ACME
Lithium Inc

Form 2A

LISTING STATEMENT

Dated: April 21, 2021

1. TABLE OF CONTENTS

2. Corporate Structure…………………………………………………………………………6
3. General Development of the Business……………………………………………………..6
4. Narrative Description of the Business……………………………………………………....8
5. Selected Consolidated Financial Information……………………………………………..13
6. Management's Discussion and Analysis…………………………………………………..14
7. Market for Securities…………………………………………………………………………14
8. Consolidated Capitalization………………………………………………………………….15
9. Options to Purchase Securities………………………………………………………………15
10. Description of the Securities…………………………………………………………………16
11. Escrowed Securities…………………………………………………………………………..17
12. Principal Shareholders………………………………………………………………………..18
13. Directors and Officers………………………………………………………………………..18
14. Capitalization……………………………………………………………………………...22
15. Executive Compensation……………………………………………………………………..25
16. Indebtedness of Directors and Executive Officers…………………………………………..25
17. Risk Factors…………………………………………………………………………………..25
18. Promoter Consideration……………………………………………………………………...30
19. Legal Proceedings……………………………………………………………………………30
20. Interest of Management and Others in Material Transactions……………………………....31
21. Auditors, Transfer Agents and Registrars……………………………………………….....31
22. Material Contracts…………………………………………………………………………....31
23. Interest of Experts……………………………………………………………………………32
24. Other Material Facts……………………………………………………………………….…32
25. Financial Statements……………………………………………………………………..…...32

Schedule "A" – Executive Compensation

Schedule "B" – Annual Audited Financial Statements for the fiscal years ended September 30, 2020 and 2019

Schedule "C" – Management Discussion and Analysis for the fiscal year ended September 30, 2020

Schedule "D" - Unaudited Financial Statements for the three months ended December 31, 2020

Schedule "E" – Management Discussion and Analysis for the three months ended December 31, 2020

Glossary of Terms

The following is a glossary of certain terms used in this Listing Statement and in certain documents attached as schedules hereto.

"**Amalgamation**" means the arm's length amalgamation which closed December 30, 2020 pursuant to the Amalgamation Agreement, whereby, among other things, the Issuer realized $400,500 through the issuance of (i) 13,350,000 Amal Units in exchange for an equivalent number of units outstanding in Fundco, and (ii) 1,610,000 Shares in exchange for an equivalent number of shares outstanding in Fundco.

"**Amalgamation Agreement**" means that agreement dated December 29, 2020 among the Issuer, 1281524 B.C. Ltd. ("Subco"; a wholly owned subsidiary of the Issuer formed for the sole purpose of effecting the Amalgamation) and Fundco, pursuant to which (i) Subco and Fundco amalgamated, (ii) the unit holders of Fundco received an equivalent number of Amal Units of the Issuer; and (iii) the amalgamated company became a wholly owned subsidiary of the Issuer.

"**Amal Unit**" means a unit in the capital of the Issuer, as issued pursuant to the Amalgamation; each Amal Unit consisting of one Common Share and one-half of one Amal Unit Warrant.

"**Amal Unit Warrant**" means an outstanding Share purchase warrant in the capital of the Issuer, issued as part of an Amal Unit, each whole warrant entitling the holder to acquire one Share at $0.10 until November 27, 2022.

"**Auditors**" means Charlton & Company LLP, the auditors of the Issuer.

"**Author**" means William Feyerabend, Geologist, the author of the Technical Report.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) including the regulations thereunder, as amended.

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

"**Board**" means the board of directors of the Issuer, as it may be comprised from time to time.

"**CEO**" means an individual who acted as the chief executive officer of the Issuer, or acted in a similar capacity, for any part of the most recently completed financial year.

"**CFO**" means an individual who acted as the chief financial officer of the Issuer, or acted in a similar capacity, for any part of the most recently completed financial year.

"**Common Shares**" or "**Shares**" means post-Consolidation common shares without par value in the capital of the Issuer as they exist on the date of this Listing Statement.

"**Consolidation**" means the consolidation of the Issuer's issued and outstanding common shares, which occurred on November 23, 2020, on the basis of one new Share for every seven previously outstanding PC Shares.

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

"**Escrow Agreement**" means that escrow agreement dated March 25, 2021 among the Issuer, Odyssey Trust Company, and certain Shareholders, whereby an aggregate of 3,242,244 Shares and 1,575,000 warrants are held in escrow.

"**FLV Claims**" mean the 81 lode mining claims totalling approximately 1620 acres in Esmeralda County, located in the State of Nevada.

"**FLV Claims Purchase and Sale Agreement**" means the mineral property purchase and sale agreement dated November 9, 2020 between Bearing Lithium Corp. (as the vendor) and the Issuer, whereby the Issuer purchased all of the vendor's 100% right, title and interest in and to the FLV Claims in consideration for paying $50,000 and delivering 100,000 Shares.

"**Fundco**" means 1266291 B.C. Ltd., a private company, arm's length to the Issuer.

"**Issuer**" means Acme Lithium Inc.

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

"**Named Executive Officers**" means Stephen Hanson (CEO), and Zara Kanji (CFO).

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

"**NSR**" means net smelter returns royalty.

"**PC Share**" means a common share in the capital of the Issuer, outstanding prior to the date of the Consolidation.

"**Related Person**" has the meaning as described thereto in CSE Policy 1.

"**Shareholders**" means the holders of the Issuer's Common Shares.

"**Stock Option Plan**' means the existing stock option plan of the Issuer.

"**Technical Report**" means the NI 43-101 compliant technical report on the FLV Claims entitled "Technical Report Update on the FLV Claim Block Property, Esmeralda County, Nevada USA" dated November 30, 2020 as prepared by the Author, an independent Qualified Person as defined by NI 43-101; which is summarized in Item 4 hereof, and a full copy of which is on SEDAR.

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

Forward-Looking Statements

Certain statements in this Listing Statement may constitute "forward-looking" statements involving known and unknown risks, uncertainties and other factors regarding the Issuer's intentions, beliefs, expectations and future results as they pertain to the Issuer and its proposed business. This may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This forward-looking information also includes information regarding the financial condition and business of the Issuer, as they are expected to exist in the future.

Forward-looking statements may include, but are not limited to, statements regarding the Issuer's opportunities, strategies, competition, expected activities and expenditures as the Issuer pursues its business plan, the adequacy of the Issuer's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Listing Statement contains forward-looking information concerning:

- the Issuer's exploration of the Property, which information has been based on exploration on the Property to date and the recommended work program set forth in the Technical Report (described below) concerning the Property;
- general market conditions;
- the availability of financing for proposed exploration programs on reasonable terms;
- the ability to contract outside service providers and the reliability of those outside service providers in delivering services in a satisfactory and timely manner;
- expectations with respect to the results of exploration activities of the Issuer;
- the use of the Issuer's available funds;
- the performance of the Issuer's business and operations;
- the Issuer's expectations regarding expenses and anticipated cash needs;
- the intention to grow the Issuer's business and operations;
- the competitive conditions of the industry in which the Issuer operates;
- the legal system of the USA and changes thereto;
- the regulatory and permitting process in the USA;
- the expected timing and completion of the Issuer's near-term objectives;
- laws and any amendments thereto applicable to the Issuer;
- the competitive advantages and business strategies of the Issuer;
- the Issuer's plans with respect to the payment of dividends;
- the identity of the NEOs of the Issuer and the expected compensation payable to them; and
- corporate governance matters, including the adoption of Board committee mandates, the membership of such committees and the adoption of various corporate policies.

The Issuer's forward-looking information is based on the beliefs, expectations and opinions of management of the Issuer on the date the information is provided. Investors should not place undue reliance on forward-looking information.

In certain cases, forward-looking statements can be identified by the use of such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "seek", "project", "should", "strategy", "future", "consider" and other similar terminology. These statements reflect the Issuer's current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement.

Forward-looking statements in this Listing Statement include statements regarding:

- compliance with regulatory requirements relating to Issuer's business;
- changes in laws, regulations and guidelines relating to Issuer's business;
- limited operating history;
- reliance on management;
- competition in Issuer's industry;
- market price volatility of metals the Issuer is targeting;
- inherent risks associated with the mineral exploration business;
- conflicts of interest of the Issuer's officers and directors;
- compliance with environmental regulations relating to the Issuer's business;
- volatility in the market price for the securities of the Issuer;
- no dividends for the foreseeable future;
- future sales of Common Shares or other securities by existing shareholders causing the market price for the securities to fall; and
- the issuance of shares or other securities in the future causing dilution.

With respect to forward-looking statements and forward-looking information contained in this Listing Statement, assumptions have been made regarding, among other things:

- future minerals prices;
- the Issuer's ability to obtain qualified staff and equipment in a timely and cost–efficient manner;
- the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Issuer conducts its business and any other jurisdictions in which the Issuer may conduct its business in the future;
- future expenses and capital expenditures to be made by the Issuer;
- future sources of funding for the Issuer's business;
- the geology of the areas in which the Issuer is conducting exploration and development activities;
- the intentions of the Board with respect to the executive compensation plans and corporate governance programs described herein;
- the impact of competition on the Issuer; and
- the Issuer's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Listing Statement, including:

- general economic, financial, market and business conditions;
- uncertainties surrounding the local, national and global impact of the COVID 19 pandemic;
- volatility in market prices for mineral resources;
- potential conflicts of interest;
- risks related to the exploration for minerals;
- fluctuations in interest rates, and foreign exchange rates;
- stock market volatility;
- the Issuer's status and stage of development;
- geological, technical, drilling and processing problems, including the availability of equipment and access to the Property;
- risks related to the timing of completion of the Issuer's work programs;
- competition for, among other things, capital and skilled personnel;
- operational hazards;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;

- risks inherent in the exploration for minerals which may create liabilities to the Issuer in excess of the Issuer's insurance coverage;
- failure to accurately estimate abandonment and reclamation costs;
- the availability of capital on acceptable terms;
- changes to royalty or tax regimes;
- competing claims made in respect of the Issuer's properties or assets;
- operating and capital costs;
- unforeseen title defects;
- risks arising from future acquisition activities;
- the potential for management estimates and assumptions to be inaccurate;
- volatility in the market price of the Common Shares;
- the effect that the issuance of additional securities by the Issuer could have on the market price of the Common Shares;
- discretion in the use of proceeds of the Financing; and
- the other factors discussed under "*Risk Factors*".

Although the forward-looking statements contained in this Listing Statement are based upon what management of the Issuer believes are reasonable assumptions, the Issuer cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Listing Statement and are expressly qualified in their entirety by this cautionary statement; and we disclaim any obligation to update any forward-looking statements, whether because of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

CURRENCY AND EXCHANGE RATES

All references in this Listing Statement to "$" are to Canadian dollars unless otherwise indicated. The following table summarizes the average rate of currency exchange between the Canadian dollar and the US dollar for the 12 months ended September 30, 2019 and 2020, and closing exchange rates for specific dates as noted. The exchange rates are based on the Bank of Canada's daily noon exchange rates for the applicable periods and dates are set forth below:

Currency Conversion	**12 Months Ended Sept 30/19**	**Sept. 30 /19**	**12 Months Ended Sept 30/20**	**Sept. 30/20**	**Mar. ●/21**
US$ to Cdn$	1.3275	1.3243	1.3445	1.3322	●

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2. CORPORATE STRUCTURE

Corporate Structure

Acme Lithium Inc. (the "Issuer")

2.1 Head office: 300 - 2015 Burrard Street, Vancouver, BC V6J 3H4

Registered office: Suite 2900 – 595 Burrard Street, Vancouver, BC

2.2 The Issuer was incorporated on January 31, 2017 pursuant to the BCBCA under the name Hapuna Ventures Inc. On November 23, 2020, the Issuer changed its name to ACME Lithium Inc.

2.3 The Issuer has one wholly owned subsidiary, 1266291 B.C. Ltd., an inactive private British Columbia company which became a subsidiary of the Issuer pursuant to the Amalgamation.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 The following is a general description of the development of the Issuer's business since its inception in 2017.

The Issuer was formed pursuant to a plan of arrangement involving Kona Bay Technologies Inc. ("Kona Bay"). By plan of arrangement dated February 28, 2017, Kona Bay spun out its on-line advertising business to the Issuer in consideration of the Issuer paying $55,000, delivering a $325,000 promissory note, and issuing 1,587,067 PC Shares of the Issuer to Kona Bay, which PC Shares were subsequently distributed to the shareholders of Kona Bay on a pro-rata basis. Kona Bay is a reporting issuer in each of British Columbia and Alberta, and its shares are listed on the TSX Venture Exchange under the trading symbol KBY. As a result of the plan of arrangement, on December 13, 2017 the Issuer became a reporting issuer in each of British Columbia and Alberta.

During the fiscal year ended September 30, 2018 the Issuer:

- carried on the active business of a technology company specializing in on-line advertising. Its customers were primarily higher education institutions that promoted campus and online degree programs to consumers through digital media such as websites, mobile apps, social media networks and direct e-mail. The Issuer earned $86,069 of revenue, and incurred a net loss of $563,134 (including a one-time write-down of assets of $324,999) during that fiscal year;
- entered into a Management Administrative Services Agreement (the "MASA") with Kona Bay for the provision of certain management and administrative services to the Issuer; and
- on February 21, 2018, it closed a private placement involving (i) the distribution of 1,000,000 units at $0.10 per unit ($100,000); each unit consisting of one PC Share and one warrant exercisable at $0.10 per PC Share for five years from the date of distribution; and (ii) the distribution of 795,000 PC Shares at $0.10 per Share ($79,500).

During the fiscal year ended September 30, 2019 the Issuer:

- on November 21, 2018, it closed a private placement involving the distribution of 813,330 units at $0.10 per unit ($81,333); each unit consisting of one PC Share and one warrant exercisable at $0.10 per PC Share for 12 months from the date of distribution;

- on August 7, 2019, it closed a private placement involving the distribution of 100,000 units at $0.10 per unit ($10,000); each unit consisting of one PC Share and one warrant exercisable at $0.10 per PC Share for 12 months from the date of distribution;
- continued to carry on its active business, and realized $54,160 of revenue, and a net loss of $397,492.

During the fiscal year ended September 30, 2020 the Issuer:

- continued to carry on its active business, and realized $41,188 of revenue, and a net loss of $262,708; and
- changed its auditor from DeVisser Gray LLP to Charlton & Company; and
- began to search for alternative business opportunities.

Since September 30, 2020 (being the date of the most recently filed financial statements) the Issuer has undertaken the following:

1. On November 6, 2020, it changed its management through the resignations of Frank Harley and Charles Jenkins as directors; the resignations of Charles Jenkins as CFO and Vincent Wong as CEO; and the appointment of Stephen Hanson as a director and CEO, the appointment of Vivian Katsuris as a director, and the appointment of Zara Kanji as CFO;
2. On November 9, 2020, it entered into the FLV Claims Property Purchase and Sale Agreement whereby it acquired the FLV Claims for $50,000 and 100,000 Shares at $0.03 per Share (issued effective November 27, 2020);
3. On November 23, 2020, it completed the Consolidation (reducing its outstanding Shares to 613,647 Shares), and its change of name to ACME Lithium Inc.;
4. On November 30, 2020, it received the Technical Report;
5. Effective December 3, 2020, it raised $309,000 through the distribution of 10,300,000 units at $0.03 per unit, each unit consisting of one Share and one-half of one Share purchase warrant (each whole warrant exercisable at $0.10 per Share until November 27, 2022). Finder's fees of 490,000 Shares were issued, based on $0.03 per Share;
6. Effective December 19, 2020, it disposed of its digital customer acquisition business to an arm's length purchaser in consideration of the sum of one dollar and the purchaser assuming all outstanding obligations;
7. On December 21, 2020, Ioannis (Yannis) Tsitos was appointed as a director of the Issuer;
8. On December 30, 2020, it completed the Amalgamation pursuant to which the Issuer issued:
    (i) 13,350,000 Amal Units in exchange for an equivalent number of units in the capital of Fundco (which had recently raised $400,500 through the distribution of 13,350,000 units at $0.03 per unit); and
    (ii) 1,610,000 Shares in exchange for an equivalent number of shares in the capital of Fundco (which were issued as finder's fees in connection with its unit offering at $0.03 per share);
9. Effective December 31, 2020, it terminated the MASA and all other service agreements;
10. Effective December 31, 2020, it settled a total of $953,950 of its debts through the payment of $153,550; and
11. Initiated steps for listing on the CSE.

The Amalgamation

Pursuant to an Amalgamation Agreement dated December 29, 2020 among the Issuer, 1281524 B.C. Ltd. (“Subco”; a wholly owned subsidiary of the Issuer, established solely for the purpose of the amalgamation) and Fundco, (i) Subco and Fundco amalgamated; (ii) the unit holders of Fundco received an equivalent number of Amal Units of the Issuer, and the shareholders of Fundco received an equivalent number of Shares of the Issuer; and (iii) the amalgamated company became a wholly owned subsidiary of the Issuer. On closing of the Amalgamation, the former shareholders of Fundco held 14,960,000 Shares, representing 56.53% of the outstanding Shares of the Issuer.

Fundco received a subscription from Kirkstone Capital Corp. (“Kirkstone”), a private British Columbia company that has 145 shareholders. These shareholders acquired shares of Kirkstone in 2019 through a crowdfunding offering pursuant to BCI 45-535 – *Start-up Crowdfunding Registration and Prospectus Exemptions*.

Kirkstone is not an “accredited investor” as defined in securities law, and was not able to invest in the Issuer directly. As such, Kirkstone established Fundco; and made an investment in Fundco using the private issuer exemption, to acquire 300,000 units at $0.03 per unit (each unit consisting of one common share of Fundco and one-half of one share purchase warrant; each whole warrant exercisable at $0.10 per share). Kirkstone then passed directors and shareholders resolutions authorizing the distribution of 281,500 of the Fundco shares to Kirkstone’s 145 shareholders by way of return of capital (Kirkstone retaining 18,500 shares and all of the warrants). Fundco went on to raise some additional funding by way of the accredited investor exemption, selling additional units at $0.03 per unit, such units having the same attributes as those acquired by Kirkstone. In total, Fundco issued 13,350,000 units at $0.03 per unit in consideration for $400,500, and 1,610,000 shares (as finder’s fee shares, at $0.03 per share), and had no other securities outstanding upon its Amalgamation with Subco.

Upon Fundco’s amalgamation with Subco, the Issuer issued securities to the shareholders of Fundco using the business combination exemption under section 2.11 of NI 45-106 – *Prospectus Exemptions*, which securities were free trading. At the time of the Amalgamation, Fundco’s only assets were cash and loans to the Issuer, aggregating $400,500; with no liabilities.

3.2 There have not been any significant acquisitions completed by the Issuer, nor are there any significant probable acquisitions proposed by the Issuer, for which financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* (including the Amalgamation) if this Listing Statement were a prospectus. The Amalgamation was not considered a “reverse take-over” or a business acquisition under IFRS, and has been accounted for as an asset acquisition. This determination was based on 1266291 B.C. Ltd. having been formed by the Issuer solely for the purposes of raising initial seed financing, and undertaking the Amalgamation with the Issuer (such that it had no operating activities).

4. NARRATIVE DESCRIPTION OF THE BUSINESS

The Issuer is a junior mineral exploration company, with one mineral property interest, being the FLV Claims in Nevada.

Pursuant to the FLV Claims Property Purchase and Sale Agreement, the Issuer acquired all of Bearing Lithium Corp.’s 100% right, title and interest in and to the FLV Claims, for and in consideration of the sum of C$50,000 and the issuance of 100,000 Shares of the Issuer at $0.03 per Share. There are no royalties or future payments payable to the vendor. The transaction was carried out at arm's length. The property consists of 81 lode mining claims totalling approximately 1620 acres in Esmeralda County, Nevada. The Issuer commissioned and received the Technical Report thereon, as summarized below (a full copy of which is posted on SEDAR).

It is the intention of the Issuer to remain in the mineral exploration business. Should the FLV Claims not be deemed viable, the Issuer will explore opportunities to acquire interests in other properties.

The Issuer's business objectives that it expects to accomplish in the forthcoming 12-month period are:

(i) to list its Shares for trading on the CSE;

(ii) to undertake the US$90,000 exploration program on the FLV Claims in accordance with the recommended work program set forth in the Technical Report.

Funds Available

The Issuer had working capital of $350,000 as of March 31, 2021. The Issuer's expected use of its available funds over the forthcoming 12 months is as follows:

Use of Funds	Amount (C$)
FLV Claims - Work Program (US$90,000)	$119,700
General & Administrative Expenses	$75,000
Unallocated Working Capital	$155,300
TOTAL	**$350,000**

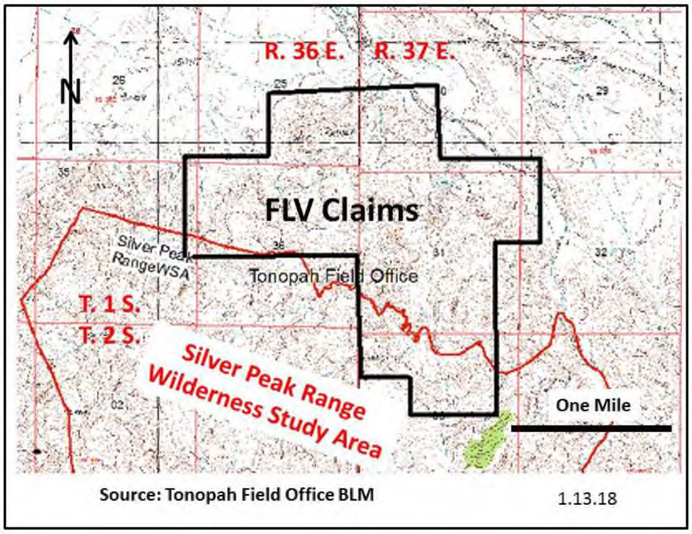
1. Canadian dollar equivalent based on an exchange conversion of 1.● CDN dollars to one US dollar.

4.2 The Issuer does not have any asset-backed securities outstanding.

4.3 The following is a summary of the Technical Report. The complete Technical Report is available for review on SEDAR.

Property Description and Location

The Issuer holds a 100% interest in 81 lode mining claims totaling approximately 1620 acres in Esmeralda County, Nevada USA, referred to as the FLV Claims. The FLV Claims are located approximately 170 miles northwest of Las Vegas, Nevada; 45 miles west-north-west of the county seat at Goldfield, Nevada, and approximately 50 miles west-south-west of Tonopah, Nevada.



The FLV Claims are located on Federal lands administered by the Bureau of Land Management (BLM). As public lands, there is free right of access and both surface and mineral rights are held by the Federal government. The southern margin of the claims is impaired by the Silver Peak Range Wilderness Study Area (see above map) and is closed to mineral exploration. The remainder of the claims are open to mineral exploration subject to the requirements of permitting.

Mining claims on Federal land are held on a September 1 to September 1 assessment year when an Intent to Hold or Proof of Labor document needs to be filed with the county and BLM and annual fees of $165 per claim paid to the BLM to remain active. The Esmeralda County Recorder's Office shows the Intent to Hold was filed annually for the 81 claims effective September 1, 2020.

There are no other royalties, back-in-payments or other agreements and encumbrances to which the FLV Claims are subject. To the best of the Author's knowledge, there are no known environmental liabilities to which the FLV Claims are subject and there are no other significant factors and risks that may affect access, title, or the right or ability to perform work on the FLV Claims.

Active mining claims only give the right to casual hand labor. Any mechanized work requires permitting. The permitting process begins with a company filing to do business in Nevada through the Secretary of State's office. The process for permitting drilling may involve both the BLM field office in Tonopah, NV and the Nevada State Engineer's office in Carson City, NV.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The FLV Claims are about equi-distant from Bishop, CA or Tonopah, NV. It is about an hour and a half driving and 60 miles by paved highways US 95 / 6 and NV 775 and the graded Mineral Ridge Mine Road to the northeastern corner of the claims. There is sparse access within the claims on 4X4 roads.

The region is arid and almost semiarid. Winters are cold while summers are hot. Average annual precipitation is 3.1 inches, with virtually no rain during the summer months. Exploration can be conducted year around, but is made more difficult during some winter days by snowfall or winter storms.

Tonopah, 45 miles to the east-northeast, has a population of about 2,500 and is the governmental and supply center for the region. Resources such as groceries, hardware, a bank and a choice of motels and restaurants are available there. The hamlet of Dyer about 18 miles south-southwest has basic services and is an emergency contact point.

A reasonable network of graded and paved roads connects the claim area to the rest of Nevada. The nearest rail and major commercial airline service is Las Vegas, NV approximately 170 miles to the southeast. There is little infrastructure available on or near the FLV Claims.

The claims are located in the Basin and Range physiographic region which stretches from southern Oregon and Idaho to Mexico. It is characterized by extreme elevation changes between linear, north to northeasterly trending mountains and flat intermountain valleys or basins. The terrain varies from rugged mountains to flat tablelands incised by steep drainages. The general elevation range is from 5,000 to 6,500 feet. Vegetation on the property is typical of the Basin and Range brushes and grasses such as sagebrush, greasewood and bottlebrush. There is sufficient land for surface facilities. Groundwater availability is uncertain.

History

The FLV Claims were originally located in late November, 2016 by Octagon Holding Corp. ("Octogon") of Carson City, Nevada. Bearing Lithium Corp. ("Bearing") acquired a 100% free and clear interest in the claims by quit claim deed on April 5, 2017 in return for a cash payment of $60,000 and 1,400,000 Bearing shares. ACME acquired the claim block on November 9, 2020 for a payment of C$50,000 and 100,000 Shares.

Initial mapping, sampling and geophysical surveying on the FLV Claims was undertaken in 2018. Exploration expenditures totalled CAD $150,021, as follows:

Sampling and field expenses	$4,621
Technical report and site visit	$8,179
Field Mapping	$30,157
Field expenses, analyses	$12,911
Further reports	$10,304
CSAMT Survey and report	$83,848
Total	$150,021

Geological Setting

The FLV Claims are centered over a late Miocene (10 million years ago) center of rhyolitic and andesitic volcanism, which grade laterally into widespread sedimentary rocks derived from those volcanics, which blanketed an area of thousands of square miles. The FLV Claims cover mostly Tertiary (66 to 2 million years ago) basin sediments and a local volcanic center. There was deposition of deep to shallow water sediments in late Eocene time (35 million years ago) grading up to shallow water to river fluvial sediments in mid-Miocene time. Evidence for hot springs activity includes iron carbonate veinlets and concretions and thin beds and veinlets of cryptocrystalline cherty silica. While the occurrence of lithium enriched beds is not well understood, the circulation of hot fluids as evidenced by hot springs is very likely a critical step in formation. It appears that lithium enrichment is geologically reasonable in individual horizons within the sedimentary sequence.

The appropriate model to apply to the FLV Claims is the model of lithium within clay-rich horizons of volcaniclastic sedimentary units which can be recovered under reasonable metallurgical conditions.

Exploration, Mineralization, Drilling

From the FLV Claims to Clayton Valley, generally 25 miles to the east, exploration since 2010 has found sites with very anomalous lithium values (>100 ppm) in tertiary claystones where there are indications the lithium can be recovered under simple metallurgical conditions. Mapping and sampling shows very anomalous lithium occurs in correlative depositional environments on the FLV Claims.

Initial mapping and sampling on the FLV Claims (Octogon, 2016) showed values to 600 ppm lithium in mudstones. Common geochemical values in mudstones are 5 to 40 ppm. The results, while suggesting the process of lithium enrichment, are of historical reference only because sample sites, sampling method, sample preparation and analytical methods are not known.

John Walther and Tyler Compton (Compton, 2018) of Geominex Consulting Ltd. mapped the property from January 31 to February 4, 2018. They also took a total of 130 channel and grab outcrop samples while mapping. Values up to 370 ppm lithium confirm the conclusion from earlier sampling that the geologic process resulting in high lithium values in fine sediments operated at the FLV Claims area. Having found that some beds are enriched in lithium, a controlled source audio magnetotelluric / magnetotelluric (CSMAT/MT) survey was used to optimize drill hole siting for a complete drill test of the sediments to a reasonable open pit depth.

There has been no known historical drilling on the property. Nor has there been any metallurgical testing of material from the property.

Sampling and Analysis

A total of 130 channel and grab outcrop samples produced values up to 370 ppm lithium, which confirm the conclusion from earlier sampling that the geologic process resulting in high lithium values in fine sediments within the FLV Claims. Samples were kept under control of the geologists until they were shipped from Tonopah, NV to ALS Geochemistry in Reno, NV. Samples were prepped by drying, crushing to 70% < 2 mm, rotary splitting off 250 g and pulverizing to 85% -75 microns. Two dissolution methods were used: ALS codes ME-ICP41 for dissolution of pulverized sample in aqua regia and ME-ICP-61 for a four acid dissolution. The Reno laboratory is ISO/IEC 17025-2005 certified and is independent of both the Issuer and the Author.

Mineral Resources and Mineral Reserves

The FLV Claims are early stage exploration prospects, and there have been no resource or reserve estimates.

Interpretation and Conclusions

The FLV Claims covers a geologic target based on commonly accepted geologic data and ideas for the claystone lithium occurrences. Mapping sampling and a geophysical survey have identified a drill site for testing that potential. The principal risk is the simple geologic risk of lithium values being too low to be of further interest. The evidence leads the Author to recommend drill testing of that property potential to a depth consistent with open pit mining.

Recommendations

The Author recommends a drill test of the potential claystone host for lithium concentrations. Success measured by thickness and lithium analyses of potential economic interest will lead to a new phase of exploration/development under a new budget. The US$90,000 recommended work program on the FLV Claims consists of the following:

Activity	**Cost (US$)**
Permitting	$10,000
Drilling	$40,000
Analysis	$6,000
Geologist	$10,000
Report Update	$10,000
Contingency	$14,000
Total	**$90,000**

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The following table sets forth selected financial information for the Issuer for the fiscal years ended September 30, 2020, 2019 and 2018, and for the interim three months ended December 31, 2020. Such information is derived from the financial statements of the Issuer and should be read in conjunction with such financial statements which are attached as schedules hereto.

	Three Months Ended Dec 31/20	**Year Ended Sept. 30/20**	**Year Ended Sept. 30/19**	**Year Ended Sept. 30/18**
Revenues	$nil	$41,188	$54,160	$86,069
G&A Expenses	$64,028	$303,896	$451,652	$278,149
Other Items	$868,761[1]	$nil	$nil	($371,054)[2]
Income/(loss)	$708,133	($262,708)	($397,492)	($563,134)
Earnings (Loss) per share[3]	$0.15	($0.43)	($0.67)	($1.67)
Current Assets	$419,366	$50,600	$49,815	$56,755
Current Liabilities	$8,251	$1,055,419	$431,877	$91,322
Long-term liabilities[4]	$nil	$nil	$360,048	$340,547
Shareholders' Equity (Deficit)	$461,115	($1,004,818)	($742,110)	($375,114)

1. Includes a gain on settlement of liabilities of $874,435.
2. Includes the write-down of intangible assets of $324,999, and restructuring costs of $46,055.
3. All on a post-Consolidation basis.
4. Promissory note payable to Kona Bay.

5.2 Quarterly Information

The results for each of the eight most recently completed quarters ending at the end of the most recently completed financial year, namely September 30, 2020, are summarized below:

	Sept. 30, 2020	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Revenue	$6,223	$8,606	$12,948	$13,411
Comprehensive loss	($26,533)	($54,667)	($97,153)	($84,355)
Basic and diluted income (loss) per common share[1]	($0.04)	($0.09)	($0.16)	($0.14)
	Sept. 30, 2019	**June 30, 2019**	**Mar. 31, 2019**	**Dec. 31, 2018**
Revenue	$20,433	$2,501	$14,126	$17,100
Comprehensive loss	($74,962)	($118,710)	($95,313)	($108,507)
Basic and diluted income (loss) per common share[1]	($0.13)	($0.20)	($0.16)	($0.18)

1. All figures are on a post-Consolidated basis.

5.3 Dividends

There are no restrictions in the Issuer’s corporate articles on its ability to pay dividends. However, (i) the Issuer has never paid a dividend nor made a distribution on any of its securities, (ii) the Issuer has no history of net income or sources of funds from which to pay dividends, and (iii) given the stage of the Issuer’s development, it could be a long period of time before the Issuer may be in a position to pay dividends or make distributions to its shareholders.

The payment of any future dividends by the Issuer will be at the sole discretion of the Board. In this regard, the Issuer expects it will retain any earnings to finance further growth of the Issuer.

5.4 Foreign GAAP

The Issuer’s financial information is not prepared or presented on the basis of foreign GAAP.

6. MANAGEMENT’S DISCUSSION AND ANALYSIS

Annual MD&A

Please refer to Schedule “C” for the Issuer’s MD&A pertaining to its September 30, 2020 annual financial statements.

Interim MD&A

Please refer to Schedule “E” for the Issuer’s MD&A pertaining to its interim financial statements for the three months ended December 31, 2020.

7. MARKET FOR SECURITIES

The Issuer’s Shares are not, and have never been listed or posted for trading or quoted on any stock exchange or quotation or trade reporting system. The Issuer seeks to list its Shares for trading on the CSE.

8. CONSOLIDATED CAPITALIZATION

The Issuer is authorized to issue an unlimited number of Common Shares. As the date of this Listing Statement, the outstanding capital of the Issuer consists of the following:

Designation of Security	Number Authorized	Amount Outstanding as of Sept. 30, 2020	Amount Outstanding as of the date of this Listing Statement
Common Shares	Unlimited	613,647	26,463,647
Share Purchase Warrants[1]	n/a	142,857	11,967,857
Options	10%	nil	nil

1. 142,857 warrants are exercisable at $0.70 per Share until February 21, 2023, and 6,675,000 Amal Unit Warrants and 5,150,000 other warrants are exercisable at $0.10 until November 27, 2022.

Since September 30, 2020 the following material changes have occurred with respect to the Issuer's share and loan capital structure:

1. The Issuer completed the Consolidation, whereby every seven outstanding PC Shares were consolidated to one Share (resulting in 613,647 Shares being outstanding);
2. The Issuer issued 100,000 Shares pursuant to the FLV Claims Property Purchase and Sale Agreement;
3. The Issuer completed a private placement through the distribution of 10,300,000 units at $0.03 per unit (each unit being one Share and one-half of one Share purchase warrant (each whole warrant exercisable at $0.10 per Share until November 27, 2022); and issued 490,000 Shares as finder's fees; and
4. The Issuer closed the Amalgamation and issued 13,350,000 Amal Units and 1,610,000 Shares at a deemed price of $0.03 per security.

For further details about the Issuer's outstanding securities, see Section 10 – Prior Sales.

9. OPTIONS TO PURCHASE SECURITIES

The Issuer under its current stock option plan (the "Plan") may issue options to acquire Shares in a quantity of up to 10% of the Issuer's issued and outstanding Shares from time to time. The following is a brief description of the principal terms of the Plan:

Number of Shares Reserved. The maximum number of Shares which may be issued pursuant to options granted under the Plan shall not exceed 10% of the issued and outstanding Shares from time to time as at the date of grant.

Maximum Term of Options. The term of any options granted under the Plan is fixed by the board of directors and may not exceed 10 years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the Plan is determined by the board of directors, provided that the exercise price must not be lower than the greater of the closing market prices of the Issuer's Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.

Amendment and Cancellation. The terms of an option may not be amended once issued. If an option is cancelled prior to the expiry date, the Issuer must post notice of such cancellation, and shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options, shall be determined by the board of directors of the Issuer in accordance with CSE requirements.

Termination. Any options granted pursuant to the Plan will terminate generally within 90 days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Issuer or any of its affiliates, and generally within 30 days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately.

Administration. The Plan is administered by the board of directors of the Issuer, or if the board of the Issuer so elects, by a committee, which committee consists of at least two board members.

Board Discretion. The Plan provides that, generally, the number of Shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting provisions, and other terms and conditions relating to such options shall be determined by the board of directors of the Issuer, all in accordance with CSE requirements.

General. Options that have been cancelled or that have expired without having been exercised shall continue to be issuable under the Plan. The Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Issuer's shares.

As of the date of this Listing Statement, the Plan has not been ratified by Shareholders. Until such time as the Plan has been approved by Shareholders, implementation of the Plan will remain subject to the provisions of National Instrument 45-106, *Prospectus Exemptions*.

There are no stock options outstanding as of the date of this Listing Statement. The Issuer does anticipate granting options following the commencement of trading on the CSE.

10. DESCRIPTION OF THE SECURITIES

10.1 **Common Shares**: The Issuer is authorized to issue an unlimited number of Common Shares, of which there are 26,463,647 Common Shares outstanding as of the date of this Listing Statement.

Each holder of a Common Share is entitled to: (i) one vote at all meetings of shareholders;(ii) a pro rata share of any dividends or other distributions declared payable by the Board; and (iii) a pro rata share of any distribution of the Issuer's assets on any winding up or dissolution of the Issuer. There are no pre-emptive rights; conversion or exchange rights; redemption, retraction, purchase for cancellation or surrender provisions; sinking or purchase fund provisions; provisions permitting or restricting the issuance of additional securities; or any other material restrictions or provisions requiring a security holder to contribute additional capital, which are applicable to the Issuer's Common Shares.

Warrants: There are 11,967,857 Share purchase warrants outstanding as of the date of this Listing Statement. Of these, 142,857 warrants are exercisable at $0.70 per Share until February 21, 2023, and the balance are exercisable at $0.10 until November 27, 2022. All warrants are subject to anti-dilution provisions, such that in the event of any future consolidation, share split, corporate re-organization or similar event, the number of Shares that may be acquired and exercise price of the warrants will be adjusted accordingly.

10.2 **Debt securities**: The Issuer has no debt securities that are to be listed on the CSE.

10.3 **Other securities**: The Issuer has no other securities that are to be listed on the CSE.

10.4 **Modification of terms**: The rights and restrictions applicable to the Common Shares may only be modified by special resolution of the Shareholders, at a duly called meeting.

10.5 **Other Attributes**: There are no rights attaching to the Common Shares that are materially limited or qualified by the rights of any other class of securities, or is there any other class of securities which ranks ahead of or equally with the Common Shares.

10.6 **Prior Sales**

During the 12 months preceding the date of this Listing Statement, the Issuer has distributed the following securities:

Date of issuance	Security Issued	No. of Securities Issued[1]	Price per security ($)	Value received ($)	Type of transaction
November 23, 2020	Shares	(3,681,770)			Consolidation
November 27, 2020	Shares	100,000	$0.03	$3,000	Property Purchase
December 3, 2020	units[2]	10,300,000	$0.03	$309,000	Private Placement
December 3, 2020	Shares	490,000	$0.03	$14,700	Finder's Fee
December 30, 2020	Amal Units[3]	13,350,000	$0.03	$400,500	Amalgamation
December 30, 2020	Shares	1,610,000	$0.03	$48,300	Amalgamation

1. All figures are on a post-Consolidation basis.
2. Each unit consists of one Share and one-half of one warrant exercisable at $0.10 until November 27, 2022.
3. Each Amal Unit consists of one Share and one-half of one Amal Unit Warrant.

10.7 **Stock Exchange Price:** The Issuer's Shares are not, and have never been, listed or posted for trading or quoted on any stock exchange or quotation or trade reporting system.

11. ESCROWED SECURITIES

There are a total of 3,242,244 Shares and 1,575,000 warrants held in escrow pursuant to the Escrow Agreement, none of which have been released. The Escrow Agreement is in the form prescribed by National Policy 46-201, for emerging issuers. These escrowed securities will be released as to 10% (324,224 Shares and 157,500 warrants) on the date the Issuer obtains a listing on the CSE, and an additional 15% (486,336 Shares and 236,250 warrants) every six months thereafter over 36 months. The escrowed securities are held and disbursed by Odyssey Trust Company, the Issuer's transfer agent in accordance with the said Escrow Agreement. The escrowed securities are held by the following principals of the Issuer:

Name of Shareholder	Number of Escrowed Shares / Warrants	Percentage of Outstanding Shares / Warrants[1]
Stephen Hanson[2]	2,650,000 Shares 1,325,000 warrants	10.01% 11.07%
Vivian Katsuris[3]	500,000 Shares 250,000 warrants	1.89% 2.09%
Vincent Wong	92,244 Shares	0.35%
Totals	**3,242,244 Shares 1,575,000 warrants**	**12.25% 13.16%**

1. Based on 26,463,647 Shares and 11,967,857 warrants outstanding.
2. Includes 1,250,000 Shares and 625,000 warrants held by Caroline Hanson, the spouse of Stephen Hanson.
3. Held by Vivkor Holdings Inc., a private company controlled by Vivian Katsuris.

12. PRINCIPAL SHAREHOLDERS

To the knowledge of our directors and officers, there is no person who beneficially owns, as of the date hereof, directly or indirectly, or exercises control or direction over, more than 10% of our Shares. Stephen Hanson and Caroline Hanson together hold 2,650,000 Shares, representing 10.01% of the Issuer's outstanding Shares.

To the knowledge of the Issuer, there are no Shares held, or to be held, subject to any voting trust or other similar agreement.

13. DIRECTORS AND OFFICERS

13.1-13.2 The below table lists the name and municipality of residence of each director and executive officer of the Issuer, and indicates their respective positions and offices held with the Issuer, the period or periods during which each director has served as a director, and their respective principal occupations within the five preceding years:

Name, Municipality of Residence and Offices Held	Date Appointed	Principal Occupation
Stephen Hanson *Director, President and CEO* North Vancouver, British Columbia	Nov. 6/20	Director and CEO of the Issuer since November 6, 2020. President of Channel Capital since 2002, a private venture capital consulting firm. President and CEO of International Frontier Resources Corp., a public company that operates oil and gas assets in Mexico; Executive, director and advisor of several private and public resource companies. Previously Chairman and Managing Director of Van Arbor Asset Management, a money management firm, from 2004 until 2008, which he founded in 2003.

Name, Municipality of Residence and Offices Held	Date Appointed	Principal Occupation
Vincent Wong *Director* Vancouver, British Columbia	Jan. 31/17	CEO of Bexar Ventures Inc., a CSE-listed company that operates a software-as-a-service business; Director of Kona Bay Technologies Inc., a TSXV listed company that operates an Internet applications business focused on e-learning and mobile training. Former interim CEO of the Issuer.
Vivian Katsuris *Director* Vancouver, British Columbia	Nov. 6/18	President of Vivkor Holdings Inc. since August 2014, a private company that provides corporate and administrative services to public and private companies. Prior thereto, an Investment Advisor at Global Securities Corp., a brokerage firm, for 10 years and Canaccord Capital, a brokerage firm (US and CDN divisions) for 10 years.
Ioannis (Yannis) Tsitos *Director* Vancouver, British Columbia	Dec. 21/20	President & Director of Goldsource Mines Inc., a TSXV listed company with mineral property interests in Guyana. Director and Audit Committee Chair of Soma Gold Corp., a TSXV listed company with mineral property interests in South America. Director of other public mineral exploration companies.
Zara Kanji *CFO and Corporate Secretary* Vancouver, British Columbia	Nov. 6/20	Founder and principal of Zara Kanji & Associates, a private entity that provides financial reporting compliance, taxation, general accounting, financial reporting and value added advisory services for individuals, private and public companies.

13.3 The directors and officers of the Issuer as a group, beneficially own, directly or indirectly, or exercise control or direction over a total of 1,992,244 Common Shares, representing approximately 7.53% of the total votes attached to the Issuer's issued and outstanding Common Shares.

13.4 The Board has one committee, being the Audit Committee which is comprised of Vincent Wong (Chair), Vivian Katsuris, and Yannis Tsitos.

13.6 No director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the 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 issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company 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,

13.7 No director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has:

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

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

13.9 No director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 *Conflicts of Interest*

The Issuer's directors may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the BCBCA and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

13.11 *Management*

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

Stephen Hanson – Director, President & CEO

Mr. Hanson, age 54, has over 25 years of finance and corporate development experience. Mr. Hanson is President of Channel Capital (since 2002), a venture capital consulting firm assisting early-stage companies in the development of short and long-term financing strategies; and President and CEO of International Frontier Resources Corp., a public company listed on the TSXV that operates oil and gas assets in Mexico. He has held executive, board and advisor positions for several private and public resource companies and has been involved in a number of successful M&A transactions. Mr. Hanson also served as Chairman and Managing Director of Van Arbor Asset Management, an equity money management firm from 2004 until 2008, which he founded in 2003. Van Arbor Asset Management was bought by ZLC Private Investment Management in 2008.

Mr. Hanson is not an employee of the Issuer, but acts as in independent contractor. In his capacity as CEO, he will dedicate a minimum of 40% of his time to the affairs of the Issuer. Mr. Hanson is not currently subject to any written management or consulting agreement, and is not subject to any written non-competition or confidentiality agreement with the Issuer.

Vivian Katsuris – Director

Ms. Katsuris, age 56, has been President of Vivkor Holdings Inc, since August 2014, a private company providing corporate development, management, consulting, and corporate services. She has over 28 years of financial experience in the brokerage industry, the North American capital markets and public financings. Ms. Katsuris was an Investment Advisor for over 20 years with Global Securities Corp. for 10 years and at Canaccord Capital (now Canaccord Genuity) for 10 years in the Canadian and US divisions. Since 2014, she has held director and officer positions with several CSE and TSXV listed companies, including: Zenith Capital Corporation, (ZENI.P – TSX-V) December 2019 – present; Kapa Capital Inc. (KAPA.P-TSX-V) January 2018 – present; Plymouth Rock Technologies Inc. (PRT-CSE) Corporate Secretary since August 2014, CFO August 2014 – January 2018, Director Nov 2017 – April 2020, President from January 2018 – October 2018; Universal mCloud Corp (formerly Universal Venture, TSX-V) Director from April 2014 – October 2017; ArcPacific Resources Corp (formerly Plate Resources Inc – TSX-V) Director and Corporate Secretary from January 2014 – July 2017, CFO from July 2015 – July 2016.

In her capacity as a director, Ms. Katsuris will dedicate an estimated 10% of her time to the affairs of the Issuer. Ms. Katsuris is not currently subject to any written director agreement, and is not subject to any written non-competition or confidentiality agreement with the Issuer.

Vincent Wong – Director

Mr. Wong, age 50, is an entrepreneur and investor with 20 years' experience building and managing start-up enterprises in the technology sector. He is the CEO of Bexar Ventures Inc., a public company listed on the CSE which specializing in selling software-as-a-service business services to corporate customers; and is a director of Kona Bay Technologies Inc., a public company listed on the TSXV which operates an Internet applications business focused on e-learning and mobile training. Mr. Wong's career has spanned a wide range of executive-level positions in business development, marketing, information technology, strategy, and corporate development. He graduated from the University of British Columbia, and holds an MSc in Economics from the London School of Economics.

In his capacity as a director, Mr. Wong will dedicate an estimated 10% of his time to the affairs of the Issuer. Mr. Wong is not currently subject to any written director agreement, and is not subject to any written non-competition or confidentiality agreement with the Issuer.

Ioannis (Yannis) Tsitos – Director

Mr. Tsitos, age 58, has nearly 30 years of experience in the mining industry, having spent 19 years with the BHP Billiton group, one of the biggest mining companies in the world. In his time in the industry, he has lived and worked in Canada, Ecuador, United Kingdom, Greece and South Africa, while doing business, either in exploration, development or mining projects, in 32 countries. A physicist-geophysicist, he left BHP Billiton in 2008 as the New Business Manager for global minerals exploration. He holds a B.Sc degree in Physics from the University of Athens, and a Master's degree in Applied Geophysics and Geology from the University of Birmingham, UK. In addition, he completed management and finance studies as part of an MBA program with Herriot Watt University, Edinburgh. He is currently the President of Goldsource Mines Inc., a TSXV listed company with mineral property interests in Guyana. He sits on several company Boards of Directors as an independent director, has published articles in exploration and mining magazines on relevant topics, and has been a strong advocate of anti-corruption policies in the mining industry.

In his capacity as a director, Mr. Tsitos will dedicate an estimated 10% of his time to the affairs of the Issuer. Mr. Tsitos is not currently subject to any written director agreement, and is not subject to any written non-competition or confidentiality agreement with the Issuer.

Zara Kanji CPA – Chief Financial Officer & Corporate Secretary

Ms. Kanji, age 50, is a founder of Zara Kanji & Associates (established 2004). Ms. Kanji is experienced in financial reporting compliance for junior listed companies, taxation, general accounting, financial reporting and value added advisory services for individuals, private and public companies. Ms. Kanji also serves as CFO for each of Megastar Development Corp. (TSXV: MDV); World Class Extractions Inc. (CSE: PUMP), Plymouth Rock Technologies Inc. (CSE: PRT), and INEO Tech Corp. (TSXV: INEO).

In addition to providing business advisory and compliance services to private and public entities, Ms. Kanji has served as director and officer for several listed issuers and has been part of teams that have facilitated several financings and acquisition transactions.

Ms. Kanji is a Member of the Chartered Professional Accountants of BC and Canada and previously the Certified General Accountants Association since August 2003. Ms. Kanji holds a Bachelors of Technology in Accounting (Honours) and a Diploma in Corporate Finance (Honors) from the British Columbia Institute of Technology

Ms. Kanji is not an employee of the Issuer, but acts as in independent contractor. In her capacity as CFO, she will dedicate a minimum of 20% of her time to the affairs of the Issuer. Ms. Kanji is not currently subject to any written management or consulting agreement, and is not subject to any written non-competition or confidentiality agreement with the Issuer.

14. CAPITALIZATION

The following tables provide information about the Issuer's capitalization as of the date of this Listing Statement, and refer to the Issuer's outstanding Common Shares:

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	26,463,647	38,431,504	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)	1,992,244	2,942,244	7.53%	7.66%
Total Public Float (A-B)	24,471,403	35,489,260	92.47%	92.34%
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)	3,242,244	4,817,244	12.25%	12.53%
Total Tradeable Float (A-C)	23,221,403	33,614,260	87.75%	87.47%

Public Security holders (Registered)

For the purposes of this table, "public security-holders" are registered Shareholders other than related persons under section (B) of the previous chart.

Size of Holding	Number of holders	Total number of Shares
1 – 99 securities	-	-
100 – 499 securities	11	2,449
500 – 999 securities	4	3,256
1,000 – 1,999 securities	148	149,854
2,000 – 2,999 securities	1	2,381
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	44	24,313,463
Totals	**208**	**24,471,403**

Public Security holders (Beneficial)

The following table includes (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings.

Size of Holding	Number of holders	Total number of Shares
1 – 99 securities	-	-
100 – 499 securities	135	18,845
500 – 999 securities	13	9,697
1,000 – 1,999 securities	159	163,481
2,000 – 2,999 securities	4	10,476
3,000 – 3,999 securities	4	13,840
4,000 – 4,999 securities	1	4,999
5,000 or more securities	51	24,250,065
Unable to confirm		
Totals	**367**	**24,471,403**

Non-Public Security-holders (Registered)

The following table includes "non-public security holders", being those related persons under section (B) of the issued capital chart above.

Size of Holding	Number of holders	Total number of Shares
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	3	1,992,244
Totals	**3**	**1,992,244**

14.2 The following table details securities convertible or exchangeable into Shares.

Description of Security	Number of convertible / exchangeable securities outstanding	Number of Common Shares upon conversion / exercise
Share purchase warrants (exercisable at $0.70 until Feb. 21, 2023)	142,857	142,857
Share purchase warrants (exercisable at $0.10 until Nov. 27, 2022)	5,150,000	5,150,000
Amal Unit Warrants (exercisable at $0.10 until Nov. 27, 2022)	6,675,000	6,675,000

14.3 There are no other Shares reserved for issuance that are not included in section 14.2.

15. EXECUTIVE COMPENSATION

See "Statement of Executive Compensation" in Schedule A hereto.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Issuer, a proposed nominee for election as a director of the Issuer, or an associate of any such director, executive officer or proposed nominee,

(a) is, or at any time since the beginning of the most recently completed financial year of the Issuer has been, indebted to the Issuer or any of its subsidiaries, or

(b) is or has been indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries..

17. RISK FACTORS

The Issuer's business, operating results and financial condition could be adversely affected by any of the risks outlined below. These risks and uncertainties are not the only ones facing the Issuer. Additional risks and uncertainties not currently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the operations of the Issuer. If any such risks actually occur, the financial condition, liquidity and results of operations of the Issuer could be materially adversely affected and the ability of the Issuer to implement its growth plans could be adversely affected.

An investment in the Issuer's Shares is speculative and will be subject to material risks; and investors should not invest in securities of the Issuer unless they can afford to lose their entire investment.

General Risks Concerning the Securities of the Issuer

High Risk, Speculative Nature of Investment

An investment in the Shares carries a high degree of risk and should be considered speculative by purchasers.

Public Market

An active trading market of the Issuer's Shares may not develop or, if it does develop, may not be sustained. The lack of an active market may:

(i) impair shareholders' ability to sell their Shares at the time they wish to sell them or at a price that they consider reasonable;

(ii) reduce the fair market value and increase the volatility of the Shares; and

(iii) impair the Issuer's ability to raise capital by selling Shares and to acquire other exploration properties or interests by issuing Shares as consideration.

Volatility of Share Prices

The trading price of the Issuer's Shares will be subject to change because of numerous factors, including reports of new information, changes in the Issuer's financial situation, the supply and demand for Shares in the market, failure to achieve financial results in line with the expectations of analysts, or announcements concerning results. Price volatility will also be subject to a number of factors beyond the control of the Issuer including the global economy, the effects of epidemics or pandemics, interest rates, political and geo-political events in various countries around the world, inflation, deflation, armed conflicts, trade wars, and the like. There is no guarantee that the market price of the Shares will be protected from any such fluctuations in the future; and future changes may be material.

COVID-19 Outbreak

On March 11, 2020, the World Health Organization declared the outbreak of novel strain of coronavirus ("COVID-19") a global pandemic. In response to the outbreak, governmental authorities in Canada and other countries introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. To date, the COVID-19 outbreak and the response of governmental authorities to try to limit it have had a significant impact on the mineral exploration industry, including that travel restrictions have resulted in less prospecting and organized work programs, even on remote sites. An expanded global spread of COVID-19 could have an adverse impact on the Issuer's business and financial results. The continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Issuer's business, operations or financial results; however, the impact could be material.

General Risks Concerning the Business of the Issuer

Limited History of Operations

The Issuer has limited history of mineral exploration and has no history of production, cash flow, revenue, or profitability. There are no known commercial quantities of mineral reserves on the Issuer's properties. There is no assurance that the Issuer will ever discover any economic quantities of mineral reserves.

Negative Cash Flow from Operations

The Issuer has had negative cash flow from operations since its inception, and will continue to have negative operating cash flow for the foreseeable future. The FLV Claims are at the early exploration stage only. The Issuer has no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the FLV Claims when required. No assurance can be given that the Issuer will ever attain positive cash flow or profitability.

Requirement for Further Financing

The Issuer will need to raise additional funds to carry out exploration activities on its properties. Its ability to arrange such financings in the future will depend in part upon prevailing capital market conditions, as well as the Issuer's business success. There is no assurance the Issuer will be able to raise additional funds or will be able to raise additional funds on terms acceptable to it. If the exploration programs are successful and favorable exploration results are obtained, the properties may be developed into commercial production. The Issuer will require significant additional funds to place any property into production.

As we have no source of operating revenue, the only sources of future funds presently available are the sale of equity capital, debt or offering of interests in the properties to be earned by another party or parties by carrying out development work. There is no assurance that any such funds will be available to the

Issuer or be available on terms acceptable to it. If funds are available, there is no assurance that such funds will be sufficient to bring any property to commercial production. There is no assurance the Issuer will be able to enter into any contract with a third party for such party to conduct work on any property held by the Issuer. Failure to obtain additional financing, or to enter into an option or joint venture agreement, on a timely basis could have a material adverse effect on the Issuer, and could cause it to forfeit its interest in some or all of its properties and reduce or terminate its operations.

Further Acquisitions

As part of our business strategy, we may seek to grow by acquiring companies, assets or establishing joint ventures that we believe will complement our current or future business. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favorable terms or that any acquisitions completed will ultimately benefit our business.

Exploration and Development

At present, all mineral properties in which we hold an interest are at the exploration stage and there are no bodies of ore, known or inferred, on any such properties. Mineral exploration and development involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that any mineral exploration activities will result in any discoveries of commercial bodies of ore on any property. The business of exploration for precious or base metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties.

To the best of our knowledge, government permits will be required to carry out our proposed exploration programs. These programs will require application for permits at various government levels and we may be required to post security equivalent to the costs of any reclamation work which will be required after completion of the proposed exploration work. Further, licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should the Issuer proceed beyond exploration. There can be no guarantee that any or all such licenses and permits will be obtained in a timely manner, or at all.

Supplies, Infrastructure, Weather and Inflation

Our property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. Power may need to be generated on site. Water for drilling may have to be trucked in. Bad weather can also disrupt exploration activities resulting in delays and added costs. Exploration companies can expect to experience difficulty in scheduling exploration activities such as drilling contracts, airborne geophysical surveys and other services that are key components of early stage exploration programs.

Reliability of Historical Information

We have relied, and the Technical Report is based, in part, upon historical data compiled by previous parties involved with the FLV Claims. To the extent that any of such historical data is inaccurate or incomplete, our exploration plans may be adversely affected.

Operating Hazards and Risks

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. We do not currently carry any liability insurance for such risks, electing instead to ensure our contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or we might not elect to insure the Issuer against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon our financial conditions.

Title to Properties

While we have reviewed title to the FLV Claims through on-line government sources, there may be unregistered claims by third parties, including indigenous or First Nations groups. Any successful third party claim would be very detrimental to the interests of the Issuer. In addition, the southern portion of the FLV Claims are within the Silver Peak Range Wilderness Study Area, and so will not open to exploration or development.

Management

The Issuer's success is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. There is no assurance that it can maintain the service of its management or other qualified personnel required to operate its business.

Environmental Risks and other Regulatory Requirements

The Issuer's current or future operations, including the exploration activities and possible commencement of production on mineral properties, will require permits from various levels of federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety, and other matters. There can be no assurance that all permits required for facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which the Issuer might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. The Issuer may be required to compensate those suffering loss or damage by reason of the Issuer's exploration and development activities and may have civil or criminal fines or penalties imposed upon it for violation of applicable laws or regulations.

Amendments to current laws, regulations, and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

To carry out exploration in Nevada, that involves anything more than casual hand labour, generally requires permitting. To carry out the drilling portion of the recommended work program will require permits from both the Bureau of Land Management (BLM) and Nevada State Engineer's office. Subsurface mining is allowed in the Nevada County M1 Zoning District with approval of a "Use Permit". Approval of a Use Permit for mining operations requires a public hearing before the County Planning Commission, whose decision may be appealed to the County Board of Supervisors. Use Permit approvals include conditions of approval, which are designed to minimize the impact of conditional uses on neighboring properties.

Land reclamation requirements may be burdensome and expensive.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially hazardous materials;
- treat ground and surface water to drinking water standards; and
- reasonably re-establish pre-disturbance landforms and vegetation.

In order to carry out reclamation obligations imposed in connection with any exploration or development activities, the Issuer will be required to allocate financial resources that might otherwise be spent on further exploration and development programs. The Issuer may set up a provision for its reclamation obligations, but this provision may not be adequate. If required to carry out unanticipated reclamation work, the Issuer's financial position could be adversely affected.

Industry Regulations

We currently operate our business in a regulated industry. There can be no assurance that we may not be negatively affected by changes in federal, state or local legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

Uninsurable Risks

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Issuer. The Issuer does not currently maintain insurance against environmental risks.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of the same. There can be no assurance that mineral prices will be such that our properties can be mined at a profit. Factors beyond our control may affect the marketability of any minerals discovered.

Exposure to fluctuations in currency exchange rates

The Issuer is exposed to fluctuations in currency exchange rates because it holds primarily Canadian funds, but a large proportion of its operating and capital costs will be denominated in U.S. dollars, as the FLV Claims are located in Nevada. Foreign exchange rates have seen significant fluctuation in recent years. A depreciation in the value of the Canadian dollar compared to the U.S. dollar will result in an increase in the cost of operations in Canadian dollar terms and could adversely affect the Issuer's financial results. The Issuer does not currently engage in any hedging or similar activities to mitigate the risk of losses from currency fluctuations.

Litigation Risk

The Issuer may be the subject of litigation as it pertains to any aspect of the Issuer's business. The Issuer may not be successful with respect to any actions it initiates, and may not be successful in defending any claims brought against it. Financial losses resulting from unsuccessful litigation may have a material adverse impact on the Issuer. Any claims, with or without merit, often result in substantial costs and diversion of management's attention and resources and could have a negative effect on business and results of operations.

Competition

Significant and increasing competition exists for mineral opportunities. There are a number of large established mineral exploration companies with substantial capabilities and greater financial and technical resources than the Issuer. The Issuer may be unable to acquire additional mineral properties or acquire such properties on terms considered acceptable.

Conflicts of Interest

The Issuer's directors may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the BCBCA and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

No Cash Dividends are expected to be paid in the Foreseeable Future.

The Issuer has not declared any cash dividends to date. The Issuer intends to retain any future earnings to finance its business operations and any future growth. As such, the Issuer does not anticipate declaring any cash dividends in the foreseeable future.

18. PROMOTER CONSIDERATION

Stephen Hanson is the promoter of the Issuer. Mr. Hanson has ownership and control of 1,400,000 Shares, representing 5.29% of the issued and outstanding Shares as of the date of this Listing Statement. He also holds 700,000 warrants. In addition, 1,250,000 Shares and 625,000 warrants are held by Caroline Hanson, the spouse of Stephen Hanson.

No asset was acquired within the two years before the date of the Listing Statement or thereafter, or is to be acquired, by the Issuer or a subsidiary of the Issuer, from Mr. Hanson.

For further information regarding Mr. Hanson, please refer to Section 13 – *Directors and Officers* and Section 15 – *Executive Compensation*.

19. LEGAL PROCEEDINGS

As of the date of this Listing Statement, there are no legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter, nor are any such proceedings known to the Issuer to be contemplated.

The Issuer is not and has not been subject to any (i) penalties or sanctions imposed against it by a court relating to provincial or territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof; (ii) other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; or (iii) settlement agreements the Issuer entered into before a court relating to provincial or territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Listing Statement, other than the following cease trade orders:

Reason of Default	Default From	Default To
Failure to file annual audited financial statements for September 30, 2019	2020-02-03	2020-02-26
Failure to file annual audited financial statements for September 30, 2018	2019-02-01	2019-02-12

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Issuer, or any person or company that has direct or indirect beneficial ownership of, or who exercises control or direction over, more than 10% of the Issuer's outstanding Shares, nor any associate or affiliate of any of such persons or companies, has had any interest in any transaction within the three years preceding the date of this Listing Statement, or has any interest in any proposed transaction, that has materially affected or will materially affect the Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

The auditors of the Issuer are Charlton & Company, Chartered Professional Accountants, of Suite 1735 – 555 Burrard Street, Vancouver, Canada, V7X 1M9.

Transfer Agent and Registrar

The Issuer's register and transfer agent is Odyssey Trust Company of 323 – 409 Granville Street, Vancouver BC V6C 1T2.

22. MATERIAL CONTRACTS

During the two years preceding the date of this Listing Statement, other than contracts entered into in the ordinary course of business, the Issuer has entered into the following material agreements:

1. The FLV Claims Purchase and Sale Agreement dated November 9, 2020 between Bearing Lithium Corp. (as the vendor) and the Issuer whereby the Issuer acquired the FLV Claims;
2. Amalgamation Agreement dated December 29, 2020 among the Issuer, 1281524 B.C. Ltd. and Fundo, whereby 1281524 B.C. Ltd. and Fundco amalgamated and became a wholly owned subsidiary of the Issuer, and the security holders of Fundco became security holders of the Issuer;

3. Escrow Agreement dated March 25, 2021 among the Issuer, Odyssey Trust Company and certain principals of the Issuer.

23. INTEREST OF EXPERTS

The only persons who are named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement are (i) the Issuer's auditors, Charlton & Company; and (ii) the Author of the Technical Report. The auditors have advised the Issuer that they are independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia. The Author has advised the Issuer that he holds no interest in the Issuer or the FLV Claims, and is otherwise independent of the Issuer within the definition set forth in NI 43-101 and the Companion Policy thereto.

24. OTHER MATERIAL FACTS

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

25. FINANCIAL STATEMENTS

Attached hereto in Schedule "B" are the Issuer's audited financial statements for the fiscal years ended September 30, 2020 and 2019.

Attached hereto in Schedule "D" are the Issuer's unaudited financial statements for the three months ended December 31, 2020.

Additional historical financial statements for the Issuer can be found under the Issuer's profile on SEDAR.

SCHEDULE "A"

STATEMENT OF EXECUTIVE COMPENSATION

This Schedule sets forth the compensation paid by the Issuer to its Named Executive Officers and directors during the past two fiscal years ended September 30, 2020 and 2019.

For the purpose of this Listing Statement, "**Named Executive Officer**" or "**NEO**" means: each of the following individuals:

(a) each individual who, in respect of the Issuer, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the Issuer, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Issuer and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) 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.

During the financial years ended September 30, 2020 and 2019, the Issuer had two Named Executive Officers, namely Vincent Wong (President and acting CEO) and Charles Jenkins (CFO).

Oversight and Description of Director and Named Executive Officer Compensation

Current Status:

There was no compensation committee or other committee that oversaw or advised with respect to executive and director compensation. All decisions regarding NEO and director compensation were made by the board of directors.

Anticipated Future Status:

Going forward, and following listing on the CSE, the Issuer anticipates appointing additional directors and forming a compensation committee which will be responsible for assisting the Board in monitoring, reviewing and approving compensation policies and practices of the Issuer and administering the Issuer's stock option plan.

With regard to the CEO, the Board will be responsible for reviewing and approving corporate goals and objectives relevant to the CEO's compensation, evaluating the CEO's performance in light of those goals and objectives, and determining the CEO's compensation level based on this evaluation. In consultation with the CEO, the Board will develop a framework of executive remuneration and its cost and on specific remuneration packages for each of the directors and officers other than the CEO, including awards under equity compensation plans. If a compensation committee is formed, the Board will make its determinations based on recommendations from the committee.

The Issuer's compensation philosophy for executive officers is expected to follow three underlying principles:

(a) to provide compensation packages that encourage and motivate performance;

(b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and

(c) to align the interests of its executive officers with the long-term interests of the Issuer and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Issuer's executive officers, the Board expects to take into consideration a variety of factors, including the overall financial and operating performance of the Issuer, and the Board's overall assessment of:

(a) each executive officer's individual performance and contribution towards meeting corporate objectives;

(b) each executive officer's level of responsibility,

(c) each executive officer's length of service; and

(d) industry comparables.

In keeping with the above philosophies, the Issuer expects to adopt a model that will include both base salary or consulting fees and "at-risk" compensation, comprised of participation in the Issuer's stock option plan, as described below. In addition, the Board may award performance bonuses based on executives meeting short-term or long-term performance milestones.

Base salary or consulting fee levels will reflect the fixed component of pay that compensates executives for fulfilling their roles and responsibilities and assists in the attraction and retention of qualified executives. Base amounts will be reviewed annually by the Board to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention. Currently base salaries and consulting fees are set at below industry standard levels, which is reflective of the Issuer's lack of monetary resources. Monetary compensation will be supplemented with the provision of stock options (see below for description). Salaries and consulting fee levels will be reviewed and revised as the Issuer grows.

Stock Options

The only stock option plan or other incentive plan the Issuer currently has in place is a 10% "rolling" stock option plan (the "Plan"), which authorizes the Board to grant options to directors, officers, employees and consultants to acquire up to an aggregate of 10% of the issued and outstanding common shares of the Issuer, from time to time. The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Issuer and to advance the interests of the Issuer by affording such persons with the opportunity to acquire an equity interest in the Issuer through rights granted under the Plan. See Item 9, "Options to Purchase Securities" in the Listing Statement.

Stock options are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options will be based on:

(a) the executive's performance;

(b) the executive's level of responsibility within the Issuer;

(c) the number and exercise price of options previously issued to the executive;

(d) the difference between the executive's salary and that paid by comparable companies; and

(e) the overall aggregate total compensation package provided to the executive.

Options are typically granted on an annual basis in connection with the review of executives' compensation packages. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

Director and Named Executive Officer Compensation

The following table sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the two most recently completed financial years ended September 30, 2020 and 2019, excluding compensation securities.

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compen-sation ($)	Total compen-sation ($)
Vincent Wong *President, CEO and Director*	2020 2019	$75,000 $120,000	nil nil	nil nil	nil nil	nil nil	$75,000 $120,000
Charles Jenkins *CFO and Director*	2020 2019	$18,000 $17,500	nil nil	nil nil	nil nil	nil nil	$18,000 $17,500
Frank Harley *Director*	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil

Stock Options and Other Compensation Securities

The only compensation securities available to be issued or granted by the Issuer to its directors and NEOs during the financial years ended September 30, 2020 and 2019 were incentive stock options under the Issuer's stock option plan. During those financial years, the Issuer did not grant any stock options to its directors or NEOs for services provided or to be provided, directly or indirectly, to the Issuer.

During the financial years ended September 30, 2020 and 2019, no incentive stock options were outstanding or exercised by any NEO or director. The Issuer does not currently have any stock options outstanding.

Employment, Consulting and Management Agreements

There were no agreements or arrangements in place under which services were provided during the most recently completed financial year or for which compensation was paid that were:

(a) performed by a director or named executive officer, or

(b) performed by any other party but are services typically provided by a director or a named executive officer,

other than:

(a) the grant of options under the Plan,

(b) the reimbursement of expenses any director or NEO may have incurred on behalf of the Issuer, and

(c) a management consulting agreement with Vincent Wong pursuant to which Mr. Wong provided services to the Issuer in his former role as acting CEO. The agreement was on a month-to-month basis, and called for the payment of $10,000 per month to Mr. Wong. The Issuer paid or accrued $120,000 in fees to Mr. Wong in 2019 and $75,000 in 2020. The agreement with Mr. Wong contained no provisions with respect change of control or severance, and could be terminated upon 30 days' notice. The management agreement was cancelled in October 2020 in contemplation of changes in management which were effected November 6, 2020.

There were no other agreements or arrangement containing provisions with respect to change of control, severance, termination or constructive dismissal.

Pension disclosure

The Issuer does not provide any form of pension to any of its directors or Named Executive Officers.

SCHEDULE "B"

AUDITED FINANCIAL STATEMENTS OF THE ISSUER
FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2020 AND 2019

[inserted as pages following]

ACME LITHIUM INC.

(FORMERLY HAPUNA VENTURES INC.)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

p | 604.683.3277
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BURRARD STREET
BOX 243
VANCOUVER, BC V7X 1M9

charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of:
ACME Lithium Inc. (formerly Hapuna Ventures Inc.)

Opinion

We have audited the financial statements of ACME Lithium Inc. (formerly Hapuna Ventures Inc.) (the "Company"), which comprise the statements of financial position as at September 30, 2020 and 2019, and the statements of loss and comprehensive loss, changes in shareholder's deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company had a deficit of $1,274,815 at September 30, 2020 and a working capital deficiency of $1,004,819. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

"Charlton & Company"

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 15, 2020

ACME LITHIUM INC. (FORMERLY HAPUNA VENTURES INC.)

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020 AND 2019

(Expressed in Canadian dollars)

	Notes	2020	2019
Assets			
Current Assets			
Cash		$ 2,907	$ -
Amounts receivable	4	2,035	9,144
Due from ACT360	9	45,658	40,670
		50,600	49,814
Intangible assets	5	1	1
		$ 50,601	**$ 49,815**
Liabilities			
Current Liabilities			
Bank indebtedness		$ -	$ 471
Accounts payable and accrued liabilities		437,633	287,922
Shareholder loan	9	12,800	-
Due to Kona Bay	9	225,385	143,484
Promissory note payable	6	379,601	-
		1,055,419	431,877
Promissory note payable	6	-	360,048
		1,055,419	791,925
Shareholders' Deficiency			
Share capital	7	269,997	269,997
Deficit		(1,274,815)	(1,012,107)
		(1,004,818)	(742,110)
Total Liabilities and Shareholders' Deficiency		**$ 50,601**	**$ 49,815**

Nature and continuance of operations (Note 1)
Commitment (Note 11)
Events after the reporting period (Note 15)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON DECEMBER 15, 2020

Stephen Hanson"	***"Vincent Wong"***
Director	Director

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

ACME LITHIUM INC. (FORMERLY HAPUNA VENTURES INC.)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in Canadian dollars)

	Note		2020		2019
Sales	14	$	41,188	$	54,160
Expenses					
Accounting and legal	9	$	33,001	$	56,172
Advertising and promotion			30,477		44,124
Consulting fees	9,11		150,000		240,000
Interest expense	6		20,129		19,854
Management fees	9		60,000		60,000
Regulator and filing fees			4,729		8,680
Selling office and general			209		13,352
Wages and benefits	9		5,351		9,470
			303,896		451,652
Loss and comprehensive loss for the year		$	(262,708)	$	(397,492)
Basic and diluted loss per share		$	(0.43)	$	(0.67)
Weighted average number of common shares outstanding			613,628		590,951

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

ACME LITHIUM INC. (FORMERLY HAPUNA VENTURES INC.)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in Canadian dollars)

	2020	2019
Operating Activities		
Loss for the year	$ (262,708)	$ (397,492)
Items not involving cash		
Interest on promissory note payable	19,553	19,501
Changes in assets and liabilities		
Amounts receivable	7,109	1,007
Accounts payable and accrued liabilities	149,711	272,750
Due to Kona Bay	81,901	67,334
Due from ACT360	(4,988)	(7,498)
Cash used in operating activities	(9,422)	(44,398)
Financing Activities		
Issuance of common stock	-	31,333
Share issue costs	-	(837)
Shareholder loans	12,800	-
Cash provided by financing activities	**12,800**	**30,496**
Net change in cash	3,378	(13,902)
Cash (bank indebtedness), beginning balance	(471)	13,431
Cash (bank indebtedness), ending balance	**$ 2,907**	**$ (471)**

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

ACME LITHIUM INC. (FORMERLY HAPUNA VENTURES INC.)

STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

FOR THE YEARS ENDED SEPEMBER 30, 2020 AND 2019

(Expressed in Canadian dollars)

	Note	Share Capital								
		Number of shares		Amount		Share subscriptions		Deficit		Total shareholders' deficiency
Balance at September 30, 2018		**483,152**	**$**	**179,501**	**$**	**60,000**	**$**	**(614,615)**	**$**	**(375,114)**
Private placement	7	130,476		91,333		(60,000)		-		31,333
Share issuance costs	7	-		(837)		-		-		(837)
Loss for the year		-		-		-		(397,492)		(397,492)
Balance at September 30, 2019		**613,628**	**$**	**269,997**	**$**	**-**	**$**	**(1,012,107)**	**$**	**(742,110)**
Loss for the year		-		-		-		(262,708)		(262,708)
Balance at September 30, 2020		**613,628**	**$**	**269,997**	**$**	**-**	**$**	**(1,274,815)**	**$**	**(1,004,818)**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

ACME Lithium Inc. (formerly Hapuna Ventures Inc.) (the "Company") was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017, as a wholly-owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay").

The Company is a technology company specializing in digital customer acquisition. Its customers are primarily higher education institutions that promote campus and online degree programs to consumers through digital media such as websites, mobile apps, social media networks and direct e-mail. The address of the Company's corporate office and its principal place of business is 300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4.

On February 28, 2017, the Company entered into an Arrangement Agreement (the "Agreement") with Kona Bay, ACT360 Media Ltd. ("ACT360") and Bexar Ventures Inc. ("Bexar") for the purposes of carrying out a corporate restructuring by way of a Plan of Arrangement (the "Arrangement" or the "POA") pursuant to Section 288 of the Business Corporations Act (British Columbia).

On December 13, 2017, the POA closed and the online advertising assets were transferred to the Company by Kona Bay and ACT360, and 4,761,199 common shares of the Company were issued to Kona Bay.

On December 14, 2017, Kona Bay exchanged the 4,761,199 common shares of the Company for the Class A shares outstanding as of December 13, 2017. Kona Bay distributed the Company shares to the shareholders of Kona Bay on a pro-rata basis, and the Company consolidated its common shares on the basis of one post-consolidation common share for every three pre-consolidation common shares. The Company is a reporting issuer under applicable Canadian Securities regulations. However, it has not yet obtained a listing on a Canadian stock exchange.

These financial statements have been prepared on a going concern basis, assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at September 30, 2020, the Company had a deficit of $1,274,815 (2019 - $1,012,107) and a working capital deficiency of $1,004,819 (2019 - $382,063). The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating commitments as they come due and generating profitable operations in the future. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. These financial statements do not include any adjustments relating to the recoverability and classification of the recoded asset amounts and classifications of liabilities that might be necessary should the Company be unable to continue in existence.

To the date of this report, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are set out in Note 3. The financial statements are presented in Canadian dollars unless otherwise stated.

c) Presentation and Functional Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Critical accounting judgments, estimates and assumptions – The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Critical judgments in applying accounting policies:

Critical Judgments

Going concern of operations

Management has made the determination that the Company will continue as a going concern for the next year.

Intangible assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

Allocation of expenses

Kona Bay and ACT360 incur, either directly or indirectly, wages, benefits and other costs on behalf of the Company. Judgement is required in determining the amounts that are allocated to the Company.

Deferred income taxes

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Foreign currency translation – The functional and presentation currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Revenues and expenses are translated at the exchange rates prevailing on the dates of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Cash and cash equivalents - The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents. The Company did not have any cash equivalents at September 30, 2020 and 2019.

Intangible assets - Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of operations and comprehensive loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of operations and comprehensive loss when the asset is derecognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A summary of the policies applied to the Company's intangible assets is as follows:

	Customer Relationships – Online Advertising	Online Advertising Leads Database
Useful lives	Finite	Finite
Amortization method used	Amortized on a straight-line basis over three years	Amortized on a straight-line basis over three years

Share issuance costs - Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

Income taxes - Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

The Company provides for income taxes using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that management has determined it is probable to be realized.

Revenue recognition - The Company uses a single model for recognizing revenue from contracts with customers. Revenue is recognized at a point in time or over time in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. The Company currently sells marketing information to higher education institutions. These services typically result in a single deliverable product. Revenues are recorded when the customer accepts the marketing information and collection is probable.

Share-based payments - The Company records all share-based payments at their fair value. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is charged to reserves. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments. The share-based payments costs are charged to operations over the stock option vesting period.

Agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings (Loss) per share - The Company uses the treasury stock method in computing earnings (loss) per share. Under this method, basic earnings (loss) per share is computed by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of in-the-money stock options and warrants. For the years presented, the existence of stock options affects the calculation of loss per share on a fully diluted basis.

Development costs – Development costs are expensed as incurred, except in cases where development costs meet certain identifiable criteria for deferral. The Company has not capitalized any product development costs during the year.

Financial instruments – The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i. those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial instruments are classified and measured at either:

i. amortized cost;
ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
iii. FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

Classification

The Company’s financial assets consists of cash, which is classified and measured at FVTPL, and amounts receivable and due from related party which are measured at amortized cost using the effective interest method. The Company’s financial liabilities consist of accounts payable and accrued liabilities, shareholder loan, due to related party and promissory note payable, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

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

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Application of new and revised accounting standards effective October 1, 2019

The following new accounting standards and amendments which the Company adopted and are effective for the Company's annual financial statements commencing October 1, 2019:

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16") which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low-value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019.

Effective October 1, 2019, the Company adopted IFRS 16. The Company went through the process and identified no contracts that might be relevant under the new standard and the Company determined that the adoption of this standard did not have a significant impact on its financial statements.

(Expressed in Canadian dollars)

4. AMOUNTS RECEIVABLE

Amounts receivable consist of the following:

	September 30, 2020	September 30, 2019
Recoverable goods and services / harmonized sales tax	$ 2,035	$ 9,144

5. INTANGIBLE ASSETS

	Customer Relationships – Online Advertising	Online Advertising Leads Database	Total
Cost			
September 30, 2018, 2019, and 2020	$ 108,000	$ 217,000	$ 325,000
Accumulated amortization and impairment			
September 30, 2018, 2019, and 2020	108,000	216,999	324,999
Net book value			
September 30, 2019	$ -	$ 1	$ 1
September 30, 2020	$ -	$ 1	$ 1

The Company acquired relationships with online advertising customers and an online advertising leads database from ACT360 upon closing of an arrangement on December 13, 2017 for a $325,000 promissory note payable to ACT360 bearing interest at 6% per annum and due on the third anniversary of the promissory note.

Customer Relationships

Customer relationships consist of relationships with various post-secondary education institutions, with online advertising services provided by the Company to recruit students to these institutions.

Online Advertising Leads Database

The Company's online advertising leads database consists of personal information collected from potential student leads during the online advertising process.

Revenue relating to these assets has decreased significantly over the last three years and the Company is economically dependent on two customers. Given that management is not in a position to be able to estimate the future cash flows attributable to the customer relationships and online advertising leads database with any degree of certainty, the value of the intangible assets was written down to a nominal amount of $1 at September 30, 2018. There were no changes during the years ended September 30, 2020 and 2019.

(Expressed in Canadian dollars)

6. PROMISSORY NOTE PAYABLE

The Company has outstanding a promissory note in favour of ACT360 in the principal amount of $325,000 with a maturity date of December 13, 2020. Interest is calculating and accruing daily at 6% per annum from the date of issue, payable on a semi-annual basis commencing on June 13, 2018. The promissory note may be negotiated, assigned, discounted or pledged by ACT360. ACT360 has assigned the promissory note to Kona Bay retrospectively during June 2020. The amount payable consists of the following:

	September 30, 2020	September 30, 2019
Principal	$ 325,000	$ 325,000
Accrued interest	54,601	35,048
Total	$ 379,601	$ 360,048

Accrued interest payable accumulated since June 13, 2018 has not ben paid.

As at September 30, 2020, the fair value of the promissory note payable was $379,601 (2019 – $360,048). Fair value was determined using an income approach. An income approach is a present value technique that takes into account the future cash flows that would be expected to be received from holding the promissory note as an asset. Present value was calculated using the following attributes – semi-annual interest payments of $9,750, repayment of $325,000 principal at maturity, 27 months to maturity and a discount rate of 6% discounted annually.

7. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends if and when they are declared by the Board of Directors.

On November 23, 2020, the Company completed a 7:1 share consolidation of its common shares. All common share and per share amounts in these financial statements are retroactively presented on a post-share consolidation basis, including the number and exercise price of all share warrants.

Private Placement Financing

During the year ended September 30, 2020, the Company did not completed any private placements.

During the year ended September 30, 2019, the Company completed the following:

- On November 2, 2018 and August 7, 2019, the Company closed two private placements consisting of 116,190 (813,330 pre-consolidated) and 14,286 (100,000 pre-consolidated) units, respectively, for total gross proceeds of $91,333. Each unit consisted of one common share of the company and one common share purchase warrant entitling the holder to purchase one additional share at $0.70 ($0.10 pre-consolidated) per share for a period of one year from the date of the issue. Share offering costs of $837 were incurred in connection with this private placement. Subscriptions received of $60,000 was reclassified to share capital.

(Expressed in Canadian dollars)

8. WARRANTS

Warrant transactions related to the private placement completed during the year are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, September 30, 2018	142,857	$ 0.70
Issued in the year	130,476	0.70
Outstanding, September 30, 2019	273,333	0.70
Expired on November 2, 2019	(116,190)	0.70
Expired on August 7, 2020	(14,286)	0.70
Outstanding, September 30, 2020	142,857	$ 0.70

The following table summarizes information about warrants outstanding at September 30, 2020:

Expiry Date	Exercise Price Per Share	Outstanding
February 21, 2023	$0.70	142,857
		142,857

9. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

The remuneration of the Company's directors and other key management was as follows during the periods ended September 30, 2020 and 2019:

		2020	2019
Consulting fees	(a)	$ 75,000	$ 120,000
Management salary	(b)	2,953	4,783
Accounting fees	(c)	18,000	17,500
		$ 95,953	$ 142,283

(a) Consulting fees of $75,000 (2019 - $120,000) were paid or accrued to a director and CEO of the Company.

(b) Management salary of $2,953 (2019 - $4,783) was allocated by ACT360 with respect to the Company's VP of Development.

(c) Accounting fees of $18,000 (September 30, 2019 - $17,500) were paid or accrued to a company controlled by the Chief Financial Officer of the Company.

As at September 30, 2020, $204,750 (2019 - $126,000) were owing to key management personnel for fees and expenses and the amounts were included in accounts payable. As at September 30, 2020 the same key management personnel advanced $12,800 (September 30, 2019 - $Nil) to the Company as a shareholder loan. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS (continued)

On December 15, 2017, the Company entered into a Management Administrative Services Agreement (the "MASA") with Kona Bay for the purpose of providing certain management and administrative services to the Company. Pursuant to the MASA:

- The Company will pay a monthly service fee that will be reviewed and mutually agreed upon prior to the start of each fiscal year on October 1st;
- The MASA terminated on September 30, 2019. The arrangement is currently in effect on a month-to-month basis;
- For the years ended September 30, 2020 and 2019, the monthly service fee would range from $4,000 to $8,000 commensurate with corporate activity.
- $95,000 would be paid as reimbursement for the arrangement spin-out expenses.

As at September 30, 2020, the Company owed $225,385 (2019 - $143,484) to Kona Bay. The balance due to Kona Bay consists of expenses incurred by Kona Bay on behalf of the Company.

The balance due from ACT360 at September 30, 2020 of $45,658 (2019 - $40,670) consists of revenue collected by ACT360 from the Company's clients on the Company's behalf, net of expenses incurred by ACT360 on the Company's behalf. These balances are unsecured, non-interest bearing and have no specific terms of repayment.

10. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian and United States federal and provincial income tax rates:

	2020	2019
Loss for the year	$ (262,708)	$ (397,492)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery	(71,000)	(107,000)
Change in statutory, foreign tax, foreign exchange rates and other	-	3,000
Change in unrecognized deductible temporary differences	71,000	(104,000)
Income tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets are as follows:

	2020	2019
Deferred income tax assets:		
Non-capital losses available for future period	$ 234,000	$ 163,000
Intangible assets and others	113,000	110,000
	347,000	273,000
Unrecognized deferred income tax assets	(347,000)	(273,000)
Net deferred income tax assets	$ -	$ -

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

(Expressed in Canadian dollars)

10. 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:

Deductible temporary differences:		
Non-capital loss carry-forwards	$ 868,000	$ 605,000
Intangible assets and others	419,000	419,000
Deductible temporary differences	$ 1,287,000	$ 1,024,000

Based upon the level of historical taxable income and projections for future taxable income over the years in which the potential deferred tax assets are deductible, management has not recognized any deferred income tax assets.

Subject to certain restrictions, the Company has non-capital losses of $1,276,000 available to reduce future Canadian taxable income. The non-capital losses expire as follows:

Year	
2037	$ 4,000
2038	204,000
2039	397,000
2040	263,000
	$868,000

The application of non-capital losses against future taxable income is subject to final determination of the respective amounts by the Canada Revenue Agency.

11. COMMITMENT

On December 15, 2017, the Company entered into a Consulting Agreement (the "CA") with a consultant for the purpose of serving as the Company's special projects advisor to assist the CEO with corporate development, M&A and finance as the Company executes its growth by acquisition program. Pursuant to the CA:

- The Company will pay a monthly retainer to be mutually agreed upon; and
- Either party may terminate the CA with 30 days written notice.

During the year ended September 30, 2020, the Company incurred $75,000 (2019 - $120,000) in consulting fees.

12. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares of $269,997. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, meet financial obligations, have sufficient capital to achieve and maintain profitable operations and to provide returns for shareholders and benefits for other stakeholders. As at September 30, 2020, the Company had a working capital deficiency of $1,004,819 (2019 - $382,063) and requires additional capital. Management expects to raise additional capital as part of the process of obtaining a listing on a major Canadian stock exchange, or pursuant to a private placement of securities.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company holds no balances in United States dollars which could give rise to exposure to foreign exchange risk. The Company did not have any trade accounts receivable balances in United States dollars as of September 30, 2020 and 2019 and has no sensitivity to a plus or minus 10% change in the foreign exchange rate of the United States dollar to the Canadian dollar that would affect the reported loss and comprehensive loss.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal during 2020 and as of September 30, 2020.

(Expressed in Canadian dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk (continued)

The Company has no gross credit exposure and no credit risk at September 30, 2020 relating to trade accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months	Between 3 & 12 months	Between 1 & 3 years	Total
September 30, 2020				
Accounts payable and accrued liabilities	$ 437,633	$ -	$ -	$ 437,633
Shareholder loan	12,800	-	-	12,800
Due to Kona Bay	225,385	-	-	225,385
Promissory note payable	379,601	-	-	379,601
	$ 1,055,419	$ -	$ -	$ 1,055,419
September 30, 2019				
Bank overdraft	$ 471	$ -	$ -	$ 471
Accounts payable and accrued liabilities	287,922	-	-	287,922
Due to Kona Bay	143,484	-	-	143,484
Promissory note payable	30,133	4,915	325,000	360,048
	$ 462,010	$ 4,915	$ 325,000	$791,925

14. ECONOMIC DEPENDENCE

During the year ended September 30, 2020, approximately 100% (2019 – 100%) of the Company's revenue was generated from two (2019 - two) customers. The loss of a material amount of revenue from these customers could have a material adverse effect on operations.

15. EVENTS AFTER THE REPORTING PERIOD

The Company has evaluated its activities subsequent to September 30, 2020 and has determined as follows:

- On October 26, 2020, the Company entered into a promissory note agreement with 1266291 BC Ltd., whereby the Company received an advance of $42,000. The promissory note does not accrue interest, is unsecured and is due within 7 days from written notice of demand.

- On October 15, 2020, the Company entered into debt settlement agreements whereby the Company and two parties have agreed to settle $418,950 in debt, which is currently recorded as accounts payable and accrued liabilities and shareholder loan, for a total payment of $86,350. The Company paid $40,000 within two days of the effective date of the agreements and the remaining $46,350 was paid on December 9, 2020.

- On November 6, 2020, Stephen Hanson and Vivian Katsuris were appointed to the Company's board of directors, replacing Frank Harley and Charles Jenkins.

- On November 9, 2020, the Company entered into an asset purchase agreement with Bearing Lithium Corp. ("Bearing") of Vancouver BC, whereby the Company agreed to purchase from Bearing, certain mining claims located in Esmeralda County, Nevada USA for consideration of $50,000 and the issuance of 100,000 common shares of the Company (the "Transaction").

- On November 23, 2020, the Company announced that it had changed its name to ACME Lithium Inc., and had completed a share consolidation of its issued and outstanding common shares on the basis of one post-consolidated share for every seven pre-consolidated common shares. As a result of the consolidation, the number of outstanding common shares of the Company was reduced to approximately 613,628 shares.

- On November 27, 2020, the Company closed a private placement of 10,300,000 units at a price of $0.03 per unit for gross proceeds of $309,000. Each unit consisted of one post consolidated share and one-half warrant. Each full warrant is exercisable at $0.10 per one post consolidated share until November 27, 2022. In connection with the financing, the Company issued 490,000 common shares as finders fees.

SCHEDULE "C"

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2020 AND 2019

[inserted as pages following]

ACME LITHIUM INC.
(Formerly HAPUNA VENTURES INC.)

Management Discussion and Analysis
of
Financial Position and Results of Operations
for the
Year ended September 30, 2020

This report is dated December 15, 2020.
(The "Report Date")

300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4

Introduction

The following information should be read in conjunction with the audited financial statements of ACME Lithium Inc. (formerly Hapuna Ventures Inc.) ("ACME" or the "Company") for the fiscal years ended September 30, 2020 and 2019.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Note 3 to the audited financial statements at September 30, 2020 describes the Company's significant accounting policies, as well as new accounting pronouncements not yet effective. During the year ended September 30, 2020, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

All amounts presented in this document are stated in Canadian dollars, except where otherwise noted.

Forward Looking Statements

This Management's Discussion and Analysis is intended to supplement and complement the audited financial statements for the year ended September 30, 2020, and the notes thereto (the "Financial Statements"). Readers are encouraged to review these Financial Statements in conjunction with a review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. These forward-looking statements are based on, but not limited to, material assumptions including: the attainment of certain sales targets and company performance; the ability of the Company to successfully execute on its growth and new business strategies, including attracting new higher education clients; continuation of support from existing higher education clients; the demand for its products continuing to increase; stable currency valuations; a sufficiently stable and healthy global economic environment; and other expectations, intentions and plans contained in this MD&A that are not historical fact. When used in this MD&A, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and general market conditions. In light of the many risks and uncertainties, readers should understand that the Company cannot offer assurance that the forward-looking statements contained in this analysis will be realized. **Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.**

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Corporate Overview and Description of Business

ACME Lithium Inc. (formerly Hapuna Ventures Inc.) (the "Company") was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017, as a wholly-owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay").

On December 13, 2017, Kona Bay completed its reorganization, and the Company became a reporting issuer under applicable Canadian Securities regulations. However, it has not yet obtained a listing on a Canadian stock exchange.

On November 24, 2020, the Company changed its name to ACME Lithium Inc. and completed a share consolidation of its issued and outstanding common shares on the basis of one post-consolidated share for every seven pre-consolidated common shares.

The address of the Company's corporate office and its principal place of business is 300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4

Description of the Business

ACME is a technology company specializing in digital customer acquisition. ACME's customers are primarily higher education institutions that promote campus and online degree programs to consumers through digital media such as websites, mobile apps, social media networks, and direct e-mail. ACME's vision is to expand beyond the education industry into other vertical markets to deliver qualified inquiries to advertiser clients at scale and according to the client's targeted return on investment. ACME manages and optimises its customers' digital marketing campaigns using a proprietary inquiry management platform and database of over 5 million international prospects. ACME's performance-based business model enables its customers to acquire new consumers based on specific characteristics such as age, education level, and location. ACME typically charges a customer only if the digital marketing campaign achieves certain measurable actions which are pre-defined by the customer. Such actions include qualified inquiries and conversions into service or product sales.

Potential impact of the Pandemic on Corporate Operations and Activities

During March 2020, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by the governments in which the Company operates regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place. While the extent of the impact is unknown, the Company anticipates this outbreak may adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Results of Operations

During the year ended September 30, 2020, the Company had revenues of $41,188 (2019: $54,160). The revenues reflect the timing of the Company's clients marketing requirements.

The expenses incurred by the Company were primarily direct expenses incurred in business operations and corporate development activities. The most significant elements of the Company's expenses are:

- Accounting and legal expenses were $33,001 (2019: $56,172) as the charges for legal, bookkeeping, and accounting services as a reporting issuer were reduced during the current year due to lower legal activities;
- Advertising and promotion of $30,477 (2019: $44,214) related to digital marketing expenses for the Company's advertising platform which were reduced due to lower business activity;
- Consulting fees of $150,000 (2019: $240,000) were incurred as the Company retained consultants to seek new business opportunities for growth and diversification;
- Interest expense of $20,129 (2019: $19,854) was recognized on the promissory note, varying due to the length of time the note was outstanding;
- Management fees of $60,000 (2019: $60,000) were paid to Kona Bay to provide administrative services;
- Regulatory and filing fees of $4,729 (2019: $8,680) were incurred as a reporting issuer based on the timing and nature of corporate activities and filings, including annual SEDAR filings;

- Selling and office expenses of $209 (2019: $13,352) reflect expenses incurred primarily as a result of the direct operations of the business including client related advertising, sales expenses and administrative costs. Certain costs were allocated from the former parent company in 2019; and
- Wages and benefits of $5,351 (2019: $9,470) decreased due to adjustments made in wages paid in 2020. These expenses vary directly with staffing costs related to revenue generation and their timing. During the current quarter, the Company reduced staffing expenses as a result of economic uncertainty from COVID-19.

Fourth Quarter results

The result for the 4th quarter continued the trends of the first three quarters. Sales revenue was $6,223 (2019: $ 20,433), while operating expenses were $32,756 (2019: $114,856). The comprehensive loss was $26,533 (2019: $74,962).

Summary of Quarterly Results (Unaudited)

	Fiscal 2020			
	Q4 Sept 30, 2020	**Q3 Jun 30, 2020**	**Q2 March 31, 2020**	**Q1 Dec. 31, 2019**
Sales	6,223	8,606	12,948	13,411
Expenses	(32,756)	(63,273)	(110,101)	(97,766)
Net loss	(26,533)	(54,667)	(97,153)	(84,355)
Comprehensive loss	(26,533)	(54,667)	(97,153)	(84,355)
Loss per share	(0.04)	(0.09)	(0.16)	(0.14)
Total assets	50,601	48,823	53,042	55,249
Working capital (deficiency)	(1,004,819)	(603,600)	(553,795)	(461,503)

	Fiscal 2019			
	Q4 Sept. 30, 2019	**Q3 June 30, 2019**	**Q2 March 31, 2019**	**Q1 Dec. 31, 2018**
Sales	20,433	2,501	14,126	17,100
Expenses	(114,856)	(111,500)	(104,564)	(120,732)
Net loss	(84,712)	(118,710)	(90,438)	(103,632)
Comprehensive loss	(74,962)	(118,710)	(95,313)	(108,507)
Loss per share	(0.13)	(0.20)	(0.16)	(0.18)
Total assets	49,815	41,317	56,381	62,115
Working capital (deficiency)	(382,063)	(306,303)	(197,304)	(106,867)

Selected Annual Information

The following table summarizes selected audited financial information of the Company for the fiscal years ended September 30, 2019, 2018 and 2017. The information should be read in conjunction with the Company's audited annual financial statements and related notes.

	Year ended 09/30/2020 (audited)	**Year ended 09/30/2019 (audited)**	**Year ended 09/30/2018 (audited)**
	$	**$**	**$**
Statement of Operation			
Revenue	41,188	54,160	86,069
Operating Expenses	303,896	451,652	278,149
Other Items	-	-	(371,054)
Net Income (Loss)	(262,708)	(397,492)	(563,134)
Financial Position			
Current Assets	50,600	49,814	56,754
Total Assets	50,601	49,815	56,755
Total Liabilities	1,055,419	791,925	431,869
Shareholders' Equity	(1,004,818)	(742,110)	(375,114)

Year ended September 30, 2020

During the year ended September 30, 2020, the Company had revenues of $41,188 (2019: $54,160), and operating expenses of $303,896 (2019: $451,652). Accordingly, the loss from operations was $262,708 (2019: $397,492). Total loss and comprehensive loss was $262,708 (2019: $397,492). The decline in revenues continued a trend in clients reducing their budgets and spending, while expenses increased as the Company sought other clients and business opportunities.

Year ended September 30, 2019

During the year ended September 30, 2019, the Company had revenues of $54,160 (2018: $86,069), and operating expenses of $451,652 (2018: $278,149). Accordingly, the loss from operations was $397,492 (2018: $563,134). Total loss and comprehensive loss was $397,492 (2018: $563,134). The decline in revenues continued a trend in clients reducing their budgets and spending, while expenses increased as the Company sought other clients and business opportunities.

Year ended September 30, 2018

During the year ended September 30, 2018, the Company had revenues of $86,069 (2017: $nil), and operating expenses of $278,149 (2017: $41). Accordingly, the loss from operations was $192,080 (2017: $41). A write down of intangible assets and restructuring expenses resulted in a comprehensive loss of $563,134 (2017: $51,481). The intangible assets acquired from Kona Bay were written down to $1 from their acquisition cost of $325,000 due to the general reduction in revenues during the year and uncertainty surrounding future revenues for the client base.

Financing Activities

As part of the closing of the Plan of Arrangement, the Company executed a promissory note in favour of ACT360 in the principal amount of $325,000 with a maturity date of December 13, 2020. Interest is calculating and accruing daily at 6% per annum from the date of issue, payable on a semi-annual basis commencing on June 13, 2018. The promissory note may be negotiated, assigned, discounted or pledged by ACT360. The amount payable consists of the following:

		September 30, 2020		**September 30, 2019**
Principal	$	325,000	$	325,000
Accrued interest		54,601		35,048
Total	$	379,601	$	360,048

During the Year ended September 30, 2020, the Company did not complete any financings, aside from a shareholder's loan. See Related parties below.

On November 2, 2018 and August 7, 2019, the Company closed two private placements consisting of 116,190 (813,330 pre-consolidated) and 14,286 (100,000 pre-consolidated) units, respectively, for total gross proceeds of $91,333. Each unit consisted of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at 70 cents (10 cents pre-consolidated) per share for a period of one year from the date of the issue. Share offering costs of $837 were incurred in connection with this private placement. Subscriptions received of $60,000 was reclassified to share capital.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the Year ended September 30, 2020 resulted in a cash increase of $3,378 (2019: a cash decrease of $13,902). As at September 30, 2020, the Company's cash balance was $2,907 (2019: a deficit of $471) and the Company had working capital deficit of $(1,004,819) (2019: deficit of $(382,063)).

During the year ended September 30, 2020, the Company paid $nil (year ended September 30, 2019 - $nil) to acquire equipment. No other capital expenditures were incurred.

The Company anticipates that additional financing will be required in fiscal 2020, both for working capital purposes and for capital and operating expenditures related to its growth strategies. The Company may be dependent on future equity financings to take advantage of these initiatives.

Transactions with Related Parties

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

The remuneration of the Company's directors and other key management was as follows during the periods ended September 30, 2020 and 2019:

			2020		**2019**
Consulting fees	(a)	$	75,000	$	120,000
Management salary	(b)		2,953		4,783
Accounting fees	(c)		18,000		17,500
		$	95,953	$	142,283

(a) Consulting fees of $75,000 (2019 - $120,000) were paid or accrued to Vincent Wong, director and CEO of the Company.

(b) Management salary of $2,953 (2019 - $4,783) was allocated by ACT360 with respect to the Company's VP of Development.

(c) Accounting fees of $18,000 (September 30, 2019 - $17,500) were paid or accrued to a company controlled by Charles Jenkins, the Chief Financial Officer of the Company.

As at September 30, 2020, $204,750 (2019 - $126,000) were owing to key management personnel for fees and expenses and the amounts were included in accounts payable. As at September 30, 2020 the same key management personnel advanced $12,800 (2019 - $Nil) to the Company as a shareholder loan. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

On December 15, 2017, the Company entered into a Management Administrative Services Agreement (the "MASA") with Kona Bay for the purpose of providing certain management and administrative services to the Company. Pursuant to the MASA:

- The Company will pay a monthly service fee that will be reviewed and mutually agreed upon prior to the start of each fiscal year on October 1st;
- The MASA terminated on September 30, 2019. The arrangement is currently in effect on a month-to-month basis;
- For the years ended September 30, 2020 and 2019, the monthly service fee would range from $4,000 to $8,000 commensurate with corporate activity.
- $95,000 would be paid as reimbursement for Arrangement spin-out expenses.

During the year ended September 30, 2020, the Company paid or accrued $225,385 (2019 - $143,484) to Kona Bay. The balance due to Kona Bay consists of expenses incurred by Kona Bay on behalf of the Company.

The balance due from ACT360 at September 30, 2020 of $45,658 (2019 - $40,670) consists of revenue collected by ACT360 from the Company's clients on the Company's behalf, net of expenses incurred by ACT360 on the Company's behalf. These balances are unsecured, non-interest bearing and have no specific terms of repayment.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Judgments

Going concern of operations

Management has made the determination that the Company will continue as a going concern for the next year.

Intangible assets

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

Estimates

Allocation of expenses

Kona Bay and ACT360 incur, either directly or indirectly, wages, benefits and other costs on behalf of the Company. Judgement is required in determining the amounts that are allocated to the Company.

Deferred income taxes

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Accounting Policies

Foreign currency translation – The functional and presentation currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Revenues and expenses are translated at the exchange rates prevailing on the dates of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Cash and cash equivalents - The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents. The Company did not have any cash equivalents at September 30, 2020 and 2019.

Intangible assets **-** Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of operations and comprehensive loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of operations and comprehensive loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

	Customer Relationships – Online Advertising	**Online Advertising Leads Database**
Useful lives	Finite	Finite
Amortization method used	Amortized on a straight-line basis over three years	Amortized on a straight-line basis over three years

Share issuance costs - Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

Income taxes - Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

The Company provides for income taxes using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that management has determined it is probable to be realized.

Revenue recognition **-** The Company uses a single model for recognizing revenue from contracts with customers. Revenue is recognized at a point in time or over time in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. The Company currently sells marketing information to higher education institutions. These services typically result in a single deliverable product. Revenues are recorded when the customer accepts the marketing information and collection is probable.

Share-based payments - The Company records all share-based payments at their fair value. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is charged to reserves. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments. The share-based payments costs are charged to operations over the stock option vesting period.

Agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus.

Earnings (Loss) per share - The Company uses the treasury stock method in computing earnings (loss) per share. Under this method, basic earnings (loss) per share is computed by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of in-the-money stock options and warrants. For the years presented, the existence of stock options affects the calculation of loss per share on a fully diluted basis.

Financial instruments – The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i. those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial instruments are classified and measured at either:

i. amortized cost;

ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,

iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

Classification

The Company's financial assets consists of cash, which is classified and measured at FVTPL, and amounts receivable and due from related party which are measured at amortized cost using the effective interest method. The Company's financial liabilities consist of accounts payable and accrued liabilities, shareholder loan, due to related party and promissory note payable, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

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

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Changes in Accounting Policies

Note 3 to the audited financial statements at September 30, 2020 describes the Company's significant accounting policies, as well as new accounting pronouncements not yet effective. During the Year ended September 30, 2020, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16") which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low-value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019.

Effective October 1, 2019, the Company adopted IFRS 16. The Company went through the process and identified no contracts that might be relevant under the new standard and the Company determined that the adoption of this standard did not have a significant impact on its financial statements.

Financial Instruments

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company holds balances in United States dollars which could give rise to exposure to foreign exchange risk. The Company did not have any trade accounts receivable balances in United States dollars as of September 30, 2020 and 2019 and has no sensitivity to a plus or minus 10% change in the foreign exchange rate of the United States dollar to the Canadian dollar that would affect the reported loss and comprehensive loss.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and trade accounts receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company has no trade accounts receivable at September 30, 2020.

The Company has no gross credit exposure and no credit risk at September 30, 2020 relating to trade accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months	Between 3 & 12 months	Between 1 & 3 years	Total
September 30, 2020				
Accounts payable and accrued liabilities	$ 437,633	$ -	$ -	$ 437,633
Shareholder loan	12,800	-	-	12,800
Due to Kona Bay	225,385	-	-	225,385
Promissory note payable	379,601	-	-	379,601
	$ 1,055,419	$ -	$ -	$ 1,055,419
September 30, 2019				
Bank overdraft	$ 471	$ -	$ -	$ 471
Accounts payable and accrued liabilities	287,922	-	-	287,922
Due to Kona Bay	143,484		-	143,484
Promissory note payable	30,133	4,915	325,000	360,048
	$462,010	$4,915	$325,000	$791,925

Outstanding Share Data

On November 23, 2020, the Company completed a 7:1 share consolidation. All common share and per share amounts in these financial statements are retroactively presented on a post-share consolidation basis, including the number and exercise price of all share warrants.

As at September 30, 2020 and the Report Date, the following table summarizes the outstanding share capital of the Company:

	September 30, 2020	**Report Date**
Common Shares	613,648	11,403,646
Stock Options	-	-
Warrants (1)	142,857	5,292,857
Total, Fully Diluted	**756,485**	**16,696,503**

1) Consists of:
   - 142,857 warrants exercisable at $0.70 per share, formerly 1,000,000 warrants exercisable at a price of $0.10 per share until February 21, 2023
   - 5,150,000 warrants exercisable at $0.10 per share until November 27, 2022.

10,300,000 units were issued on November 27, 2020 at a price of $0.03 per unit. Each unit consisted of one share and one-half warrant. Each full warrant is exercisable at $0.10 per share until November 27, 2022.

Risks and Uncertainties

An investment in the Company' shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the Reader should carefully consider the following risk factors in addition to the other information contained in this management discussion and analysis. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Business Model

The industry in which the Company operates is characterized by rapidly changing Internet media, evolving industry conditions and standards, and changing user and client demands. Any evaluation of the Company's business and its prospects must be considered in light of these factors and the risks and uncertainties often encountered by companies in an evolving industry.

Some of these risks and uncertainties relate to the Company's ability to maintain and expand client relationships, sustain and increase the number of visitors to the Company's websites, respond effectively to competition and potential negative effects of competition on profit margins, and respond to government regulations relating to the Internet and personal data protection. If the Company is unable to address these risks, its business, results of operations and prospects could suffer.

Government Regulation of the Internet

The Company's online products and student recruitment services may be subject to various laws relating to internet access, usage, and privacy. New regulations affecting copyright, content, privacy, and the quality and nature of online products and services may negatively affect the Company's planned expansion of its student recruitment services into countries outside of Canada. Changes in the regulatory environment may decrease future demand for its products and services, and increase the cost of doing business. The extent and applicability of laws with respect to the internet are uncertain and may in the future expose the Company to significant liabilities.

Dependence on Internet Search

The Company depends upon Internet search companies to attract a significant portion of the visitors to its websites, and any change in the search companies' search algorithms or perception of the Company could result in its websites being listed less prominently in either paid or algorithmic search result listings, in which case the number of visitors to the Company's websites and our revenue could decline.

The Company depends in significant part on various Internet search companies, such as Google, Microsoft, and Yahoo!, and other search websites to direct a significant number of visitors to its websites so that the Company can provide its online marketing services to its clients. Search websites typically provide two types of search results, algorithmic and paid listings. Algorithmic, or organic, listings are determined and displayed solely by a set of formulas designed by search companies. Paid listings can be purchased and then are displayed if particular words are included in a user's Internet search. Placement in paid listings is generally not determined solely on the bid price, but also takes into account the search engines' assessment of the quality of the website featured in the paid listing and other factors. The Company relies on both algorithmic and paid search results, as well as advertising on other websites, to direct a substantial share of the visitors to its websites.

The Company's ability to maintain the number of visitors to its websites from search websites and other websites is not entirely within its control. For example, Internet search websites frequently revise their algorithms in an attempt to optimize their search result listings or to maintain their internal standards and strategies. Changes in the algorithms could cause the Company's websites to receive less favorable placements, which could reduce the number of users who visit its websites.

In addition, the Company's business model may be deemed similar to those of its competitors and others in the industry that Internet search websites may consider to be unsuitable or unattractive. Internet search websites could deem the Company's content to be unsuitable or below standards or less attractive or worthy than those of other or competing websites. In either such case, the Company's websites may receive less favorable placement in algorithmic or paid listings, or both.

Additionally, the Company may make decisions that are suboptimal regarding the purchase of paid listings which could reduce the number of visitors to its websites or cause the Company to incur additional costs. The Company may also make decisions that are suboptimal regarding the placement of advertisements on other websites and pricing, which could increase its costs to attract such visitors or cause the Company to incur unnecessary costs. A reduction in the number of visitors to the Company's websites could negatively affect the Company's ability to earn revenue. If visits to the Company's websites decrease, the Company may need to resort to more costly sources to replace lost visitors, and such increased expense could adversely affect the Company's business and profitability.

Dependence on Data Center Providers

The Company relies on Internet bandwidth and data center providers and other third parties for key aspects of the process of providing services to its clients, and any failure or interruption in the services and products provided by these third parties could harm the Company's business. Any financial or other difficulties the Company's providers' face may have negative effects on the Company's business, the nature and extent of which the Company cannot predict. The Company exercises little control over these third-party vendors, which increases the Company's vulnerability to problems with the services they provide. The Company licenses technology and related databases from third parties to facilitate analysis and storage of data and delivery of offerings. The Company has experienced interruptions and delays in service and availability for data centers, bandwidth and other technologies in the past. Any errors, failures, interruptions or delays experienced in connection with these third-party technologies and services could adversely affect the Company's business and could expose it to liabilities to third parties.

Technological Change

The Company operates in business segments that are entirely dependent on technology and the internet. As such, technological change will impact the ability of the Company to expand and grow its business, and will also affect the costs and expenses incurred by the Company, including capital requirements. The online software applications market continues to experience rapid technological change. The Company's products and services rely heavily on Microsoft Windows and Linux platforms. There is a risk that new technologies and standards may render the Company's software applications obsolete. The Company may be required to invest significant capital in new technology and software development to remain competitive. Failure to do so may adversely affect demand for the Company's products and services.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transaction with third parties. Such developments could decrease the Company's ability to obtain financing and could expose it to risk that one of its customers or banks will be unable to meet their obligations under agreements with them.

Reliance on Key Customers

The Company relies on key customers and B2B relationships. Our ability to maintain our network and attract additional customers will depend on a number of factors, many of which are outside of our control. A significant portion of the Company's revenues have come from three large customers. While the Company is actively seeking to diversify its customer base, the loss of any one of its large customers will result in a material adverse effect on the business and may adversely affect revenues going forward. The Company's clients can generally terminate their contracts at any time, with limited prior notice or penalty. The Company's clients may also reduce their level of business with the Company, leading to lower revenue. The Company expects that a limited number of clients will continue to account for a significant percentage of the Company's revenue, and the loss of, or material reduction in, their marketing spending with the Company could decrease the Company's revenue and adversely affect the Company's business.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful at developing its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the levels of operating expenses associated with this growth.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers may adversely affect the business and results of operations.

Exchange Rate

The reporting currency of the Company is the Canadian Dollar. A significant portion of the Company's revenues, however, are remitted in United States Dollars and Great Britain Pounds. Future fluctuations in the value of the Canadian Dollar relative to these currencies will likely have a material impact on the Company's overall financial results. Appreciation of the Canadian dollar will decrease revenues and increase expenses.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Events Subsequent to the Reporting Date

The Company has evaluated its activities subsequent to September 30, 2020 and has determined as follows:

- On October 26, 2020, the Company entered into a promissory note agreement with 1266291 BC Ltd., whereby the Company received an advance of $42,000. The promissory note does not accrue interest, is unsecured and is due within 7 days from written notice of demand;

- On October 15, 2020, the Company entered into debt settlement agreements whereby the Company and two parties have agreed to settle $418,950 in debt, which is currently recorded as accounts payable and accrued liabilities and shareholder loan, for a total payment of $86,350. The Company paid $40,000 within two days of the effective date of the agreements and the remaining $46,350 was paid on December 9, 2020.

- On November 6, 2020, Stephen Hanson and Vivian Katsuris were appointed to the Company's board of directors, replacing Frank Harley and Charles Jenkins

- On November 9, 2020, the Company entered into an asset purchase agreement with Bearing Lithium Corp. ("Bearing") of Vancouver BC, whereby the Company agreed to purchase from Bearing, 81 lode mining claims totaling approximately 1620 acres in Esmeralda County, Nevada USA for consideration of C$50,000 and the issuance of 100,000 common shares in the capital stock of the Company (the "Transaction").

- On November 23, 2020, the Company announced that it had changed its name to ACME Lithium Inc., and had completed a share consolidation of its issued and outstanding common shares on the basis of one post-consolidated share for every seven pre-consolidated common shares. As a result of the consolidation, the number of outstanding common shares of the Company was reduced to approximately 613,628 shares.

- On November 27, 2020, the Company closed a private placement of 10,300,000 units at a price of $0.03 per unit for gross proceeds of $309,000. Each unit consisted of one post consolidated share and one-half warrant. Each full warrant is exercisable at $0.10 per one post consolidated share until November 27, 2022.

SCHEDULE "D"

UNAUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR THE THREE MONTHS ENDED DECEMBER 31, 2020

[inserted as pages following]

ACME LITHIUM INC.

(formerly Hapuna Ventures Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR
THE THREE MONTHS ENDED DECEMBER 31, 2020 AND 2019

ACME LITHIUM INC. (FORMERLY HAPUNA VENTURES INC.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020 AND SEPTEMBER 30, 2020

(Expressed in Canadian dollars)

	Notes	December 31, 2020	September 30, 2020
ASSETS			
Current assets			
Cash		$ 416,094	$ 2,907
GST receivable		3,272	2,035
Due from ACT360	9, 10	-	45,658
		419,366	50,600
Intangible asset	4	-	1
Exploration and evaluation assets	5	50,000	-
Total assets		$ 469,366	$ 50,601
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	$ 8,251	$ 437,633
Shareholder loan	9, 10	-	12,800
Due to Kona Bay	9, 10	-	225,385
Promissory note payable	6, 10	-	379,601
		8,251	1,055,419
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7, 8	578,997	269,997
Shares to be issued	7	448,800	-
Deficit		(566,682)	(1,274,815)
		461,115	(1,004,818)
Total liabilities and shareholders' equity (deficiency)		$ 469,366	$ 50,601

Nature and continuation of operations (Note 1)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON APRIL 5, 2021

"*Vivian Katsuris*" — Vivian Katsuris, Director

"*Ioannis Tsitos*" — Ioannis Tsitos, Director

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

FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in Canadian dollars)

		Three months ended	
	Notes	**December 31, 2020**	December 31, 2019
Sales		**$ -**	$ 13,411
Expenses			
Accounting and legal		**22,577**	5,500
Advertising and promotion		**5,050**	11,261
Consulting	9	**6,244**	60,000
Interest expense	6	**4,049**	5,030
Management fees	9	**-**	15,000
Regulatory and filing fees		**23,140**	-
Selling, office and general		**2,968**	52
Wages and benefits		**-**	923
		(64,028)	(97,766)
Amalgamation expense	7	**48,300**	
Gain on settlement of debt	10	**874,435**	-
Write-off of due from ACT360	10	**(45,658)**	-
Write-off of GST receivable	10	**(8,316)**	-
Net income (loss) and comprehensive income (loss) for the period		**$ 708,133**	$ (84,355)
Weighted average number of shares – basic		**4,601,237**	613,648
Weighted average number of shares – diluted		**5,259,094**	-
<u>Earnings (loss) per common share</u>			
Basic		**$ 0.15**	$ (0.14)
Diluted		**$ 0.13**	$ -

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

ACME LITHIUM INC. (FORMERLY HAPUNA VENTURES INC.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 AND FOR THE YEAR ENDED SEPTEMBER 30, 2020

(Expressed in Canadian dollars)

	Number of shares[1]	Share capital	Shares to be issued	Deficit	Total
Balance, September 30, 2019	613,628	$ 269,997	$ -	$ (1,012,107)	$ (742,110)
Loss for the period	-	-	-	(84,355)	(84,355)
Balance, December 31, 2019	613,628	269,997	-	(1,096,462)	(826,465)
			-		
Balance, September 30, 2020	**613,646**	**269,997**	**-**	**(1,274,815)**	**(1,004,818)**
Shares issued for cash:					
Private placement	10,300,000	309,000	-	-	309,000
Shares issued as finders fees (Note 7)	490,000	14,700	-	-	14,700
Shares issuance costs (Note 7)	-	(14,700)	-	-	(14,700)
Shares to be issued (Note 7)	-	-	448,800	-	448,800
Income for the period	-	-	-	708,133	708,133
Balance, December 31, 2020	**11,403,646**	**$ 578,997**	**$ 448,800**	**$ (566,682)**	**$ 461,115**

[1]Shares were adjusted to reflect the share consolidation of 7:1 on November 23, 2020

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in Canadian dollars)

	Three months ended December 31, 2020	2019
OPERATING ACTIVITIES		
Loss for the period	**$ 708,133**	$ (84,355)
Adjustments for:		
Amalgamation expense	**48,300**	-
Interest on note payable	**4,049**	5,030
Gain on settlement of debt	**(874,435)**	-
Write-off of due from ACT360	**45,658**	-
Write-off of GST receivable	**8,316**	-
Changes in non-cash working capital items:		
GST receivable	**(1,237)**	(5,215)
Accounts payables and accrued liabilities	**(92,298)**	80,230
Net cash used in operating activities	**(153,514)**	(4,310)
INVESTING ACTIVITIES		
Sale of intangible asset	**1**	-
Exploration and evaluation asset expenditures	**(50,000)**	-
Net cash used in investing activities	**(49,999)**	-
FINANCING ACTIVITIES		
Proceeds from issuance of common shares (Note 7)	**309,000**	-
Proceeds from shares to be issued (Note 7)	**358,500**	-
Shareholder loan (Note 10)	**(12,800)**	5,000
Proceeds from loan payable (Note 7)	**42,000**	-
Repayment of due to Kona Bay (Note 10)	**(80,000)**	-
Net cash provided by financing activities	**616,700**	5,000
Increase in cash in the period	**413,187**	690
Cash (bank indebtedness), beginning of period	**2,907**	(471)
Cash, end of period	**$ 416,094**	$ 219

Supplemental cash flow information (Note 13)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

ACME Lithium Inc. (formerly Hapuna Ventures Inc.) (the “Company”) was incorporated under the provisions of the

Business Corporations Act of British Columbia on January 31, 2017, as a wholly-owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay").

On February 28, 2017, the Company entered into an Arrangement Agreement (the "Agreement") with Kona Bay, ACT360 Media Ltd. ("ACT360") and Bexar Ventures Inc. ("Bexar") for the purposes of carrying out a corporate restructuring by way of a Plan of Arrangement (the "Arrangement" or the "POA") pursuant to Section 288 of the Business Corporations Act (British Columbia).

On December 13, 2017, the POA closed and the online advertising assets were transferred to the Company by Kona Bay and ACT360, and 4,761,199 common shares of the Company were issued to Kona Bay.

On November 23, 2020, the Company changed its name to ACME Lithium Inc. and changed its principal business from technology to the identification of exploration and evaluation assets. The change in business is subject to acceptance of listing with the Canadian Securities Exchange. The address of the Company's corporate office and its principal place of business is 300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4.

As at December 31, 2020, the Company has not yet determined if its exploration and evaluation asset is economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

On December 29, 2020, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with 1281524 B.C. Ltd. ("Subco") and 1266291 B.C. Ltd. ("Fundco") which closed on December 30, 2020. Pursuant to the Amalgamation Agreement, the following occurred:

(i) Subco and Fundco amalgamated;
(ii) the unit holders of Fundco received an equivalent number of units of the Company; and
(iii) the amalgamated company became a wholly owned subsidiary of the Company.

Each unit consists of one common share and one half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10 for a period of 24 months.

Fundco was established by the Company solely for the purpose of raising funds from at least 150 investors, and loaning the same to the Company pending closing of the Amalgamation (Note 7).

These condensed interim consolidated financial statements have been prepared on a going concern basis, assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at December 31, 2020, the Company had a deficit of $566,682 (September 30, 2020 - $1,274,815) and a working capital of $411,115 (September 30, 2020 – deficiency of $1,004,819).

The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating commitments as they come due and generating profitable operations in the future. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. These financial statements do not include any adjustments relating to the recoverability and classification of the recoded asset amounts and classifications of liabilities that might be necessary should the Company be unable to continue in existence.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

To the date of this report, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time.

Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. As a result, global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim consolidated financial statements (the “financial statements”) have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), and in accordance with the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year ended September 30, 2020.

These financial statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on April 5, 2021.

b) Basis of Measurement

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

c) Basis of consolidation

These financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiaries, 1281524 B.C. Ltd. and 1266291 B.C. Ltd. All significant intercompany balances and transactions have been eliminated upon consolidation.

d) Presentation and Functional Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

2. BASIS OF PREPARATION (continued)

Critical accounting judgments, estimates and assumptions – The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Critical judgments in applying accounting policies:

Critical Judgments

Going concern of operations

Management has made the determination that the Company will continue as a going concern for the following year.

Intangible assets

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

Estimates

Deferred income taxes

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of these financial statements is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at September 30, 2020. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2020.

New accounting policies adopted in the period

Exploration and evaluation assets- All expenditures related to acquisition, exploration and development of exploration and evaluation properties ("E&E assets") are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units of production method over estimated recoverable reserves. Management annually assesses carrying values of properties for which events and circumstances may indicate possible impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(Expressed in Canadian dollars)

Impairment of a property is generally considered to have occurred if (1) the property has been abandoned; (2) there are unfavorable changes in the property economics; (3) there are restrictions on development; or (4) when there has been an undue delay in development. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to its estimated recoverable amount.

The recoverability of exploration and evaluation properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether its future exploration and evaluation property contains economically recoverable reserves. Amounts capitalized to exploration and evaluation properties as exploration and development costs do not necessarily reflect present or future values.

4. INTANGIBLE ASSETS

The Company was formerly a technology company specializing in digital customer acquisition. Its customers were primarily higher education institutions that promoted campus and online degree programs to consumers through digital media such as websites, mobile apps, social media networks and direct e-mail. The Company utilized an online advertising leads database which was acquired during the year ended September 30, 2018. The database was subsequently impaired and written down to $1.

On December 19, 2020, the Company disposed of its digital customer acquisition business to an arm's length purchaser in consideration of the sum of $1 and the purchaser assuming all outstanding obligations.

5. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation asset expenditures for the three months ended December 31, 2020 are as follows:

	FLV Property	Total
ACQUISITION COSTS		
Balance, September 30, 2020 and 2019	$ -	$ -
Additions	50,000	50,000
Balance, December 31, 2020	**$ 50,000**	**$ 50,000**

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

FLV Property

On November 9, 2020 the Company entered into a mineral property purchase and sale agreement (the "FLV agreement") with an arm's length party whereby it acquired certain mining claims located in Esmeralda County, Nevada, USA. Under the terms of the FLV agreement, the vendor's right, title and interest in the FLV claims was purchased by paying consideration of $50,000 (paid) and by issuing 100,000 common shares.

Subsequent to December 31, 2020, the Company issued 100,000 common shares with a fair value of $3,000 to the arm's length party.

6. PROMISSORY NOTE PAYABLE

	December 31, 2020	September 30, 2020
Principal	$ 325,000	$ 325,000
Accrued interest	58,650	54,601
Settlement of debt	(383,650)	-
Total	$ -	$ 379,601

The Company had a promissory note payable to ACT360 in the principal amount of $325,000 with an original maturity date of December 13, 2020. Interest was accruing daily at 6% per annum from the date of issue, payable on a semi-annual basis commencing on June 13, 2018. The promissory note may be negotiated, assigned, discounted or pledged by ACT360. ACT360 assigned the promissory note to Kona Bay retrospectively during June 2020. Accrued interest payable accumulated since June 13, 2018 had not been paid.

The fair value of the promissory note was determined using an income approach. An income approach is a present value technique that takes into account the future cash flows that would be expected to be received from holding the promissory note as an asset. Present value was calculated using the following attributes – semi-annual interest payments of $9,750, repayment of $325,000 principal at maturity, number of months to maturity and a discount rate of 6% discounted annually. During the period ended December 31, 2020, the Company recognized interest expense of $4,049 (2019 - $5,030) on the promissory note.

On October 15, 2020, the Company entered into a debt settlement agreement with Kona Bay whereby the principal and interest amounts of the promissory note payable were forgiven by Kona Bay (Note 10).

(Expressed in Canadian dollars)

7. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends if and when they are declared by the Board of Directors.

On November 23, 2020, the Company completed a 7:1 share consolidation of its common shares. All common share and per share amounts in these financial statements are retroactively presented on a post-share consolidation basis, including the number and exercise price of all share warrants.

Private Placement Financing

On November 27, 2020 the Company closed a private placement of 10,300,000 units at a price of $0.03 per unit for gross proceeds of $309,000. Each unit consisted of one common share and one half-warrant. Each full warrant is exercisable at $0.10 for one common share until November 27, 2022. In connection with the private placement, the Company issued 490,000 common shares with a fair value of $14,700 as finders fees and paid $1,438 in filing fees.

Amalgamation

On December 30, 2020 the Company closed the Amalgamation Agreement (Note 1). As per the Amalgamation Agreement, the Company is to issue 13,350,000 units in exchange for the issued and outstanding common share of Fundco at a price of $0.03 per unit. Each unit consists of one common share and one-half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10 for a period of 24 months. In connection with the transaction, the Company will also issue 1,610,000 common shares as finder's fees with a fair value of $0.03 per share. A breakdown of the transaction is as follows:

		December 31, 2020
Consideration		
Common shares (13,350,000 units)	$	400,500
Finders fees (1,610,000 common shares)		48,300
		448,800
Assets acquired		
Cash		358,500
Loan receivable		42,000
		400,500
Amalgamation expense	**$**	**48,300**

During the period ended December 31, 2020, the Company received a working capital advance of $42,000 from Fundco in advance of closing the Amalgamation Agreement. On the closing of the transaction, the loan payable balance on the Company's books was offset with the loan receivable acquired.

As at December 31, 2020 the Company had not yet issued the common shares and recorded a commitment to issue shares of $448,800. The common shares were issued subsequent to period end in January 2021.

During the year ended September 30, 2020, the Company did not have any capital transactions.

(Expressed in Canadian dollars)

8. WARRANTS

A summary of changes in the Company's share purchase warrants outstanding as at December 31, 2020 and September 30, 2020 is as follows:

	December 31, 2020		September 30, 2020	
	Number of warrants[1]	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	**142,857**	**$ 0.70**	273,333	$ 0.70
Granted	**5,150,000**	**0.10**	-	-
Expired	**-**	**-**	(130,476)	0.70
Outstanding, end of period	**5,292,857**	**$ 0.12**	142,857	$ 0.70

The following table summarizes information regarding share purchase warrants outstanding as at December 31, 2020 and September 30, 2020:

Date issued	**Number of warrants***	**Exercise price ($)**	**Expiry date**	**Weighted average remaining life**
September 25, 2018	142,857	$ 0.70	February 21, 2023	2.14
November 27, 2020	5,150,000	0.10	November 27, 2022	1.91
	5,292,857	**$ 0.12**		**1.91**

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

The remuneration of the Company's directors and other key management was as follows during the periods ended December 31, 2020 and 2019:

Three months ended	**December 31, 2020**	December 31, 2019
Consulting fees	**$** -	$ 30,000
Management fees	-	923
Accounting fees	-	4,500
Total related party expenses by type	**$** -	$ 35,423

(a) Consulting fees of $Nil (2019 - $30,000) were paid or accrued to a current director and former CEO of the Company.

(b) Management salary of $Nil (2019 - $923) was allocated by ACT360 with respect to the Company's former VP of Development.

(c) Accounting fees of $Nil (2019 - $4,500) were paid or accrued to a company controlled by the former Chief Financial Officer of the Company.

As at December 31, 2020, there was a $Nil balance owing (September 30, 2020 - $204,750) to key management personnel for fees and expenses and the amounts were included in accounts payable. The balance on year end September 30, 2020 was extinguished by a debt settlement agreement that occurred during the three months ended December 31, 2020 in which a total of $995,126 of debt was settled.

On December 15, 2017, the Company entered into a Management Administrative Services Agreement (the "MASA") with Kona Bay for the purpose of providing certain management and administrative services to the Company. Pursuant to the MASA:

a. The Company will pay a monthly service fee that will be reviewed and mutually agreed upon prior to the start of each fiscal year on October 1st;
b. The MASA terminated on September 30, 2019. The arrangement had subsequently been on a month-to-month basis until discontinuation during the three months ended December 31, 2020.
c. For the three months end December 31, 2020 and 2019, the monthly service fee would range from $4,000 to $8,000 commensurate with corporate activity.
d. $95,000 would be paid as reimbursement for the arrangement spin-out expenses.

As at December 31, 2020, the Company owed $Nil (September 30, 2020 - $225,385) to Kona Bay. The balance due to Kona Bay consisted of expenses incurred by Kona Bay on behalf of the Company.

The balance due from ACT360 at December 31, 2020 was $Nil (September 30, 2020 - $45,658). Previously, this balance consists of revenue collected by ACT360 from the Company's clients on the Company's behalf, net of expenses incurred by ACT360 on the Company's behalf. These balances were unsecured, non-interest bearing and had no specific terms of repayment. This balance was settled in accordance with the debt settlement agreement. ACT360 is a company related through common control.

(Expressed in Canadian dollars)

10. SETTLEMENT OF DEBT

During the period ended December 31, 2020 the Company entered into a series of debt settlement agreements to extinguish certain of the Company's accounts payable and accrued liabilities and loan balances with related parties. The Company paid a total of $166,350 to settle $418,950 in accounts payables and accrued liabilities, $225,385 due to Kona Bay, the $12,800 shareholder loan and the $383,650 promissory note payable, resulting in a gain on settlement of $874,435. The total debt and settlement for each party is as follows:

	Total Debt	Settlement Amount	Gain on Settlement
Former CEO	$ 217,550	$ 43,510	$ 174,040
Former Consultant	214,200	42,840	171,360
Kona Bay	609,035	80,000	529,035
	$ 1,040,785	**$ 166,350**	**$ 874,435**

Concurrent with the debt settlement, the Company wrote-off the balance due from ACT360 of $45,658 and GST receivables of $8,316 related to certain accrued expenditures.

11. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares of $578,997. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, meet financial obligations, have sufficient capital to achieve and maintain profitable operations and to provide returns for shareholders and benefits for other stakeholders. As at December 31, 2020, the Company had a working capital of $411,114 (September 30, 2020 – deficiency of $1,004,818). Management expects to raise additional capital as part of the process of obtaining a listing on a major Canadian stock exchange, or pursuant to a private placement of securities.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets 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).

The fair value of the Company's financial instruments approximates their carrying values due to their short term to maturity. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

Risk Management

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company holds no balances in United States dollars which could give rise to exposure to foreign exchange risk. The Company did not have any trade accounts receivable balances in United States dollars as of December 31, 2020 and September 30, 2020 and has no sensitivity to a plus or minus 10% change in the foreign exchange rate of the United States dollar to the Canadian dollar that would affect the reported loss and comprehensive loss.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consists of cash. Cash is maintained with a financial institution with reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal as of December 31, 2020.

(Expressed in Canadian dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

13. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing and operating transactions during the three months ended December 31, 2020 and 2019:

Three-month period ended	**December 31, 2020**	December 31, 2019
Non-cash financing activities:		
Share issued for finder's fee	**$ 14,700**	$ -

SCHEDULE "E"

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020

[inserted as pages following]

ACME LITHIUM INC.

(Formerly HAPUNA VENTURES INC.)

Management Discussion and Analysis of Financial Position and Results of Operations for the Three Months ended December 31, 2020 and 2019

This report is dated April 5, 2021.
(the "Report Date")

300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4

Introduction

The following information should be read in conjunction with the interim condensed consolidated financial statements (the "financial statements") of ACME Lithium Inc. (formerly Hapuna Ventures Inc.) ("ACME" or the "Company") for the fiscal period ended December 31, 2020 with comparative figures for the period ended December 31, 2019 and for the year ended September 30, 2020.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Note 3 to the audited financial statements at September 30, 2020 describes the Company's significant accounting policies, as well as new accounting pronouncements not yet effective. During the three months end December 31, 2020, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

All amounts presented in this document are stated in Canadian dollars, except where otherwise noted.

Forward Looking Statements

This Management's Discussion and Analysis is intended to supplement and complement the interim condensed consolidated financial statements for the three months end December 31, 2020, and the notes thereto (the "Financial Statements"). Readers are encouraged to review these Financial Statements in conjunction with a review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. These forward-looking statements are based on, but not limited to, material assumptions including: the attainment of certain sales targets and company performance; the ability of the Company to successfully execute on its growth and new business strategies, including attracting new higher education clients; continuation of support from existing higher education clients; the demand for its products continuing to increase; stable currency valuations; a sufficiently stable and healthy global economic environment; and other expectations, intentions and plans contained in this MD&A that are not historical fact. When used in this MD&A, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and general market conditions. In light of the many risks and uncertainties, readers should understand that the Company cannot offer assurance that the forward-looking statements contained in this analysis will be realized. **Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.**

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Corporate Overview and Description of Business

ACME Lithium Inc. (formerly Hapuna Ventures Inc.) (the "Company") was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017, as a wholly-owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay"). The address of the Company's corporate office and its principal place of business is 300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4.

On February 28, 2017, the Company entered into an Arrangement Agreement (the "Agreement") with Kona Bay, ACT360 Media Ltd. ("ACT360") and Bexar Ventures Inc. ("Bexar") for the purposes of carrying out a corporate restructuring by way of a Plan of Arrangement (the "Arrangement" or the "POA") pursuant to Section 288 of the Business Corporations Act (British Columbia).

On December 13, 2017, the POA closed and the online advertising assets were transferred to the Company by Kona Bay and ACT360, and 4,761,199 common shares of the Company were issued to Kona Bay.

On November 23, 2020, the Company changed its name to ACME Lithium Inc. and changed its principal business from technology to the identification of exploration and evaluation assets. The change in business is subject to acceptance of listing with the Canadian Securities Exchange. The address of the Company's corporate office and its principal place of business is 300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4.

As at December 31, 2020, the Company has not yet determined if its exploration and evaluation asset is economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

On December 29, 2020, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with 1281524 B.C. Ltd. ("Subco") and 1266291 B.C. Ltd. ("Fundco") which closed on December 30, 2020. Pursuant to the Amalgamation Agreement, the following occurred:

(i) Subco and Fundco amalgamated;
(ii) the unit holders of Fundco received an equivalent number of units of the Company; and
(iii) the amalgamated company became a wholly owned subsidiary of the Company.

Each unit consists of one common share and one half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10 for a period of 24 months. As at December 31, 2020 the Company had not yet issued the units and recorded a commitment to issue shares of $448,800. The common shares and warrants were issued subsequent to period end in January 2021.

Fundco was established by the Company solely for the purpose of raising funds from at least 150 investors, and loaning the same to the Company pending closing of the Amalgamation.

Description of the Business

The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of those properties once acquired.

As at December 31, 2020, the Company has not yet determined whether the properties are economically recoverable. The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company, formerly operating as Hapuna Ventures Inc., was previously a technology company specializing in digital customer acquisition. ACME's customers are primarily higher education institutions that promote campus and online degree programs to consumers through digital media such as websites, mobile apps, social media networks, and direct e-mail.

<u>Potential impact of the Pandemic on Corporate Operations and Activities</u>

During March 2020, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by the governments in which the Company operates regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place. While the extent of the impact is unknown, the Company anticipates this outbreak may adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Mineral Property Interest

FLV Property

On November 9, 2020 the Company entered into a mineral property purchase and sale agreement (the "FLV agreement") with an arm's length party whereby it acquired certain mining claims located in Esmeralda County, Nevada, USA. Under the terms of the FLV agreement, the vendor's right, title and interest in the FLV claims was purchased by paying consideration of $50,000 (paid) and by issuing 100,000 common shares.

Subsequent to December 31, 2020, the Company issued 100,000 common shares with a fair value of $3,000 to the arm's length party.

Summary of Quarterly Results (Unaudited)

	Q1 Dec. 31, 2020 $	Q4 Sept. 30, 2020 $	Q3 June 30, 2020 $	Q2 March 31, 2020 $
Sales	Nil	6,223	8,606	12,948
Expenses	(64,028)	(32,756)	(63,273)	(110,101)
Net income (loss)	708,133	(26,533)	(54,667)	(97,153)
Comprehensive loss	708,133	(26,533)	(54,667)	(97,153)
Basic Earnings (Loss) per share	0.15	(0.04)	(0.09)	(0.16)
Diluted Earnings (Loss) per share	0.13	(0.04)	(0.09)	(0.16)
Total assets	469,366	50,601	48,823	53,042
Working capital (deficiency)	411,115	(1,004,819)	(603,600)	(553,795)

	Q1 Dec. 31, 2019 $	Q4 Sept. 30, 2019 $	Q3 June 30, 2019 $	Q2 March 31, 2019 $
Sales	13,411	20,433	2,501	14,126
Expenses	(97,766)	(114,856)	(111,500)	(104,564)
Net loss	(84,355)	(94,423)	(108,999)	(90,438)
Comprehensive loss	(84,355)	(74,962)	(118,710)	(95,313)
Basic and Diluted Loss per share	(0.14)	(0.13)	(0.22)	(0.16)
Total assets	55,249	49,815	41,317	56,381
Working capital (deficiency)	(461,503)	(382,063)	(306,303)	(106,867)

Overall Performance and Operational Activities

During the three months end December 31, 2020, the Company had revenues of $nil (2019: $13,411). The revenues reflect the timing of the Company's clients marketing requirements. The Company incurred net income of $708,133 for the period ended December 31, 2020, as compared to a net loss of $84,355 for the period ended December 31, 2019. Total expenses of $64,028 for the period ended December 31, 2020 (2019 - $97,766), related primarily to accounting and legal, advertising, consulting, and regulatory and filing fees explained as follows.

The increase in income during the period ended December 31, 2020 was primarily due to the gain on settlement of debts pursuant to the debt settlement agreement. The Company settled a total of $1,040,785 of debt pursuant to the agreement. Additionally, total operating expenses were lower than that of the same period in 2019 as the Company effectively changed its operating strategy from digital customer acquisition to exploration and evaluation of mineral properties.

The expenses incurred by the Company were primarily direct expenses incurred in business operations and corporate development activities. The most significant elements of the Company's expenses are:

- Accounting and legal expenses were $22,577 (2019: $5,500) as the charges for legal, bookkeeping, and accounting services as a reporting issuer were increased during the current period due to activities such as the amalgamation and private placement financing.
- Advertising and promotion of $5,050 (2019: $11,261) were reduced primarily since the Company changed its strategy and operating industry. As a result, the Company is expected to have reduced business activity during the early stages of operating in the mineral exploration industry.
- Consulting fees of $6,244 (2019: $60,000) were reduced because the Company had terminated the standing agreements with related parties for consulting services and discontinued their services.
- Interest expense of $4,049 (2019: $5,030) was reduced due to the settlement of the promissory note which occurred during the quarter. As a result, less interest was accrued for the three months ended December 31, 2020.
- Management fees of $Nil (2019: $15,000) were not incurred during the three months ended December 31, 2020 because they were previously paid to Kona Bay to provide administrative services. During the period, the Company discontinued the use of these services.
- Regulatory and filing fees of $23,140 (2019: $Nil) were incurred as a reporting issuer based on the timing and nature of corporate activities and filings, including the application to be listed on a major Canadian stock exchange.

Cash Flow Activities

For the period ended December 31, 2020, the Company experienced a net increase in its cash position of $413,187 (2019 – $690). Cash inflows consisted of funds provided by financing activities totaling $616,700 (2019 – $5,000). The cash inflow is primarily attributed to the share subscription proceeds received relating to the private placements closed on November 27, 2020 and December 30, 2020 (see Liquidity and Capital Resources).

Significant cash outflows consisted of the cash used in operating activities of $153,514 (2019 – $4,310). The cash used in operating activities is greater than that of the same period in 2019 by 3462%. This is primarily due to the Company settling payable balances.

Cash used in investing activities amounted to $49,999 (2019 - nil) consisting of exploration and evaluation expenditures. The cash used in investing activities is greater than that of the same period in 2019 and is primarily due to the addition of the new mineral property and its ongoing exploration activities. The majority of this amount comprises of $50,000 paid to Bearing Lithium for rights and interest to the FLV property.

As the Company is an exploration company, it does not receive, nor does it anticipate receiving any revenue in the next fiscal year. The Company's interests do not currently generate cash flow from operations and, in order to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new shareholders, third party financing, and cost sharing arrangements to fund its work programs and operations.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the three months end December 31, 2020 resulted in a cash increase of $413,187 (2019: $690). As at December 31, 2020, the Company's cash balance was $416,094 (2019 - $219) and the Company had working capital of $411,115 (2019 - deficit of $(1,004,819)).

During the three months end December 31, 2020, the Company paid $50,000 (three months end December 31, 2019 - $nil) to acquire mineral properties.

The Company anticipates that additional financing will be required in fiscal 2021, both for working capital purposes and for capital and operating expenditures related to its growth strategies. The Company may be dependent on future equity financings to take advantage of these initiatives.

Transactions with Related Parties

The remuneration of the Company's directors and other key management was as follows during the periods ended December 31, 2020 and 2019:

Three months ended	**December 31, 2020**	December 31, 2019
Consulting fees	**$** -	$ 30,000
Management fees	-	923
Accounting fees	-	4,500
Total related party expenses by type	**$** -	$ 35,423

(a) Consulting fees of $Nil (2019 - $30,000) were paid or accrued to Vincent Wong, current director and former CEO of the Company.

(b) Management salary of $Nil (2019 - $923) was allocated by ACT360 with respect to the Company's VP of Development.

(c) Accounting fees of $Nil (December 31, 2019 - $4,500) were paid or accrued to a company controlled by Charles Jenkins, the Chief Financial Officer of the Company.

As at December 31, 2020, there was a nil balance owing (September 30, 2020 - $204,750) to key management personnel for fees and expenses and the amounts were included in accounts payable. The balance on year end September 30, 2020 was extinguished by a debt settlement agreement that occurred during the three months ended December 31, 2020 in which a total of $1,040,785 of debt was settled.

	Total Debt	**Settlement Amount**	**Gain on Settlement**
Former CEO	$ 217,550	$ 43,510	$ 174,040
Former Consultant	214,200	42,840	171,360
Kona Bay	609,035	80,000	529,035
	$ 1,040,785	**$ 166,350**	**$ 874,435**

Concurrent with the debt settlement, the Company wrote-off the balance due from ACT360 of $45,658 and GST receivables of $8,316 related to certain accrued expenditures.

On December 15, 2017, the Company entered into a Management Administrative Services Agreement (the "MASA") with Kona Bay for the purpose of providing certain management and administrative services to the Company. Pursuant to the MASA:

a. The Company will pay a monthly service fee that will be reviewed and mutually agreed upon prior to the start of each fiscal year on October 1st;
b. The MASA terminated on September 30, 2019. The arrangement had subsequently been on a month-to- month basis until discontinuation during the three months ended December 31, 2020.
c. For the three months end December 31, 2020 and 2019, the monthly service fee would range from $4,000 to $8,000 commensurate with corporate activity.
d. $95,000 would be paid as reimbursement for the arrangement spin-out expenses.

As at December 31, 2020, the Company owed $nil (September 30, 2020 - $225,385) to Kona Bay. The balance due to Kona Bay consisted of expenses incurred by Kona Bay on behalf of the Company.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Changes in Accounting Policies and Critical Accounting Estimates

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the notes to the audited consolidated financial statements for the year ended September 30, 2020 and unaudited interim condensed consolidated financial statements for the period ended December 31, 2020 that are available on SEDAR at www.sedar.com.

Proposed Transactions

As at the report date, the Company is in the process of undergoing the procedures required for applying to be publicly listed including submission of a Listing Statement. Upon approval, the Company is expected to be listed on the Canadian Securities Exchange.

Financial Instruments

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company holds balances in United States dollars which could give rise to exposure to foreign exchange risk. The Company did not have any trade accounts receivable balances in United States dollars as of December 31, 2020 and 2019 and has no sensitivity to a plus or minus 10% change in the foreign exchange rate of the United States dollar to the Canadian dollar that would affect the reported loss and comprehensive loss.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and trade accounts receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company has no trade accounts receivable at December 31, 2020.

The Company has no gross credit exposure and no credit risk at December 31, 2020 relating to trade accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

Outstanding Share Data

On November 23, 2020, the Company completed a 7:1 share consolidation. All common share and per share amounts in these financial statements are retroactively presented on a post-share consolidation basis, including the number and exercise price of all share warrants.

As at December 31, 2020 and the Report Date, the following table summarizes the outstanding share capital of the Company:

	December 31, 2020	**Report Date**

Common Shares	11,403,646	26,463,647
Stock Options	-	-
Warrants (1)	5,292,857	11,967,857
Total, Fully Diluted	16,696,503	38,431,504

(1) Consists of:
- 142,857 warrants exercisable at $0.70 per share, formerly 1,000,000 warrants exercisable at a price of $0.10 per share until February 21, 2023
- 5,150,000 warrants exercisable at $0.10 per share until November 27, 2022.

Risks and Uncertainties

An investment in the Company' shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the Reader should carefully consider the following risk factors in addition to the other information contained in this management discussion and analysis. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Limited Operating History

The Company has no history of business or mining operations or production. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration Risk

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Metal Price Risk

Even if the Company's exploration programs are successful in locating economic deposits of minerals or precious metals, factors beyond the Company's control may affect the value and marketability of such deposits. Natural resource prices have wide historic fluctuations due to many factors, including inflation, currency fluctuations, interest rates, consumption trends and local and worldwide financial market conditions. The prices of such natural resources greatly affect the value of the Company and the potential value of its properties. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

Environmental Risk

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transaction with third parties. Such developments could decrease the Company's ability to obtain financing and could expose it to risk that one of its customers or banks will be unable to meet their obligations under agreements with them.

Additional Requirements for Capital

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the levels of operating expenses associated with this growth.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Exchange Rate

The reporting currency of the Company is the Canadian Dollar. A significant portion of the Company's revenues, however, are remitted in United States Dollars and Great Britain Pounds. Future fluctuations in the value of the Canadian Dollar relative to these currencies will likely have a material impact on the Company's overall financial results. Appreciation of the Canadian dollar will decrease revenues and increase expenses.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Directors

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

On December 11, 2020, at the Company's annual general meeting, Stephen Hanson, Vivian Katsuris and Vincent Wong were elected as directors; and the appointment of Stephen Hanson as CEO and Zara Kanji as CFO were subsequently confirmed.

On December 21, 2020, Ioannis (Yannis) Tsitos was appointed as a director of the Company;

Current Directors and Officers of the Company are as follows:

Stephen Hanson, CEO and Director
Vivian Katsuris, Director
Vincent Wong, Director
Ioannis Tsitos, Director
Zara Kanji, CFO

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **Acme Lithium Inc.** hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to Acme Lithium Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, this 21st day of April, 2021.

"*Stephen Hanson*"
Stephen Hanson, CEO

"Zara Kanji"
Zara Kanji, CFO

"Vivian Katsuris"
Vivian Katsuris, Director

"Vincent Wong"
Vincent Wong, Director

"Stephen Hanson"
Stephen Hanson, Promoter