlement agreement (Note 5)
August 28, 2019	1,488,071	$	5.67	$	8,437,363	Acquisition of GSRX shares (Note 5)
November 7, 2019	400,000	$	5.67	$	2,268,000	Acquisition of GSRX preferred shares (Note 5)
December 2, 2019	30,938	$	1.85	$	57,240	Shares issued for services

On January 9, 2020, the Company's subsidiary, GSRX, issued 946,144 common shares of its own stock to employees and consultants. These shares were measured at a fair value $25,824. The Company issued shares pursuant to warrants exercised as follows:

Date	Number of shares		Strike price		Total proceeds
February 27, 2019	10,000	$	20.00	$	200,000
March 6, 2019	12,000		20.00		240,000
March 6, 2019	23,200		20.00		464,000
April 25, 2019	2,200		20.00		44,000
May 8, 2019	1,000		20.00		20,000
	48,400	**$**	**20.00**	**$**	**968,000**

Upon exercise of warrants, the Company reallocated $58,661 in contributed surplus to share capital

16.3 Warrants

As of June 30, 2021, the following warrants were outstanding:

	Warrants		Exercise Price
June 30, 2020	**21,528,378**	**$**	**1.62**
Issued	6,992,635		0.68
Exercised	(10,757,003)		1.12
Expired	(280,010)		15.00
June 30, 2021	**17,484,000**	**$**	**0.99**

Expiry date	Warrants		Exercise Price
December 21, 2023	31,250		15.00
October 3, 2021	77,651		15.00
January 21, 2024	38,460		24.50
March 1, 2024	150,000		25.00
May 30, 2024	18,918		25.00
May 30, 2024	37,837		25.00
June 13, 2024	5,405		25.00
January 21, 2022	6,036,441		0.405
January 23, 2022	370,192		0.70
January 23, 2022	1,232,711		1.12
May 19, 2022	1,220,000		1.00
May 20, 2022	1,272,500		1.00
July 3, 2022	2,612,800		1.00
July 24, 2022	692,416		0.85
January 18, 2023	3,687,419		USD 0.34
Balance, June 30, 2021	**17,484,000**	**$**	**0.99**

At June 30, 2021, the weighted-average remaining life of the outstanding warrants was 0.75 years.

(Expressed in Canadian dollars)

16. SHAREHOLDERS' EQUITY (CONTINUED)

As of June 30, 2020, the following warrants were outstanding:

	Warrants		Exercise Price
June 30, 2019	**953,421**	**$**	**19.70**
Issued	20,966,498		0.53
Expired	(391,541)		1.00
June 30, 2020	**21,528,378**	**$**	**1.62**

Expiry date	Warrants		Exercise Price
December 4, 2020	160,000	$	15.00
December 21, 2023	31,250		15.00
October 3, 2021	77,651		15.00
December 20, 2020	120,010		15.00
January 21, 2024	38,460		24.50
March 1, 2024	150,000		25.00
May 30, 2024	18,918		25.00
May 30, 2024	37,837		25.00
June 13, 2024	5,405		25.00
January 21, 2022	16,393,444		0.405
January 23, 2022	570,192		0.70
January 23, 2022	1,232,711		1.12
May 19, 2022	1,420,000		1.00
May 20, 2022	1,272,500		1.00
Balance, June 30, 2020	**21,528,378**	**$**	**1.62**

At June 30, 2020, the weighted-average remaining life of the outstanding warrants was 2.37 years.

16.4 Options and share-based compensation

The Company has adopted a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the CSE. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority. Stock options granted to any person engaged in investor relations activities will vest over a period of not less than 12 months with no more than 25% of the stock options vesting in any six-month period. The exercise price of any stock options granted under the plan shall be determined by the Board but may not be less than the market price of the common shares on the Exchange on the date of grant (less any discount permissible under Exchange rules). The term of any stock options granted under the plan shall be determined by the Board at the time of grant but may not exceed ten years.

On January 14, 2020, The Company granted 2,295,000 stock options to directors, officers and consultants of the Company under its share-based compensation plan. The options are exercisable at a price of $0.90 per common share, for a five-year term. A fair value of $837,267 was assigned using the Black-Scholes option pricing model.

During the year ended June 30, 2020, the Company charged the following share-based compensation:

a) Fair value of options and restricted share unit issued and vested during the year: $3,543,765;
b) 30,938 Shares issued for services with a fair value $57,235; and
c) Shares issued by GSRX for services with a fair value of $25,824.

(Expressed in Canadian dollars)

16. SHAREHOLDERS' EQUITY (CONTINUED)

During the year ended June 30, 2021, 1,500,000 options (2020 – 2,295,000) were issued and vested. Total share-based payments recognized for the fair value of share options granted, vested and approved by the shareholders during the year ended June 30, 2021 was $nil.

The fair value of the RSRs granted (2020 - share options granted) was estimated on the date of grant using the Black-Scholes Pricing Model with the following weighted average assumptions for the years ended June 30:

	2021	2020
Strike price	$0.89	$0.90
Risk free interest rate	0.95%	1.61%
Expected option life (years)	5.00 years	5.01 years
Expected stock price volatility	100%	138%
Dividend payments during life of option	Nil	Nil
Expected forfeiture rate	Nil	Nil

Option pricing models require the input of highly speculative assumptions, including the expected future price volatility of a company's shares. Expected volatility has been estimated based on historical volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options.

The following stock options issued under the employee stock option plan were outstanding:

	Options		Exercise price
June 30, 2019	**671,000**	**$**	**12.50**
Granted	2,295,000		0.90
Exercised	(10,000)		14.00
Cancelled	(656,000)		11.33
Expired	(5,000)		10.00
June 30, 2020	**2,295,000**	**$**	**0.90**
Granted	1,500,000		0.89
June 30, 2021	**3,795,000**		**0.90**

At June 30, 2021, the weighted average remaining life of the outstanding options was 3.53 years (2020 - 4.53). As at June 30, 2020 and 2021, the Company has 2,295,000 options outstanding, expiring on January 12, 2025 with an exercise price of $0.90.

16.5 Restricted Share Rights ("RSR")

As at June 30, 2021, the Company has 3,875,000 RSRs outstanding and exercisable, each allowing the holder to exercise one RSR into one common share at the holder's option. During the year ended June 30, 2021, 125,000 RSRs were exercised into common shares, resulting in a charge to share-based payments of $110,563.

On January 12, 2021, the Company granted 1,500,000 restricted share units to directors, officers and consultants of the Company. These RSRs vest 50% on April 13, 2021 with the balance vesting on June 13, 2021. These RSRs had a fair value of $997,831.

During the year ended June 30, 2020, the Company issued 2,350,000 RSRs to directors and officers of the Company with a fair value of $2,078,591. During the year ended June 30, 2020, the Company recognized share-based payments of $1,616,682, and a further $485,992 was charged during the year ended June 30, 2021 relating to vesting.

(Expressed in Canadian dollars)

17. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the directors and officers of the Company. Management compensation transactions for the years ended June 30, 2021 and 2020 is summarized as follows:

		2021		2020
Management and consulting fees	$	772,673	$	728,265
Share-based payments		1,724,896		3,131,373
Total	**$**	**2,497,569**	**$**	**3,859,638**

As at June 30, 2021, $477,424 (2020 - $647,083) is owed to directors and officers of the Company for unpaid fees and expenses paid on behalf of the Company.

During the year ended June 30, 2021, the Company paid $190,500 (2020 - $314,752) included in management fees to the CEO of the Company pursuant to CEO services provided.

During the year ended June 30, 2021, the Company paid $150,000 (2020 - $130,000) included in management fees to the CFO of the Company pursuant to CFO services provided.

During the year ended June 30, 2021, the Company paid $300,000 (2020 - $195,150) included in management fees to a director of the Company pursuant to director services provided.

During the year ended June 30, 2021, the Company paid $96,173(2020 - $52,363) included in management fees to a director and President of the Company pursuant to director services provided.

During the year ended June 30, 2021, the Company paid $36,000 (2020 - $36,000) included in consulting fees to the Corporate Secretary and Director and of the Company pursuant to corporate secretary and director services provided.

During the year ended June 30, 2021, the Company issued 1,500,000 (2020 - 2,350,000) RSUs to directors and officers of the Company with a fair value of $1,035,000 (2020 - $2,078,591). See Note 14. During the year ended June 30, 2020, the Company recognized share-based payments of $1,724,986 pertaining to the RSUs and stock options, which is included in the consolidation statements of net loss and comprehensive loss.

November 27, 2020, the Company withdrew its interests in NVPR in substance transferring them to the CEO of the Company. See Note 6.

During the year ended June 30, 2021, $30,835 was paid in interest relating to a convertible debenture to a director of the Company.

During the year ended June 30, 2020, the Company settled a convertible debenture held by a director of the Company with a principal amount of $1,000,000, accrued interest of $91,778 and an early settlement penalty of $50,000. The convertible debt had a carrying value of $789,431 and was settled with 3,743,534 common shares of the Company with a fair value of $2,957,392 resulting in a loss on debt settlement of $2,167,960 (see Note 14 and 16).

During the year ended June 30, 2021, the Company's subsidiary GSRX advanced US$1,250,000 to an entity controlled by a director of GSRX. The note receivable bears interest at 12% and is due on demand on or before December 31, 2021. The Company has discounted the expected cash flows to be received by GSRX assuming even repayments over a period of 10 years commencing on March 31, 2023 using a rate of 20%. On February 17, 2021, the note was amended to be secured against all the assets of the entity.

(Expressed in Canadian dollars)

17. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

On January 21, 2020, $239,742 an outstanding payable to the company owned by the director was settled through the issuance of 786,040 units with a fair value of $620,972. There was a loss of $381,230 on the settlement. Each unit comprises of one common share and one common share purchase warrant exercisable at a price of $0.405 for a period of 24 months.

18. GENERAL AND ADMINISTRATION

General and administrative costs during the years ended June 30, 2021 and 2020 are as follows:

		2021		**2020**
Bad debt expense	$	-	$	240,992
Consulting and payroll		1,114,257		2,469,329
Finder's fee		-		-
Management fees		644,854		407,625
Marketing and promotion		4,779,627		1,792,313
Office and miscellaneous		1,060,021		18,880
Professional fees		1,259,811		2,419,399
Rent		60,000		412,161
Security		-		94,642
Transfer agent and filing fees		118,650		28,234
Travel		43,270		587,847
	$	**9,080,490**	**$**	**8,471,422**

19. NON-CASH INVESTING AND FINANCING ACTIVITIES

See the following for non-cash note disclosures:

i) Investment in GSRX (Note 7)
ii) Right of use asset included in leases (Note 8)
iii) Shares issued for license (Notes 11 and 16)
iv) Shares issued for debt (Note 14)

(Expressed in Canadian dollars)

20. RISK MANAGEMENT

21.1 Financial risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Credit risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk is low. The maximum amount exposed to credit risk is equal to cash, trade receivables and loans receivable.

b. Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at June 30, 2021, the Company's working capital deficiency of $1,330,415. The Company plans to seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Subsequent to June 30, 2021, the Company raised financing through the issuance of shares (see Note 28).

Contractual undiscounted cash flow requirements for contractual obligations as at June 30, 2021 are as follows:

	Less Than 1 Year $	Years 2 and 3 $	Years 4 and 5 $	More Than 5 Years $	Total $
Accounts payable and accrued liabilities	2,287,347	-	-	-	-
Derivative liability	1,185,923	-	-	-	-
Liabilities held for sale	150,459	-	-	-	-
Convertible debt	129,382	-	-	-	-

(Expressed in Canadian dollars)

20. RISK MANAGEMENT (CONTINUED)

c. Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company does not have a practice of trading derivatives

Foreign currency risk

The Company's foreign exchange risk arises from transactions denominated in other currencies.

20.2 Fair values

The carrying values of trade receivables, loan receivable and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity. The carrying value of convertible debt approximates its fair value based on current market rates.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As at June 30, 2021 and 2020 the Company held the following financial instruments measured at fair value on a recurring basis:

		2021		**2020**
Cash	$	1,719,845	$	1,044,585
Note receivable	$	1,227,781	$	-
Derivative liability	$	1,185,923	$	-

Cash is measured at Level 1, note receivable at Level 3, and derivative liability at Level 3. During the years ended June 30, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements and there were no transfers in and out of Level 3 fair value measurements.

21. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as all components of equity (deficiency). The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.
The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2020.

(Expressed in Canadian dollars)

22. IMPAIRMENT OF ASSETS

During the years ended June 30, 2021 and 2020, the Company impaired goodwill, intangible assets, fixed assets and deposits as follows:

	2021	2020
	$	$
Goodwill (Note 7)	-	2,633,910
Intangible assets (Note 11)	-	1,240,153
Fixed assets and right of use asset (Note 13)	119,247	5,697,485
Deposits	-	420,343
	119,247	**9,991,891**

23. EQUITY FUNDING FACILITIES

On August 8, 2018, the Company entered into an equity financing agreement for up to $25,000,000, a New York-based private equity firm.

The agreement details the purchase of up to $25,000,000 of units of the Company, consisting of one common share and one common share purchase warrant, at discounts ranging from 15% to 25% of the market price of the Company's shares, with each equity financing occurring exclusively at the option of the Company, throughout the 24-month term of the agreement. The exercise price of the warrants will be at a 50% premium over the market price of the shares at the date of any funding loaned. There are no upfront fees or interest associated with the use of this financing. As of June 30, 2020, the Company had drawn down $750,000 on the equity financing arrangement. Either party to this agreement has the right to terminate this agreement by providing ten business days written notice to the other party of its intention to do so.

On November 17, 2020, the Company entered into a settlement and termination agreement, whereby the Company issued 250,000 shares measured at a value of USD $0.26 per share and paid $75,000 as consideration for terminating the agreement with GEM.

24. SEGMENTED REPORTING

The Company currently has one operating segment.

25. CONTINGENT LIABILITIES

a) On October 23, 2019, Brett Albin and Albin Media LLC filed a claim against the Company for unpaid fees of approximately $60,000 USD and common shares worth $125,000 pursuant to services provided. During February 2022 the Company reached a settlement agreement for $42,500 in exchange for returning 10,363 common shares.
b) On October 19, 2020, Carlsbad Naturals, LLC and Carlsbad Naturals LLC filed a claim for unpaid services $2,000,000 USD of common shares of the Company pursuant to an asset purchase agreement. The Company continues to dispute this claim and has not accrued any amounts as the Company believes the claim to be without merit; and
c) On January 15, 2020, Delta-9 Technologies, Inc. filed a claim against the Company for unpaid fees, to be paid through the issuance of 250,000 common shares of the Company. The Company settled this claim subsequent to year-end for $nil.
d) On July 14, 2020 notice was served to Pure and Natural One-TN, LLC, Pure and Natural Lakeway, LLC and Thomas Gingerich as defendants in a lawsuit filed by Southwest Legend Investments LLC, a member of the two companies. As of the date of this report, the defendants have supplied requested information to the plaintiff's attorney. Plaintiff is seeking damages in excess of $200,000 but less than $1,000,000. Due to uncertainty of the outcome, the Company has not accrued any liability for the lawsuit.

(Expressed in Canadian dollars)

25. CONTINGENT LIABILITIES (CONTINUED)

e) On February 8, 2021 PSS Pathfinders, Inc. ("PSS") filed a lawsuit against Project 1493, LLC ("1493") claiming PSS was owed $58,13 for services rendered. On December 8, 2020 1493 and PSS entered into a settlement agreement and 1493 filed a motion to dismiss on September 3, 2021. As of the report date, 1493 is waiting on the Court's ruling on the motion to dismiss.

26. INCOME TAXES

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

	June 30, 2021 $	June 30, 2020 $
Net loss for the year before income taxes	(21,371,982)	(38,674,503)
Expected tax recovery at a combined federal and provincial rate of 27.0% (2020 - 27.0%)	(5,770,435)	(10,442,116)
Effects of change in statutory, foreign tax, foreign exchange rates	1,608,461	(1,092,000)
Permanent differences and other	3,137,000	1,622,068
Share issue costs	(55,000)	(55,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	31,000	33,022
Changes in unrecognized deductible temporary differences	972,000	9,878,000
Income tax expense (recovery)	(76,974)	(56,026)
Current income tax expense (recovery)	(76,974)	(56,026)
Deferred income tax expense (recovery)	-	-
Income tax expense (recovery)	(76,974)	(56,026)

As at June 30, 2021, the Company had $nil (2020 - $76,974) of U.S. income taxes payable.

As the Company operates in the cannabis industry, it is subject to the limits of IRC Section 280E under which the Company is only allowed to deduct expenses directly related to sales of the product for US tax purposes. Although proper deductions for cost of goods sold are generally allowed to determine gross income, the scope of such items has been the subject of debate, and deductions for significant costs may not be permitted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses. Thus, the operations of the Company's US subsidiaries may be subject to United States federal tax, without the benefit of certain deductions or credits.

(Expressed in Canadian dollars)

26. INCOME TAXES (CONTINUED)

Significant components of the Company's deferred income tax assets and liabilities are as follows:

	June 30, 2021 $	June 30, 2020 $
Deferred tax assets (liabilities)		
Equipment	427,000	825,000
Share issue costs	68,000	86,000
Investments	1,438,000	1,392,000
Derivative liability	320,000	-
Debt with accretion	-	32,000
Leasehold improvements	623,000	744,000
Intangible assets	-	1,285,000
Non-capital losses available for future period	14,601,000	12,141,000
	17,477,000	16,505,000
Unrecognized deferred tax assets	(17,477,000)	(16,505,000)
Net deferred tax assets	-	-

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:

	June 30, 2021 $	Expiry date range	June 30, 2020 $	Expiry date range
Temporary differences				
Equipment	2,227,000	No expiry date	2,931,000	No expiry date
Share issue costs	253,000	2040 to 2043	317,000	2018 to 2037
Investment in GSRX	10,648,000	No expiry date	10,308,000	No expiry date
Leasehold improvements	2,227,000	2040 to 2043	2,658,000	2040 to 2043
Intangible assets	-	No expiry date	3,309,000	
Non-capital losses available for future periods	59,789,000	2026 to indefinite	51,215,000	2026 to indefinite

The following losses are available for utilization in future years:

	June 30, 2021 $	Expiry date range	June 30, 2020 $	Expiry date range
Net operating losses				
Canada	44,148,000	2037 to 2040	36,492,000	2037 to 2039
USA - California	4,339,000	2038 to Indefinite	5,604,000	2038 to indefinite
USA - Puerto Rico	10,273,704	2026 to 2030	8,206,000	2026 to 2029
Colombia	1,028,000	2029 to 2032	913,000	2029 to 2031

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

27. SUBSEQUENT EVENTS

Subsequent to June 30, 2021:

- The Company issued 300,000 common shares pursuant to the exercise of RSRs;
- On November 29, 2021, the Company completed a private placement for gross proceeds of $1,247,000 through the issuance of 10,393,335 units at a price of $0.12 per unit. Each unit consists of one common share and one common share purchase warrant, enabling the holder to exercise the warrant into one common share at a price of $0.15 for a period of two years; and
- The Company issued 74,000 common shares pursuant to debt settlement.

CHEMESIS INTERNATIONAL INC.
(the "Company")

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

This Management Discussion and Analysis ("MD&A") has been prepared by management in accordance with the requirements of National Instrument 51-102 and should be read in conjunction with the consolidated financial statements and accompanying notes for the year ended June 30, 2022, and the related notes contained therein which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars, the reporting and functional currency of the Company, unless otherwise indicated.

DATE

This MD&A is prepared as of October 7, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the Company's operations. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. This MD&A should be read in conjunction with the risk factors described in the *Risk Factors* section of this MD&A. Although the Company has attempted to identify important factors that could cause actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as at the date of the MD&A. There can be no assurance that forward-looking 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 the forward-looking statements. The Company does not undertake to update any forward-looking statements except as required by applicable securities laws.

DESCRIPTION OF BUSINESS

The Company previously operated in the cannabis industry. The Company intends to change its business to mineral exploration and development with a focus on identifying, evaluating and acquiring interests in mineral properties in North America. The Company has identified its first acquisition of an interest in a mineral property in British Columbia, Canada, the Rose Property. In addition to this mineral property, the Company is also reviewing other mineral properties in North America for possible acquisitions in the future.

The Company's change in focus to mineral exploration and development constitutes a Change of Business under Policy 8 of the CSE. Under CSE Policy 8, a proposed Change of Business is subject to a complete review by the CSE, and CSE Approval is subject to a number of conditions, including shareholder approval (which was received by the Company on June 21, 2022) and delivery of documentation required by the CSE, which the Company is in the process of completing. The Company has received the conditional approval of the Change of Business and the Transaction from the CSE. Upon receipt of final CSE Approval, the Company expects that the Company will be listed on the CSE as a Mining Issuer, its Common Shares will begin trading under the symbol "REC" and that the Change of Business will be complete.

During the year ended June 30, 2022, the Company entered into an option agreement with Geomap Exploration Inc.("Geomap"), a privately-owned BC company, to acquire up to 100% interest in the Rose Property which is located in the Kamloops Mining Division in British Columbia. As such, the Company is in the process of completing a Change of Business ("COB") as defined by Policy 8 of the CSE.

The Company is in the process of winding up La Finca and discharging its liabilities, of which, at June 30, 2022 are nominal.

Subsequent to June 30, 2022, the Company completed a 2:1 share consolidation, whereby two of the pre-consolidation shares is consolidated in to one post-consolidation share. All disclosures in these consolidated financial statements reflect the shares post-consolidation.

On September 2, 2022, the Company closed the Equity Financing by issuing an aggregate of 14,000,000 units at a price of $0.10 per unit for total gross proceeds of $1,400,000. Each unit consists of one Common Share and one Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.12 until September 1, 2024. In addition, the Company paid $90,000 to the Optionor and issued 250,000 Common Shares to the Optionor. On this date, the Company also entered into debt settlement agreements with certain officers, directors and consultants of the Company pursuant to which it settled approximately $839,568 of debt incurred for services rendered to the Company through the issuance of 8,395,683 Common Shares, at a deemed price of $0.10 per Common Share.

Subsequent to June 30, 2022, 1,271,400 common share purchase warrants at an exercise price of $2.00 and 346,208 common share purchase warrants with an exercise price of $1.70 expired unexercised.

COVID-19

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

KEY BUSINESS ACTIVITIES

See above for business activities during the year ended June 30, 2022.

All cannabis operations have been discontinued or terminated and the Company is currently anticipating the Change of Business, at which time it will be pursuing exploration and evaluation activities.

Subsidiaries and their activities

GSRX was disposed of on June 30, 2022 in exchange for forgiveness of an intercompany loan of approximately US $229,000.

The Company started Vending Co. in fiscal 2021 which held CBD distribution vending machines. The Company was unable to secure large retail contracts and now looks to liquidate its operations and sell the assets.

The Company's US subsidiaries, Desert Zen LLC, SAP Global Inc., Bonhomie Labs LLC and Kieley Growth Management, LLC were wound up during the year ended June 30, 2022.

Business acquisitions

None to report during the year ended June 30, 2022.

TRANSACTIONS IN PROGRESS

During the year ended June 30, 2022, the Company applied to the CSE for the following, which was approved by shareholders on June 21, 2022 (the "Arrangement"):

Refer to the Description of Business section, above.

Rose exploration and evaluation property
During the year ended June 30, 2022, the Company entered into a property option agreement with Geomap Explorations Inc, a privately-owned B.C. company to acquire up to 100% interest in the Rose Property, located in Kamloops Mining Division, B.C for consideration as follows:

- Cash payments of $170,000 to be made on the following dates:
    - $90,000 10 days after the effective date of the agreement: ($50,000 paid as at June 30, 2022, $40,000 paid subsequently)
    - $30,000 one year after the effective date
    - $50,000 two years after the effective date
- Issuing 800,000 common shares on the following dates:
    - 250,000 common shares 10 days after the effective date of the agreement
    - 250,000 common shares one year after the effective date
    - 300,000 common shares two years after the effective date of the agreement; and
- Incurring exploration expenditures as follows:
    - $110,000 on or before the date that is one year after the effective date; and
    - $250,000 on or before the date that is two years after the effective date.

Shares issued pursuant to this agreement are subject to escrow terms, whereby one quarter of the shares issued will vest every three months.

Once the title to the property is granted to the Company, the Company will grant a 3% Net Smelter Royalty("NSR") on commercial production on the property to Geomap. Chemesis has an irrevocable option to acquire one third of the NSR for $1,000,000.

OVERALL PERFORMANCE

The net assets of the Company decreased from $(203,133) at June 30, 2021 to $(1,578,667) at June 30, 2022. The most significant asset at June 30, 2022 is accounts receivable of $233,938 (2021 - $201,964). The accounts receivable consists of GST receivables from the Canadian Revenue Agency, which the Company expects to collect. The Company during the year ended June 30, 2022 paid $50,000 to the Optionor for the Rose Property, and $40,000 subsequent to June 30, 2022.

The Company's liabilities at June 30, 2022 consist primarily of accounts payable and accrued liabilities of $1,727,924 (June 30, 2021 - $2,287,347) and convertible debt of $132,720 (June 30, 2021 - $129,382).

Cash decreased by $1,720,364 primarily due to cash used in operating activities of $1,168,636, cash used in discontinued operating activities of $1,804,179 offset by financing activities which raised $1,252,451.

HIGHLIGHTS

See Description of Business, Transactions in Progress and Activities of the Company's Subsidiaries, above.

On October 29, 2021, the Company announced anticipated delays in filing the Company's annual financial statements. On January 11, 2022, the Company's obtained a Management Cease Trade Order ("MCTO") and the Company's stock was suspended from trading. On March 25, 2022, the Company filed its audited annual financial statements, and on March 29, 2022, the Company succeeded in obtaining a revocation of the MCTO and re-commenced trading.

On November 29, 2021, the Company announced that is has closed a non-brokered private placement issuing an aggregate of 5,196,668 units ("Units") at a price of $0.24 per Unit for gross proceeds of $1,247,200. Each Unit consists of one common share in the capital of the Company ("Share") and one common share purchase warrant ("Warrant") exercisable at $0.15 for 24 months from the date of issuance into an additional Share.

On April 19, 2022, the Company announced that the Company is pursuing a Change of Business as defined by the Policy 8 of the CSE, and is subject to review by the CSE. Further, the Company entered into the Rose Property Agreement (See Transactions in Progress). Upon completion of the COB, the Company will rename itself Refined Energy Corp., and trade under the ticker "REC".

Additionally on April 19, 2022, the Company also announced that Brian Thurston (Director) will stepping down and replaced by Mark Fields.

Mr. Fields has over 35 years industry experience in the mineral exploration and development. Mr. Fields has broad experience in overseeing mineral properties from exploration to production. Mr. Fields served as a geologist and business manager for the Rio Tinto Group (1991-1997), where he was involved in all aspects of Rio Tinto's Canadian exploration activities and was intimately involved in advancing the Diavik diamond project from various exploration stages to feasibility studies. Mr. Fields also served as the Corporate Affairs Manager for La Teko Resources Ltd. (1997-1999), where he oversaw corporate planning and reporting and project evaluation until the company accepted a $44 million take-over offer from Kinross Gold Corporation. Mr. Fields was the Vice President (1999-2001) and a director (1999- 2009) of Copper Ridge Explorations Inc., where he was responsible for directing geological programs, project evaluations and continuous disclosure obligations of the company. Mr. Fields received the E.A. Scholz award in 2012 from the Association for Mineral Exploration BC for excellence in mine development for his key role in developing the Willow Creek metallurgical coal mine during his time at Pine Valley Mining Corporation as Executive Vice President (2001-2005). Mr. Fields has extensive public company experience as he has served as: a director (2010-present) and President and CEO (2017- present) of Discovery Harbour Resources Corp.; a director (2016-present) of Nickel Creek Platinum Corp.; a director of Geodex Minerals Ltd. (2009-2017); a director (2006-2013) and President and CEO (2012-2013) of Prime Meridian Resources Corp.; and a director of Bluestone Resources Inc. (2006-2012).

DISCUSSION OF OPERATIONS

The following highlights the key operating expenditures during the year ended June 30, 2022 compared to 2021:

For the Year ended June 30, 2022

During the year ended June 30, 2022, the Company incurred a net loss from continuing operations of $252,043 (2021 - $9,808,962). The net loss from continuing operations for the year ended June 30, 2022 consists primarily of the following:

- Revenues were $29,321 (2021 - $27,838) derived from CBD vending machine sales. The Company terminated these operations in Q3 2022.

- Advertising and marketing of $nil (2021 - $4,779,627) consists of advertising and marketing campaigns to increase market awareness and brand generation activities. The expense decreased as a result of reduced advertising and marketing campaigns and related expenditures;

- Consulting and payroll of $172,767 (2021 - $386,408) consists primarily of services used in operational and corporate activities. This expense has increased reflecting the services used for operational and corporate activities during the period as the Company shifts its focus to mineral exploration activities.

- Management fees of $365,612 (2021 - $518,250) consists primarily of services used in corporate activities and reflects the changing needs of the Company. Management fees decreased following the Company's shift in operations and related management. Much of management have stopped charging fees during the change of business to a mineral property exploration business.

- Professional fees of $798,522 (December 31, 2020 - $1,259,811) consists primarily of legal work associated with litigation defence, wind-up and settlement costs, general securities counsel and audit and tax fees incurred. The reduction over the prior year reflects the decrease in operations and volume of professional services needed;

- Change in fair value of derivative (other income) of $1,184,481 (2021 - $12,488) consists primarily of the fair value adjustment on the Company's embedded derivative liability.

Net loss and comprehensive loss from continuing operations for the year ended June 30, 2022 is $252,043 (2021 - $9,808,962). The Company's foreign subsidiaries gave rise to any cumulative translation adjustment, of which there were no activities at or during the year ended June 30, 2022.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed interim quarters from continuing operations:

	Quarter Ended June 30, 2022 $	**Quarter Ended March 31, 2022 $**	**Quarter Ended December 31, 2021 $**	**Quarter Ended September 30, 2021 $**
Revenue	7,180	8,222	6,959	6,960
Operating Expense	(75,987)	(525,749)	(648,108)	(294,489)
Net income (loss)	237,811	(484,246)	(704,577)	698,970
Comprehensive income (loss)*	237,811	(484,246)	(704,577)	698,970
Basic and diluted loss per share, basic and diluted	0.00	(0.01)	(0.01)	0.01

*Income during the quarter ended September 30, 2021 and June 30, 2022 were due to a gain on derivative liability.

	Quarter Ended June 30, 2021 $	**Quarter Ended March 31, 2021 $**	**Quarter Ended December 31, 2020 $**	**Quarter Ended September 30, 2020 $**

Revenue	27,838	-	-	-
Operating Expense	(740,468)	(5,205,476)	(1,633,530)	(1,644,746)
Net loss	(1,856,804)	(4,480,323)	(1,562,505)	(1,831,946)
Comprehensive loss	(1,856,804)	(4,480,323)	(1,562,505)	(1,831,946)
Basic and diluted loss per share, basic and diluted	(0.03)	(0.08)	(0.04)	(0.05)

Activities for the fourth quarter ended June 30, 2022 were minimal at $68,807 (2021 – 740,468) and expenses pertained largely to professional fees for the Change of Business. There was also an offsetting gain relating to the fair value of the liability reducing as the related financial instrument nears expiry. The prior year expenses related to advertising and marketing, consulting and payroll, professional fees, which related to the Company's pursuit of a Regulation A Financing and expansion into the US. The Company also recognized a gain of $651,970 in Q3 2021 relating to debt settlement.

Activities for the quarter ended March 31, 2022, the Company's main expenditures related to professional and consulting fees relating to the wind-up of the Company's subsidiaries. The quarter ended March 31, 2022 included share-based payments related to the RSU grant in January with the remaining professional and consulting fees relating to the pursuit of the Regulation A Financing.

Activities for the quarter ended December 31, 2021, the Company's main expenditures related to professional and consulting fees relating to the wind-up of the Company's subsidiaries. For the quarter ended December 31, 2020, the Company's general operations, advertising and marketing, and professional fees relating to the disposal of NVPR and Project 1493.

For the quarter ended September 30, 2021, the Company was not able to meet the requirements of a US financing and proceeding with cost-saving strategies, focusing on its cannabis operations. In 2020, the Company's main activities were working with legal counsel to dispose of NVPR and Project 1493.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2022, the Company had cash of $nil and $233,938 in amounts receivable. The Company had a working capital deficit of $1,628,667 (June 30, 2021 – $1,330,414).

During the year ended June 30, 2022, the Company received cash of $1,247,200 pursuant to private placements.

Subsequent to June 30, 2022, the Company completed a private placement for $1,400,000 through the issuance of 14,000,000 units of the Company at a price of $0.10 per unit. Each unit consists of one common share and one common share purchase warrant with a strike price of $0.12, expiring September 1, 2024.

If additional funds are required, the Company plans to raise capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

Operating Activities

The Company used cash of $1,168,636 in operating activities from continuing operations during the year June 30, 2022.

Investing Activities

The Company had no investing activities during the year ended June 30, 2022.

Financing Activities

The Company received cash of $1,252,451 from financing activities during the year ended June 30, 2022. Financing activities primarily consisted of $1,247,200 received from private placements.

CHANGES IN ACCOUNTING POLICIES

With the exception of the recently adopted accounting policies, the management discussion and analysis has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended June 30, 2021, filed March 25, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements other than those disclosed under Transactions in Progress.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the directors and officers of the Company. Management compensation transactions for the years ended June 30, 2022 and 2021 is summarized as follows:

		2022		2021
Management fees	$	365,612	$	772,673
Consulting fees		49,506		-
Share-based payments		-		1,724,896
Total	**$**	**415,118**	**$**	**2,497,569**

As at June 30, 2022, $1,198,568 (2020 - $477,424) is owed to directors and officers of the Company for unpaid fees and expenses paid on behalf of the Company.

During the year ended June 30, 2022, the Company accrued $34,000 (2021 - $190,500) included in management fees to the CEO and Director of the Company pursuant to CEO and director services provided.

During the year ended June 30, 2022, the Company accrued $140,000 (2021 - $150,000) included in management fees to the CFO of the Company pursuant to CFO services provided.

During the year ended June 30, 2022, the Company accrued $144,000 (2021 - $300,000) included in management fees to a director of the Company pursuant to director services provided.

During the year ended June 30, 2021, the Company accrued $47,612 (2021 - $96,173) included in management fees to a director of the Company pursuant to President and Director services provided. $40,506 was included in consulting fees in 2022 relating to consulting work performed on Vendco.

During the year ended June 30, 2022, the Company paid $9,000 (2021 - $36,000) included in consulting fees to the Corporate Secretary and Director and of the Company pursuant to corporate secretary and director services provided.

During the year ended June 30, 2021, the Company issued 1,500,000 RSUs to directors and officers of the Company with a fair value of $1,035,000.

Subsequent to June 30, 2022, the Company settled $599,284 through the issuance of 5,992,839 common shares of the Company with a fair value of $599,284. Of this, 2,751,589 common shares with a fair value of $275,159 was issued to a director of the Company, 2,753,750 common shares with a fair value of $275,375 were issued to the CFO of the Company, and 487,500 common shares with a fair value of $48,750 issued to the President and Director of the Company.

During the year ended June 30, 2021, 1,250,000 stock options were issued to directors and officers and vested. Share-based compensation of $nil was recognized.

November 27, 2020, the Company withdrew its interests in NVPR in substance transferring them to the CEO of the Company.

During the year ended June 30, 2021, $30,835 was paid in interest relating to a convertible debenture to a director of the Company.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 3 of the Company's consolidated financial statements for the year ended June 30, 2022.

SUBSEQUENT EVENTS

See Transactions in Progress.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

Subsequent to June 30, 2022, the Company completed a 2:1 share consolidation. All shares are stated post-consolidation in these consolidated financial statements.

Common shares issued and outstanding as at June 30, 2022 are 56,233,694.

Share Purchase Warrants

As of the date of this MDA, 21,181,311 warrants were outstanding (June 30, 2022 - 8,833,919), with a weighted average remaining life of the outstanding warrants being 1.57 years:

Expiry date	Warrants		Exercise Price
December 21, 2023	15,625	$	30.00
January 21, 2024	19,230		49.00
March 1, 2024	75,000		50.00
May 30, 2024	9,459		50.00
May 30, 2024	18,918		50.00
June 13, 2024	2,702		50.00
January 18, 2023	1,843,710		US 0.68
November 29, 2023	5,196,667		0.30
September 1, 2024	14,000,000		0.12
Balance	**21,181,311**	**$**	**0.53**

Stock Options

As at the date of this MDA, the Company had 1,897,500 (June 30, 2022 – 1,897,500) options outstanding with expiry dates as follows:

	Outstanding and exercisable			
Expiry date	Options		Exercise price	Remaining contractual life (years)
January 12, 2025	1,147,500	$	1.80	2.53
January 12, 2026	750,000		1.78	3.53
Balance	**1,897,500**	**$**	**1.80**	**2.93**

Restricted Share Rights

As at the date of this MDA, the Company had 1,787,500 (2021 – 1,837,500) restricted share rights outstanding and exercisable.

An investment in the Common Shares should be considered highly speculative due to the nature of the Company's

business and the present stage of development. An investment in the Common Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment and who are able to understand the unique nature and risks of the Company and mining. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this Listing Statement, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations.

The following are certain factors relating to the Company's business, which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this Listing Statement. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

Risks Related to the Transaction

Uncertainty related to the Transaction and Change of Business

Completion of the Transaction and Change of Business is subject to a number of conditions, certain of which are outside the control of the Company, including, without limitation, receipt of CSE Approval. There can be no assurance that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Transaction and the Change of Business will be completed as currently contemplated, or at all. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Company or the trading price of the Common Shares.

Possible termination of the Property Option Agreement

Each of the Company and the Optionor has the right to terminate the Property Option Agreement and the Transaction in certain circumstances. Accordingly, there is no certainty, nor can the parties to the Property Option Agreement provide any assurance, that the Property Option Agreement will not be terminated by either the Company or the Optionor before the completion of the Transaction. See *Section 2. Corporate Structure - Section 2.4. Change Of Business - Terms of the Property Option Agreement for the Rose Property*.

Risks Related to the Company

There is substantial doubt about whether the Company can continue as a going concern

The Company's ability to continue as a going concern is dependent on raising capital to fund its business plans and ultimately to attain profitable operations. However, there is no assurance that the Company will be successful in raising such capital. Accordingly, there is substantial doubt as to whether the Company's existing cash resources and working capital are sufficient to enable the Company to continue its operations as a going concern. Ultimately, in the event that the Company cannot obtain additional financial resources, or achieve profitable operations, the Company may have to liquidate its business interests and investors may lose their investment. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Continued operations are dependent on the Company's ability to obtain additional financial resources or generate profitable operations. Such additional financial resources may not be available or may not be available on reasonable terms. The Company's financial statements do not include any adjustments that may result from the outcome of this uncertainty. Such adjustments could be material.

Negative cash flow from operating activities

The Company incurs negative cash flow from operating activities and there is no assurance that the Company will operate profitably or will generate positive cash flow. Upon completion of the Change of Business, the Company will focus its operations on the exploration of the Rose Property, which is in the exploration stage and there are no known mineral resources or mineral reserves and the proposed exploration programs on the Rose Property are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Rose Property. There is no assurance that the Rose Property will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

The Company's operations may be disrupted, and its financial results may be adversely affected, by global outbreaks of contagious diseases, including the novel coronavirus (COVID-19) pandemic

Global outbreaks of contagious diseases, including the December 2019 outbreak of COVID-19 have the potential to significantly and adversely impact the Company's operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. Pandemics or disease outbreaks such as the currently ongoing COVID-19 outbreak may have a variety of adverse effects on the Company's business, including by depressing commodity prices and the market value of the Company's securities and limiting the ability of the Company's management to meet with potential financing sources. The spread of COVID-19 has had, and continues to have, a negative impact on the financial markets, which may impact the Company's ability to obtain additional financing in the near term.

The Company may have difficulty meeting its current and future capital requirements

Pursuant to the Transaction, the Company is required to incur cumulative exploration expenditures on the Property of $360,000 over the two year option period in order to maintain the Option. As of the date hereof, the Company has incurred nil of these expenditures. If the Company elects to exercise the Option, the Company is required to pay an aggregate of $170,000 (of which $90,000 has been paid as of the date hereof). In addition, the Company must have sufficient funds to pay general and administrative expenses and conduct other exploration activities. If the Company is unable to fund these amounts by way of financings, including public or private offerings of equity or debt securities, the Company will need to reorganize or significantly reduce the Company's operations, which may result in an adverse impact on the Company's business, financial condition and exploration activities. If the Company is unable to fund the amounts specified under the Option, the Company may lose its ability to acquire the Rose Property. The Company does not have a credit, off-take or other commercial financing arrangement in place that would finance continued evaluation or development of the Rose Property, and the Company believes that securing credit for this project may be difficult. Moreover, equity or debt financing may not be available on attractive terms and, if available, will likely result in significant dilution to existing Shareholders.

The Company, upon completion of the Change of Business, will be an exploration stage mining company with no history of operations in the mineral exploration industry

Upon completion of the Change of Business, the Company will become an exploration stage enterprise engaged in mineral exploration. The Company does not currently have any operations in the mineral exploration and development industry and, therefore, the Company has very limited operating history and is subject to all the risks inherent in a new business enterprise. As an exploration stage company, upon the completion of the Change of Business, the Company may never enter the development and production stages. The Company has not generated any revenues from operating activities in the mineral exploration and development industry and will rely upon equity financing to fund its operations. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with an exploration stage business, and the competitive and regulatory environment in which the Company will operate, such as under-capitalization, personnel limitations, and limited financing sources.

No known mineral reserves or mineral resources

There are no known bodies of commercial minerals on the Rose Property. The exploration programs proposed for the Rose Property constitute an exploratory search for mineral resources and mineral reserves. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves. Further, there is no assurance that any mineral deposits the Company may identify on the Rose Property will qualify as an ore body that can be legally and economically exploited or that any particular level of recovery of minerals from discovered mineralization will in fact be realized. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Even if the presence of reserves is established at a project, the legal and economic viability of the project may not justify exploitation.

The Company's business plan is highly speculative, and its success largely depends on the successful exploration of the mineral claims comprising the Rose Property

Upon completion of the Change of Business, the Company's business plan will be focused on exploring the Rose Property to identify mineral resources and mineral reserves and, if appropriate, to ultimately develop the Rose Property. There are no known mineral resources on the Rose Property, and thus, the Company has not established any reserves and remains in the exploration stage. The Company may never enter the development or production stage. Exploration of mineralization and determination of whether the mineralization might be extracted profitably is highly speculative, and it may take a number of years until production is possible, during which time the economic viability of the project may change. Substantial expenditures are required to establish reserves, extract metals from ore and construct mining and processing facilities.

The Rose Property is subject to all of the risks inherent in mineral exploration and development. The economic feasibility of any mineral exploration and/or development project is based upon, among other things, estimates of the size and grade of mineral resources and mineral reserves, proximity to infrastructures and other resources (such as water and power), anticipated production rates, capital and operating costs, and metals prices. To advance from an exploration project to a development project, the Company will need to overcome various hurdles, including completing favorable feasibility studies, securing necessary permits, and raising significant additional capital to fund activities. There can be no assurance that the Company will be successful in overcoming these hurdles.

The Company is uncertain that it will be able to maintain sufficient cash to accomplish its business objectives

The Company is not engaged in any revenue producing activities, and the Company does not expect to be in the near future. Currently, the Company's potential sources of funding consist of the sale of additional equity or debt securities, entering into joint venture agreements or selling a portion of the Company's interests in its assets. There is no assurance that any additional capital that the Company will require will be obtainable on terms acceptable to it, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of exploration of the Rose Property. Additional financing, if available, will likely result in substantial dilution to existing Shareholders.

The Company's exploration activities, upon completion of the Change of Business, will require significant amounts of capital that may not be recovered

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that the Company's activities, upon completion of the Change of Business, will ultimately lead to an economically feasible project or that the Company will recover all or any portion of is investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further exploration efforts. The cost of mineral exploration is often uncertain, and cost overruns are common. The Company's drilling and exploration operations, upon completion of the Change of Business, may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond the Company's control, including title problems, weather conditions, protests, compliance with governmental requirements, including permitting issues, and shortages or delays in the delivery of equipment and services.

The Company's success will depend on developing and maintaining relationships with local communities and other stakeholders

Upon completion of the Change of Business, the Company's success will depend on developing and maintaining productive relationships with the communities surrounding the Company's operations and other stakeholders in the Company's operating locations. Local communities and stakeholders can become dissatisfied with the Company's activities, which may result in legal or administrative proceedings, civil unrest, protests, direct action or campaigns against the Company. Any such occurrences could materially and adversely affect the Company's financial condition, results of operations and cash flows.

Compliance with laws is costly and may result in unexpected liabilities

The Company is subject to various laws and regulations in Canada. Upon completion of the Change of Business, these laws will include compliance with the *Extractive Sector Transparency Measures Act* (Canada), which requires companies to report annually on payments made to all levels of governments both in Canada and abroad. The Company is also required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada).

In addition, as a reporting issuer, the Company is subject to additional laws and regulations, compliance with which is both time consuming and costly. If the Company and/or its business are subject to an enforcement action or are found to be in violation of any such laws, this may result in significant penalties, fines and/or sanctions which could have a material adverse effect on the Company, which could cause a significant decline in the value of the Common Shares.

The directors and officers may have conflicts of interest with the Company

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest, upon completion of the Change of Business. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company may be subject to costly and unpredictable legal proceedings

The Company may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurance that these matters will not have a material adverse effect on the Company's business.

The Company is exposed to information systems and cyber security risks

The Company's information systems (including those of any of its counterparties) may be vulnerable to the increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or the Company's information through fraud or other means of deception. The Company's operations depend, in part, on how well the Company and its counterparties protect networks, equipment, information technology systems and software against damage from threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. There can be no assurance that the Company or its counterparties will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

Reliance upon key personnel

Presently, the Company utilizes outside consultants, and in large part rely on the efforts of its officers and directors. The Company's success will depend, in part, upon the ability to attract and retain qualified personnel.

The Company faces general risks in respect of its option and joint venture agreements

The Company has and may continue to enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying mineral claims.

The Company may, upon completion of the Change of Business, expand into other geographic areas, which could increase the Company's operational, regulatory and other risks

Upon completion of the Change of Business, the Company's exploration activities will be in Canada, however, the Company may in the future expand into other geographic areas, which could increase the Company's operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The Company may not be able to successfully identify suitable acquisition and expansion opportunities, or integrate such operations successfully with the Company's existing operations.

Risks Relating to the Mineral Exploration Industry

There are inherent risks in the mineral exploration industry

Upon completion of the Change of Business, the Company will be subject to all of the risks inherent in the minerals exploration industry, including, without limitation, the following:

- the Company will be subject to competition from a large number of companies, most of which are significantly larger than the Company are, in the acquisition, exploration, and development of mining properties;
- the Company might not be able raise enough money to pay the fees and taxes and perform the labour necessary to maintain its concessions in good status;
- exploration for minerals is highly speculative, involves substantial risks and is frequently unproductive, even when conducted on properties known to contain significant quantities of mineralization, and the Company's exploration at the Rose Property may not result in the discovery of commercially mineable deposits of ore;
- the Company's operations will be subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls, and the Company may not be able to comply with these regulations and controls; and
- a large number of factors beyond the Company's control, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

Metals prices are subject to extreme fluctuation

Upon completion of the Change of Business, the Company's activities will be influenced by the prices of commodities, including, without limitation, precious and base metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control, including interest rates, expectations for inflation, speculation, currency values, global and regional demand, political and economic conditions and production costs in major metal-producing regions of the world.

The Company's ability to establish mineral resources and mineral reserves through its exploration activities, the Company's future profitability and its long-term viability will depend, in large part, on the market prices of precious and base metals.

The market prices for these metals are volatile and are affected by numerous factors beyond the Company's control, including:

- global or regional consumption patterns;
- supply of, and demand for these metals;
- speculative activities and producer hedging activities;
- expectations for inflation;
- political and economic conditions; and

- supply of, and demand for, consumables required for production.

Future weakness in the global economy could increase volatility in metals prices or depress metals prices, which could in turn reduce the value of the Rose Property, make it more difficult to raise additional capital, and make it uneconomical for the Company to continue its exploration activities.

The Company's operations, upon completion of the Change of Business, will require additional permits from various governmental authorities

Upon completion of the Change of Business, the Company's operations will be governed by laws and regulations governing prospecting, mineral exploration, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, mining royalties and other matters. There can be no assurance that the Company will be able to acquire all required licenses, permits or property rights on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties.

Title to the Company's properties may be challenged or defective

The Company attempts to confirm the validity of its rights of title to, or contract rights with respect to, the Rose Property and future acquired properties. However, the Company cannot guarantee that title to its properties will not be challenged. The Rose Property may be subject to prior unregistered agreements, interests or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of any of the claims comprising the Rose Property that, if successful, could impair possible development and/or operations with respect to the Rose Property in the future. Challenges to permits or property rights (whether successful or unsuccessful), changes to the terms of permits or property rights, or a failure to comply with the terms of any permits or property rights that have been obtained could have a material adverse effect on the Company's business by delaying or preventing or making continued operations economically unfeasible.

A title defect could result in the Company losing all or a portion of its right, title, and interest to and in the Rose Property or any future acquired property to which the title defect relates. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure title to the Rose Property or any future acquired property or mining concessions comprising such properties may be severely constrained. In addition, the Company may be unable to operate the Rose Property as permitted or to enforce its rights with respect to the Rose Property.

The Company, upon completion of the Change of Business, will be subject to complex environmental and other regulatory risks, which could expose it to significant liability and delay and potentially the suspension or termination of its exploration efforts

Upon completion of the Change of Business, the Company's mineral exploration activities will be subject to federal, provincial and local environmental regulations in Canada. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. No assurance can be given that environmental standards imposed by the government of Canada will not be changed, thereby possibly materially adversely affecting the Company's proposed activities. Compliance with these environmental requirements may also necessitate significant capital outlays or may materially affect the Company's earning power.

Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees.

Future changes in environmental regulations in Canada may adversely affect the Company's exploration activities, make them prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on the properties in which the Company currently hold interests, or may hold interests in the future, that are unknown to the Company at present and that have been caused by the Company or previous owners or operators, or that may have occurred naturally. The Company may be liable for remediating any damage that the Company may have caused. The liability could include costs for removing or remediating the release and damage to natural resources, including ground water, as well as the payment of fines and penalties.

The mineral exploration and development industry is highly competitive, attractive mineral properties and property concessions are scarce, and the Company may not be able to obtain quality properties or concessions

Upon completion of the Change of Business, the Company will compete with other mining and exploration companies in the acquisition of mineral properties and property concessions. There is competition for a limited number of attractive mineral property acquisition opportunities, some of which is with other companies having substantially greater financial resources, staff and facilities than the Company does. As a result, the Company may have difficulty acquiring quality mineral properties or property concessions.

The Company's operations, upon completion of the Change of Business, will be subject to various hazards

Upon completion of the Change of Business, the Company will be subject to risks and hazards, including environmental hazards, possible encounters with unusual or unexpected geological formations, cave-ins, flooding and earthquakes, and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or the destruction of, mineral properties or future production facilities, personal injury or death, environmental damage, delays in the Company's exploration activities, asset write-downs, monetary losses and possible legal liability. The Company may not be insured against all losses or liabilities, either because such insurance is unavailable or because the Company has elected not to purchase such insurance due to high premium costs or other reasons. The realization of any significant liabilities in connection with the Company's activities as described above could negatively affect the Company's activities.

Social and environmental activism can negatively impact exploration, development and mining activities

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations (**"NGOs**") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While, upon completion of the Change of Business, the Company will aim to operate in a socially responsible manner and develop relationships with local communities in the regions in which it will operate, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of the Rose Property or any future acquired property, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company will operate specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it will operate, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Risks Relating to the Common Shares

Investors may lose their entire investment

An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company. The Company has no history of profits, limited cash reserves, a limited operating history in the mineral exploration and development industry, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

An active and liquid market for the Common Shares may not develop upon completion of the Change of Business

Currently, the Company's Common Shares are listed on the CSE, and upon completion of the Change of Business it is anticipated that the Common Shares will continue to be listed on the CSE under the trading symbol "REC"; however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop or is not sustained, it may be difficult for investors to sell the Common Shares at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

Further equity financings may lead to the dilution of the Company's common stock

In order to finance future operations, the Company may raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the size and terms of future issuances of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to present and prospective security holders. Demand for equity securities in the mining industry has been weak; therefore, equity financing may not be available on attractive terms and, if available, will likely result in significant dilution to existing shareholders.

CSE Listing

If the Company fails to complete the Change of Business, the liquidity for the Common Shares would be significantly impaired, which may substantially decrease the value of the Common Shares.

In addition, in the future, the Company's Common Shares may fail to meet the continued listing requirements to be listed on the CSE. If the CSE delists the Common Shares from trading on its exchange, the Company could face material adverse consequences, including: a limited availability of market quotations for the Common Shares; a determination the Common Shares are a "penny stock" which will require brokers trading in the Common Shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Common Shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

Risks associated with evolving corporate governance and public disclosure regulations

The Company is subject to changing rules and regulations promulgated by the Canadian governmental and self-regulated organizations, including the Canadian Securities Administrators, the CSE or such other exchange or marketplace on which the Company's securities are listed or trade, and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. The Company's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

No dividends are anticipated

At the present time, the Company does not anticipate paying dividends, cash or otherwise, on its Common Shares in the foreseeable future. Future dividends will depend on the Company's earnings, if any, the Company's financial requirements and other factors. There can be no assurance that the Company will pay dividends.

Equity securities are subject to trading and volatility risks

The trading price of the Common Shares may be subject to wide fluctuations in response to announcements of the Company's business developments, results and progress of the Company's exploration activities at the Rose Property, progress reports on the Company's exploration activities, and other events or factors. In addition, stock markets have experienced significant price volatility in recent months and years. This volatility has had a substantial effect on the share prices of companies, at times for reasons unrelated to their operating performance. These fluctuations could be in response to: (i) volatility in metal prices; (ii) political developments; and (iii) news reports relating to trends in the Company industry or general economic conditions. These broad market and industry fluctuations may adversely affect the price of the Common Shares, regardless of the Company's operating performance.

The Company cannot make any predictions or projections as to what the prevailing market price for the Common Shares will be at any time, including as to whether the Company's common stock will achieve or remain at levels at or near its offering price, or as to what effect the sale of shares or the availability of Common Shares for sale at any time will have on the prevailing market price.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR at http://www.sedar.com.

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.

SCHEDULE "B"
STATEMENT OF EXECUTIVE COMPENSATION
OF THE COMPANY

The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, given or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. This disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help investors understand how decisions about executive compensation are made.

DEFINITIONS:

For the purpose of this Schedule "B", in this form:

(d) **"Company"** means Refined Energy Corp. (formerly, Chemesis International Inc.);

(e) **"company"** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

(f) **"compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments, including stock appreciation rights, DSUs and RSRs granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

(g) **"DSU"** means the agreement by the Company to pay, and the right of the Participant to receive, a Deferred Share Unit Payment for each DSU held, evidenced by way of book-keeping entry in the books of the Company and administered pursuant to the Equity Incentive Plan;

(h) **"Deferred Share Unit Payment"** means, subject to any adjustment in accordance with the Equity Incentive Plan, the issuance to a Participant of one previously unissued Common Share for each whole DSU credited to such Participant;

(i) **"Designated Affiliate"** means subsidiaries of the Company designated by the Board from time to time for purposes of the Equity Incentive Plan;

(j) **"Director"** means an individual who acted as a director of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

(k) **"Eligible Directors"** means the directors of the Company or any Designated Affiliate who are, as such, eligible for participation in the Equity Incentive Plan;

(l) **"Eligible Employees"** means employees (including employees who are not officers and directors) and Service Providers of the Company or any Designated Affiliate thereof, whether or not they have a written employment contract with the Company, determined by the Board, as employees eligible for participation in the Equity Incentive Plan;

(m) **"Equity Incentive Plan"** means the equity incentive plan, originally dated May 2, 2019, as it may be amended and restated from time to time, of the Company;

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

(i) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a CEO;

(ii) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a CFO;

(iii) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (i) and (ii) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year; and

(iv) each individual who would be a named executive officer under paragraph (iii) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

(o) **"Participant"** means an Eligible Employee or Eligible Director who participates in the Equity Incentive Plan;

(p) **"plan"** includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

(q) **"RSR"** means a right to receive any number of fully paid and non-assessable Common Shares as a discretionary payment in consideration of past services to the Company or as an incentive for future services, subject to the Equity Incentive Plan and with such additional provisions and restrictions as the Board may determine;

(r) **"Service Provider"** means any person or company engaged by the Company or a Designated Affiliate to provide services for an initial, renewable or extended period of 12 months or more; and

(s) **"underlying securities"** means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and NEO Compensation

Director and NEO compensation, excluding compensation securities

Aman Parmar and Eli Dusenbury are the NEOs of the Company for the purposes of the following disclosure. Aman Parmar and Eli Dusenbury are not employees of the Company. They provide or have provided their services as officers of the Company in the capacity of consultants to the Company.

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of the Company for services provided and for services to be provided, directly or indirectly, to the Company a subsidiary of the Company for the Company's two most recently completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and position	**Year Ended June 30**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites**	**Value of all other compensation ($)**	**Total ($)**
Edgar Montero[1] *Former CEO and Director*	2022[2] 2021[2]	USD$25,000 USD$150,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	USD$25,000 190,500
Eli Dusenbury[3] *CFO and Corporate Secretary*	2022 2021	140,000[4] 150,000[4]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	140,000 150,000
Josh Rosenberg[5] *Director and Former President*	2021 2022	USD$37,500[5] USD$150,000[5]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	USD$37,500 USD$150,000
Aman Parmar[9][11] *Interim CEO and Director and Former President*	2022 2021	USD$120,000[12] 300,000[12]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	USD$120,000 $300,000
Brian Thurston[7] *Former Director and Corporate Secretary*	2022 2021	9,000[8] 36,000[8]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	9,000 36,000
Mike Aujla[11] *Director*	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Faizaan Lalani[10] *Former Director*	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Mark Fields[11][13] *Director*	2022 2021	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A

Notes:

(1) Edgar Montero resigned as CEO of the Company on July 21, 2022.

(2) Eli Dusenbury was appointed CFO of the Company on September 7, 2018 and was appointed as Corporate Secretary on September 1, 2021.

(3) Consulting fees payable to Sweet North Consulting Inc. pursuant to the Sweet North Consulting Agreement (as defined below). Eli Dusenbury is the sole shareholder of Sweet North Consulting Inc.

(4) Josh Rosenberg resigned as President of the Company on September 30, 2021. All fees paid to Josh Rosenberg were pursuant to his role as president.

(5) Brian Thurston served as Corporate Secretary from December 31, 2020 until September 1, 2021. Mr. Thurston resigned from the Board on April 18, 2022. All fees paid to Mr. Thurston were pursuant to his role as corporate secretary.

(6) Consulting fees payable to Canmex Consulting Inc. pursuant to the Canmex Consulting Agreement (as defined below). Brian Thurston is the sole shareholder of Canmex Consulting Inc.

(7) Aman Parmar held the position of President from July 16, 2018 until April 3, 2020. On July 21, 2022, following the resignation of Mr. Montero, he was appointed Interim CEO of the Company. All fees paid to Aman’s were pursuant to his role as chairman of the board.

(8) Faizaan Lalani served as a director of the Company from December 31, 2020 to August 31, 2021.

(9) Member of the Audit Committee.

(10) Consulting fees payable to 1428 Investments Inc. pursuant to the 1428 Consulting Agreement (as defined below). Aman Parmar is the sole shareholder of 1428 Investments Inc.

(11) Mark Fields was appointed as a director of the Company on April 18, 2022.

There are no arrangements under which Directors, who were not also officers of the Company, were compensated by the Company during the financial year ended June 30, 2022, other than stock options that were issued pursuant to the Equity Incentive Plan.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries in the financial year ended June 30, 2022 for services provided, or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities and percentage of class** (1) (2) (3)	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Josh Rosenberg Director and *former President*	Stock Options	125,000 (9.124%) (underlying securities: 125,000 Shares 0.222%)	Jan 13, 2020	$1.80	$1.80	$0.12	Jan 13, 2025
	Stock Options	125,000 (9.124%) (underlying securities: 125,000 Shares 0.222%)	Jan 13, 2021	USD$1.40	$1.38	$0.12	Jan 13, 2026

	Restricted Share Rights	250,000 (13.986%) (underlying securities: 250,000 Shares 0.445%)	Jan 13, 2021	N/A	$1.38	$0.12	N/A
Brian Thurston *Former Director and Corporate Secretary*	Stock Options	175,000 (12.774%) (underlying securities: 175,000 Shares 0.311%)	Jan 13, 2021	$1.80	$1.80	$0.12	Jan 13, 2026
	Stock Options	125,000 (9.124%) (underlying securities: 125,000 Shares 0.222%)	Jan 13, 2021	USD$1.40	$1.38	$0.12	Jan 13, 2026
	Restricted Share Rights	175,000 (9.790%) (underlying securities: 175,000 Shares 0.311%)	Jan 13, 2021	N/A	$1.38	$0.12	N/A
Aman Parmar Director, Interim CEO and *Former President*	Stock Options	215,000 (15.693%) (underlying securities: 215,000 Shares 0.382%)	Jan 13, 2020	$1.80	$1.80	$0.12	Jan 13, 2025

	Stock Options	125,000 (9.124%) (underlying securities: 125,000 Shares 0.222%)	Jan 13, 2021	USD$1.40	$1.38	$0.12	Jan 13, 2026
	Restricted Share Rights	600,000 (33.566%) (underlying securities: 600,000 Shares 1.067%)	Jan 13, 2021	N/A	$1.38	$0.12	N/A
Mike Aujla Director	Stock Options	125,000 (9.124%) (underlying securities: 125,000 Shares 0.222%)	Jan 13, 2020	$1.80	$1.80	$0.12	Jan 13, 2025
	Stock Options	125,000 (9.124%) (underlying securities: 125,000 Shares 0.222%)	Jan 13, 2021	USD$1.40	$1.38	$0.12	Jan 13, 2026
	Restricted Share Rights	350,000 (19.580%) (underlying securities: 350,000 Shares 0.622%)	Jan 13, 2021	N/A	$1.38	$0.12	N/A

Eli Dusenbury CFO	Stock Options	50,000 (3.65%) (underlying securities: 50,000 Shares 0.089%)	Jan 13, 2020	$1.80	$1.80	$0.12	Jan 13, 2025
	Restricted Share Rights	225,000 (12.587%) (underlying securities: 225,000 Shares 0.400%)	Jan 13, 2021	N/A	$1.38	$0.12	N/A

Notes:

(1) Each Stock Option entitles the holder to one common share of the Company upon exercise. The Stock Options vest on the date that is four months after the date of the grant.

(2) Each Restricted Share Right entitles the holder to one common share of the Company upon conversion. One-half (50%) of the Restricted Share Rights vested on April 13, 2021 and the remaining one-half (50%) vested on July 13, 2021.

(3) On June 30, 2021, the total number of compensation securities, and underlying securities, held by each NEO and director:
   - (i) Edgar Montero held an aggregate of 175,000 Restricted Share Rights;
   - (ii) Eli Dusenbury held an aggregate of 50,000 Stock Options (3.65%), (50,000 underlying Shares (0.089%)) and 225,000 Restricted Share Rights;
   - (iii) Aman Parmar held an aggregate of 340,000 Stock Options (24.82%), (340,000 underlying Shares (0.61%)) and 600,000 Restricted Share Rights;
   - (iv) Brian Thurston held an aggregate of 300,000 Stock Options (21.90%), (300,000 underlying Shares (0.53%)) and 175,000 Restricted Share Rights;
   - (v) Mike Aujla held an aggregate of 250,000 Stock Options (18.25%), (250,000 underlying Shares (0.445)) and 350,000 Restricted Share Rights;
   - (vi) Josh Rosenberg held an aggregate of 250,000 Stock Options (18.25%), (250,000 underlying Shares (0.45%)) and 250,000 Restricted Share Rights; and

(4) Mr. Fields was appointed as a director on April 18, 2022.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by a director or NEO during the financial year ended June 30, 2022.

Equity Incentive Plan

The Board adopted the Equity Incentive Plan on May 2, 2019, and most recently approved by the Shareholders on December 15, 2021, with the purpose of being able to secure for the Company and Shareholders the benefits inherent in share ownership by the directors, officers, employees and Service Providers of the Company and its affiliates who, in the judgement of the Board, will be largely responsible for its future growth and success. It is generally recognized that equity incentive plans of the nature of the Equity Incentive Plan aid in retaining and encouraging employees, Service Providers and directors of exceptional ability because of the opportunity offered to them to acquire a proprietary interest in the Company.

Awards that may be granted to Participants under the Equity Incentive Plan include stock options and RSRs. In addition, the Equity Incentive Plan provides for the granting to Eligible Directors of DSUs.

The Equity Incentive Plan was ratified, confirmed and approved by the Shareholders on December 15, 2021.

The Equity Incentive Plan provides for the following:

<u>Stock Options</u>

Option Grants

The Equity Incentive Plan authorizes the Board to grant stock options. The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and conditions of stock options granted pursuant to the Equity Incentive Plan from time to time are determined by the Board at the time of the grant, subject to the defined parameters of the Equity Incentive Plan. The date of grant for stock options is the date the Board approved the grant.

Exercise Price

The exercise price of any Stock Options shall not be less than one hundred per cent (100%) of the Fair Market Value. For the purposes of the Equity Incentive Plan, "Fair Market Value" means, with respect to a Common Share subject to an Award, the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the Award; and (b) the date of grant of the Award.

Exercise Period, Blackout Periods and Vesting

Stock options are exercisable for a period of five years from the date the stock option is granted or such greater or lesser duration as determined by the Board. Stock Options may be earlier terminated in the event of death or termination of employment, retainer or appointment. Vesting of stock options is determined by the Board.

Unless otherwise determined from time to time by the Board, stock options shall vest and may be exercised (in each case to the nearest full Common Share) during the Option Period (as defined in the Equity Incentive Plan) as follows: (a) at any time during the first six months of the Option Period, the optionee may purchase up to 25% of the total number of Common Shares reserved for issuance pursuant to his or her Stock Option; and (b) at any time during each additional six-month period of the Option Period the optionee may purchase an additional 25% of the total number of Common Shares reserved for issuance pursuant to his or her Stock Option plus any Common Shares not purchased in accordance with the (a) or (b) until, after the 18th month of the Option Period, 100% of the stock option will be exercisable.

The right to exercise a stock option may be accelerated in the event that a takeover bid in respect of the Common Shares is made.

When the expiry date of a stock option occurs during, or within ten (10) days following, a "blackout period", the expiry date of such stock option is deemed to be the date that is ten (10) days following the expiry of such blackout period. Blackout periods are imposed by the Company to restrict trading of the Company's securities by directors, officers, employees and certain others, in accordance with the Company's policies in effect from time to time, particularly in circumstances where material non-public information exists, including when financial statements are being prepared but results have not yet been publicly disclosed.

Cashless Exercise Rights

Provided the Common Shares are listed on an Exchange (as defined in the Equity Incentive Plan), which includes the CSE, a optionee has the right to exercise a Stock Option on a "cashless" basis by electing to relinquish, in whole or in part, the right to exercise such Stock Option and receive, in lieu of receiving the Common Shares to which such Stock Option relates, a number of fully paid Common Shares which is equal to the quotient obtained by: (a) subtracting the applicable Stock Option exercise price per Common Share from the Fair Market Value per Common Share on the business day immediately prior to the exercise of the cashless exercise right and multiplying the remainder by the number of exercised Common Shares; and (b) dividing the product obtained under subsection (a) by the Fair Market Value per Common Share on the business day immediately prior to the exercise of the cashless exercise right.

Termination or Death

If a stock option holder dies while employed by the Company, any stock option held by him or her will be exercisable for a period of 12 months or prior to the expiration of the stock options (whichever is sooner) by the person to whom the rights of the stock option holder shall pass by will or applicable laws of descent and distribution. If a stock option holder is terminated for cause, no stock option will be exercisable unless the Board determines otherwise. If a stock option holder ceases to be employed or engaged by the Company for any reason other than cause, then the stock options held by such holder will be exercisable for a period of 12 months or prior to the expiration of the stock options (whichever is sooner).

<u>RSRs</u>

RSR Grant

The Equity Incentive Plan authorizes the Board to grant RSRs, in its sole and absolute discretion, to any Participant. Each RSR provides the recipient with the right to receive Common Shares as payment in consideration of past services or as an incentive for future services, subject to the terms of the Equity Incentive Plan and with such additional provisions and restrictions as the Board may determine. Each RSR grant shall be evidenced by a restricted share right grant letter which shall be subject to the terms of the Equity Incentive Plan and any other terms and conditions which the Board deems appropriate. For the purposes of calculating the number of RSRs to be granted, the Company shall value the Common Shares underlying such RSR at not less than the greater of the closing market price of the Shares on the Exchange on the trading day prior to the grant of the RSR and the date of grant of the RSR.

Vesting of RSRs

Concurrent with the granting of an RSR, the Board shall determine the period of time during which the RSR is not vested and the holder of such RSR remains ineligible to receive Common Shares. Such period of time may be reduced or eliminated from time to time for any reason as determined by the Board. Once an RSR vests, the RSR is automatically settled through the issuance of an equivalent number of underlying Common Shares as RSRs held. Participants who are resident in Canada for the purposes of the *Income Tax Act* (Canada) may elect to defer some or all of any part of the Common Share grant until one or more later dates.

Retirement or Termination

In the event the Participant retires or is terminated during the vesting period, any RSR held by the Participant shall be terminated immediately; provided, however, that the Board shall have the absolute discretion to accelerate the vesting date. In the event of death or total disability of a Participant, the vesting period shall accelerate and the Common Shares underlying the RSRs held by such Participant shall be issued.

<u>DSUs</u>

DSU Grant

The Equity Incentive Plan authorizes the Board to grant DSUs, in its sole and absolute discretion at any time or on regular intervals, to Eligible Directors based on such formulas or criteria as the Board may from time to time determine. DSUs will be credited to the director's account when designated by the Board. Each DSU grant shall be evidenced by a DSU grant letter which shall be subject to the terms of the Equity Incentive Plan and any other terms and conditions which the Board deems appropriate. For the purposes of calculating the number of DSUs to be granted, the Company shall value the Common Shares underlying such DSU at not less than the greater of the closing market price of the Common Shares on the Exchange for the trading day prior to the grant of the DSU and the date of grant of the DSU.

Vesting of DSUs

The DSUs held by each director who is not a US Taxpayer (as defined in the Equity Incentive Plan) shall be redeemed automatically and with no further action by the director on the 20th business day following the date the director ceases to be a Participant under the Equity Incentive Plan (which for greater certainty, includes the director ceasing to be a Participant by reason of the director's death). For US Taxpayers, DSUs held by directors will be redeemed in accordance with the provisions detailed in the Equity Incentive Plan, which provisions are predicated on tax laws in the United States. Upon redemption, the former director shall be entitled to receive a number of Common Shares issued from treasury equal to the number of DSUs in the director's DSU account, subject to any applicable deductions and withholdings. In the event the director ceases to be a Participant under the Equity Incentive Plan during a year and DSUs have been granted to such director for that entire year, the director will only be entitled to a pro-rated issuance of Common Shares in respect of such DSUs based on the number of days that he or she was a Participant under the Equity Incentive Plan for that year.

Aside from DSUs as described above, no amount will be paid to, or in respect of, an Eligible Director under the Equity Incentive Plan or pursuant to any other arrangement for serving as a director of the Company, and no other additional DSUs will be granted to compensate for a downward fluctuation in the value of the Common Shares nor will any other benefit be conferred upon, or in respect of, an Eligible Director for such purpose.

Death

In the event of the death of a director, the DSUs shall be redeemed automatically and with no further action on the 20th business day following the death of the director.

<u>Provisions applicable to all grants of Awards</u>

Transferability

Pursuant to the Equity Incentive Plan, any Awards granted to a Participant shall not be transferable except by will or by the laws of descent and distribution. During the lifetime of a Participant, Awards may only be exercised by the Participant.

Amendments to the Plan

The Board may amend, suspend or terminate the Equity Incentive Plan or any Award granted under the Equity Incentive Plan without Shareholder approval, including, without limiting the generality of the foregoing: (i) changes of a clerical or grammatical nature; (ii) changes regarding the persons eligible to participate in the Equity Incentive Plan; (iii) changes to the exercise price of options; (iv) changes to the vesting, term and termination provisions of Awards; (v) changes to the cashless exercise right provisions; (vi) changes to the authority and role of the Board under the Equity Incentive Plan; and (vii) changes to any other matter relating to the Equity Incentive Plan and the Awards granted thereunder; provided, however, that:

(e) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Common Shares are listed, including the CSE;

(f) no amendment to the Equity Incentive Plan or to an Award granted thereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award;

(g) the terms of a stock option will not be amended once issued; and

(h) the expiry date of a stock option shall not be more than ten (10) years from the date of grant of such stock option; provided, however, that at any time the expiry date should be determined to occur either during a blackout period or within ten business days following the expiry of a blackout period, the expiry date of such stock option shall be deemed to be the date that is the tenth business day following the expiry of the blackout period.

If the Equity Incentive Plan is terminated, the provisions of the Equity Incentive Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award pursuant thereto remains outstanding.

Share Issuance Limits

The aggregate number of Common Shares that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Company, shall not exceed 20% of the Company's issued and outstanding share capital from time to time.

The above summary is subject to the full text of the Equity Incentive Plan, which is available on the Company's SEDAR profile, at www.sedar.com.

Employment, Consulting and Management Agreements

Except as disclosed herein, the Company did not have any employment, consulting or management agreements or any formal arrangements with the Company's NEOs or directors regarding compensation during the financial year ended June 30, 2022, in respect of services provided to the Company or subsidiaries thereof.

Effective July 1, 2018, the Company entered into a consulting agreement with Edgar Montero (the "**Montero Consulting Agreement**"), as amended on April 8, 2020, pursuant to which Edgar Montero agreed to serve as Chief Executive Officer of the Company at a rate of USD $20,000.00 per month. On June 30, 2021, Mr. Edgar Montero and the Company agreed to reduce the compensation payable under the

Montero Consulting Agreement to $nil given the Company's minimal operations at that time. The Montero Consulting Agreement was terminated/expired in accordance with its terms on July 21, 2022 following Mr. Montero's resignation as the Company's CEO.

Effective September 1, 2018, the Company entered into a consulting agreement with Sweet North Consulting Inc. (the "**Sweet North Consulting Agreement**"), pursuant to which Sweet North Consulting Inc. agreed to serve as Chief Financial Officer of the Company through Eli Dusenbury at a rate of CDN $12,500.00 per month. Eli Dusenbury is the s**ole** shareholder of Sweet North Consulting Inc. As of May 1, 2022, Sweet North Consulting Inc. and the Company agreed to reduce the compensation payable under the Sweet North Consulting Agreement to $3,000 per month given the Company's minimal operations. The Company notes that the compensation payable under the Sweet North Consulting Agreement will remain $3,000 per month until such time the Company and Sweet North Consulting Inc. agree to a revised fee.

Effective April 1, 2020, the Company entered into a consulting agreement with Josh Rosenberg (the "**Rosenberg Consulting Agreement**"), pursuant to which Josh Rosenberg agreed to serve as President of the Company at a rate of USD$12,500.00 per month. Effective September 30, 2021, the Company and Mr. Rosenberg agreed to reduce the compensation payable under the Rosenberg Consulting Agreement to $nil given the Company's minimal operations. The Rosenberg Consulting Agreement was terminated in accordance with its terms on December 31, 2021 following Mr. Rosenberg's resignation as the Company's CEO.

Effective July 1, 2018, the Company entered into a consulting agreement with Canmex Consulting Inc. (the "**Canmex Consulting Agreement**"), pursuant to which Canmex Consulting Inc. agreed to provide Corporate Secretarial services to the Company through Brian Thurston at a rate of CDN $3,000 per month. Brian Thurston is the **sole** shareholder of Canmex Consulting Inc. The Canmex Consulting Agreement was terminated as of September 30, 2021. The Company paid Canmex Consulting Inc. for fees accrued during July, August and September, 2021 in the amount of $9,000 upon termination of the Canmex Consulting Agreement.

Effective August 1, 2018, the Company entered into a consulting agreement with 1428 Investments Inc. (the "**1428 Consulting Agreement**"), as amended on April 8, 2020, pursuant to which 1428 Investments Inc. agreed to serve as Executive Chairman of the Company through Aman Parmar at a rate of USD $20,000.00 per month. Aman Parmar is the sole shareholder of 1428 Investments Inc. As of January 1, 2022, 1428 Investments Inc. and the Company agreed to reduce the compensation payable under the 1428 Consulting Agreement to $nil given the Company's minimal operations. The Company notes that the compensation payable under the 1428 Consulting Agreement will remain $nil until such time the Company and 1428 Investments Inc. agree to a revised fee.

Effective July 21, 2022, the Company entered into a consulting agreement with 1428 Investments Inc. (the "**1428 Interim Consulting Agreement**"), pursuant to which 1428 Investments Inc. agreed to serve as Interim CEO of the Company through Aman Parmar at a rate of $3,667 per month.

Termination and Change of Control Benefits

Except as disclosed herein, as at the year ended June 30, 2022, the Company did not have any contract, agreement, plan or arrangement that provides for payment to any NEOs, executive officers or directors at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's, executive officer's or director's responsibilities.

The following description of the Rosenberg Consulting Agreement is being provided for information purposes only. The Rosenberg Consulting Agreement was terminated with the mutual consent of Mr. Rosenberg and the Company on December 31, 2021, and no severance or other termination benefits were paid to Mr. Rosenberg in connection with such termination.

If the Rosenberg Consulting Agreement had been terminated because of Disability (as defined in the Rosenberg Consulting Agreement), without Cause (as defined in the Rosenberg Consulting Agreement) or for Good Reason (as defined in the Rosenberg Consulting Agreement), the Company would have been required to provide Mr. Rosenberg with a lump sum payment equal to 12 months (the "**Severance Period**") of Base Salary (as defined in the Rosenberg Consulting Agreement), with Mr. Rosenberg's benefits continuing through the Severance Period to the maximum extent permitted under applicable plan terms (and for benefits that could not continue for all or part of the Severance Period, the Company would have been required to reimburse Mr. Rosenberg for replacement coverage).

If at any time during the term of the Rosenberg Consulting Agreement there had been a Change of Control (as defined in the Rosenberg Consulting Agreement) and within 12 months of such Change of Control (as defined in the Rosenberg Consulting Agreement) there had been a termination of the Rosenberg Consulting Agreement by the Company without Cause (as defined in the Rosenberg Consulting Agreement) or a termination of the Rosenberg Consulting Agreement by Mr. Rosenberg for Good Reason (as defined in the Rosenberg Consulting Agreement), Mr. Rosenberg would have been entitled to receive from the Company the compensation and benefits on the same terms and conditions as noted above.

Oversight and Description of Director and Named Executive Officer Compensation

The Board, as a whole, assumes responsibility for reviewing and monitoring compensation for the Company's senior management, and as part of that mandate determines the compensation of the Company's senior management. The Company's executive compensation objectives, processes, and discussion of compensation decisions relating to its NEOs and directors follows.

The Company does not have a compensation program other than paying consulting fees and incentive bonuses. The compensation of the executive officers is determined by the Board as a whole at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development. The Board recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility, and takes this into account when establishing executive compensation. The objectives of the Company's compensation policies and practices are:

- to reward individual contributions in light of the Company's performance;
- to be competitive with the companies with which the Company competes for talent;
- to align the interests of the executives with the interests of the Shareholders; and
- to attract and retain executives who could help the Company achieve its objectives.

The Board considers not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company both in the mid-term and long-term. As stock options and RSRs do not require cash disbursement by the Company, they are an important element of executive compensation.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate equity incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset or decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Philosophy and Objectives

Compensation for executive officers of the Company is designed to ensure that the level and form of compensation achieves certain objectives, which are:

- to attract and retain qualified and effective executives;
- to motivate the short-term and long-term performance of these executives; and
- to align their interests with those of the Shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its Equity Incentive Plan.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies at a comparable stage of operations in a similar industry has been reviewed and compared over a variety of sources in establishing the base salary or consulting fees paid to executives.

Equity Participation

The Company believes that encouraging its executives, consultants and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Equity Incentive Plan. Stock options and RSRs are granted to senior executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary, consulting fees and bonuses and other competitive factors. Stock options, which vest immediately are generally granted to senior executives and Board members. RSRs, which vest over a certain period of time as determined by the Board are generally granted to senior executives and Board members.

Bonuses

The Board of Directors, at their discretion, may approve, throughout the year, subject to financial resources, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives or for the Company's financial performance.

Compensation Review Process

Compensation for each of the Board members and each of the NEOs is approved by the Board as a whole. Base cash compensation and variable cash compensation levels are based, in part, through negotiations between the Company and the NEO in question.

Compensation Discussion and Analysis

The objectives of base salary or consulting fees are to recognize market pay and acknowledge the competencies and skills of individuals. The rate established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance and other discretionary factors deemed relevant by the Board or any compensation committee that may be formed in the future. The Company aims to establish the base salary or consulting fee portion of the compensation of the executive officers at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development. In the future, incentive bonuses in the form of cash payments may be implemented to add a variable component of compensation, based on corporate and individual performance, for executive officers and employees. The objectives of granting stock options and RSRs is to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Company. The Company has no other forms of compensation other than payments made to individuals or companies they control for the provision of base salary or consulting fees for services provided, and the issuance of stock options and RSRs to executives pursuant to the Equity Incentive Plan. Actual compensation will vary based on the performance of the executives relative to the achievement of goals and the prices of the Company's securities, as well as the financial condition of the Company.

The Board evaluates individual executive performance with the goal of setting compensation at levels that it believes are comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation, members of the Board base their decisions on their general business and industry knowledge and experience and publicly available information on comparable companies, while also taking into account the Company's relative performance and strategic goals.

In the course of its deliberations, the Board considers the implications of the risks associated with adopting the compensation practices currently in place. The Board does not believe that its current compensation practices create a material risk that the NEOs or any other employee or consultant would be encouraged to take inappropriate or excessive risks, and no such risks have been detected to date. The Board will continue to include this consideration in its deliberations and believes that it would detect actions of management, consultants and employees of the Company that constitute or would lead to inappropriate or excessive risks.

Individual Performance Assessment

Rather than strictly applying formulas and weightings to forward-looking performance objectives, which may lead to unintended consequences for compensation purposes, the Board exercises its discretion and uses judgment in making compensation determinations. For this reason, the Board does not measure performance using any pre-set formulas in determining compensation awards for NEOs. The Board's assessment of the overall business performance of the Company, including corporate performance against both quantitative and qualitative objectives and, where appropriate, relative performance against peers, provides the context for individual executive officer evaluations for all direct compensation awards.

Corporate Performance

In the future, it is the intention that the Board will approve annual corporate objectives in line with the Company's key longer-term strategies for growth and value creation. These quantitative and qualitative objectives will then be used by the Board as a reference when making compensation decisions. It is the intention of the Board to review the results achieved by the Company and discuss them with management on an annual basis. For the purposes of determining total compensation, the Board will then determine an overall rating for actual corporate performance relative to an expected level of performance. This overall corporate performance rating will provide general context for the Board's review of individual performance by the NEOs.

Benefits and Perquisites

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. Limited perquisites the Company provides its executives may include a parking allowance or a fee for each Board or Audit Committee meeting attended to assist with their out-of-pocket expenses.

Equity Incentive Awards

As discussed above, the Company has a 20% rolling Equity Incentive Plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option and RSR grants to the Board based on such criteria as performance, previous grants and hiring incentives. All grants require approval of the Board. The Equity Incentive Plan is administered by the Board and provides that equity awards will be issued to directors, officers, employees or Service Providers of the Company or a subsidiary of the Company.

Pension disclosure

As at the year ended June 30, 2022, and to the date of this Filing Statement, the Company does not offer pension plan benefits. It does not have any pension plans that provide for payments or benefits at, following, or in connection with retirement nor does it maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

CERTIFICATE OF REFINED METALS CORP.

Pursuant to a resolution duly passed by its Board of Directors, Refined Metals Corp. (formerly, Chemesis International Inc.) hereby applies for the listing of the above-mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to Refined Metals Corp. 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 Vancouver, British Columbia this 25th day of November, 2022.

(signed) "*Aman Parmar*" Aman Parmar Interim Chief Executive Officer and Director	(signed) "*Eli Dusenbury*" Eli Dusenbury Chief Financial Officer
(signed) "*Josh Rosenberg*" Josh Rosenberg Director	(signed) "*Mark Fields*" Mark Fields Director