

Lido Minerals Ltd.
(formerly Commonwealth Cannabis Corp.)

Condensed Interim Consolidated Financial Statements

For the Six Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

Lido Minerals Ltd. (formerly Commonwealth Cannabis Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Prepared by management)

	As at March 31, 2021 \$	As at September 30, 2020 \$
Assets		
Current Assets		
Cash	1,996,604	2,288,253
Prepaid expenses (Note 8)	25,746	5,316
Accounts receivable	49,504	11,508
	2,071,854	2,305,077
Non-Current Asset		
Exploration and evaluation assets (Notes 5 and 6)	230,000	230,000
Total Assets	2,301,854	2,535,077
Liabilities		
Current liabilities		
Accounts payable (Note 8)	8,400	10,920
Accrued liabilities	1,575	1,500
Income taxes payable	-	53,978
Total Current and Total Liabilities	9,975	66,398
Shareholders' Equity		
Share capital (Note 7)	1,532,600	1,532,600
Obligations to issue shares (Note 7)	35,075	-
Share-based payments reserve (Note 7)	310,505	299,811
Retained earnings	413,699	636,268
Total Shareholders' Equity	2,291,879	2,468,679
Total Liabilities and Shareholders' Equity	2,301,854	2,535,077

Nature and Continuance of Operations (Note 1)

Subsequent events (Note 11)

Approved on behalf of the Board on May 28, 2021:

"Patrick O'Flaherty"

Patrick O'Flaherty, Director

"Wayne Soo"

Wayne Soo, Director

The accompanying notes are integral to these condensed interim consolidated financial statements.

Lido Minerals Ltd. (formerly Commonwealth Cannabis Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by management)

	Three months ended March 31, 2021 \$	Three months ended March 31, 2020 \$	Six months ended March 31, 2021 \$	Six months ended March 31, 2020 \$
Expenses				
Administration	518	76	1,233	226
Consulting fees (Notes 7 and 8)	91,365	73,534	168,670	116,404
Investor relations	140	-	1,480	-
Listing expense	2,250	3,394	2,250	3,444
Professional fees	20,899	28,064	29,592	30,506
Regulatory, filing and transfer agent fees	912	-	3,857	-
Share-based payments (Note 7)	8,155	-	10,694	-
Travel	-	-	-	6,650
	(124,239)	(105,068)	(217,776)	(157,230)
Other Items				
Unrealized gain on investment (Note 4)	-	465,000	-	465,000
Interest income	1,713	-	1,910	-
Net income (loss) from operations before income tax	(122,526)	359,932	(215,866)	307,770
Income taxes	6,703	-	6,703	-
Net and comprehensive income (loss)	(129,229)	359,932	(222,569)	307,770
Basic and diluted income (loss) per share	(0.01)	0.03	(0.02)	0.03
Weighted average number of common shares outstanding	13,285,054	11,914,175	13,220,494	11,472,212

The accompanying notes are integral to these condensed interim consolidated financial statements.

Lido Minerals Ltd. (formerly Commonwealth Cannabis Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the six months ended March 31, 2021 and 2020
(Unaudited – Prepared by management)

	Number	Amount \$	Obligations to issue shares \$	Share- based payments reserve \$	Retained earnings (deficit) \$	Total shareholders' equity \$
Balance, September 30, 2019	11,035,054	1,332,600	-	-	(467,760)	864,840
Shares issued to acquire property (Notes 5 and 7)	2,000,000	200,000	-	-	-	200,000
Net and comprehensive income for the period	-	-	-	-	307,770	307,770
Balance, March 31, 2020	13,035,054	1,532,600	-	-	(159,990)	1,372,610
Balance, September 30, 2020	13,035,054	1,532,600	-	299,811	636,268	2,468,679
Shares issued for consulting agreement (Note 7)	250,000	-	35,075	-	-	35,075
Share-based payments (Note 7)	-	-	-	10,694	-	10,694
Net and comprehensive loss for the period	-	-	-	-	(222,569)	(222,569)
Balance, March 31, 2021	13,285,054	1,532,600	35,075	310,505	413,699	2,291,879

The accompanying notes are integral to these condensed interim consolidated financial statements.

Lido Minerals Ltd. (formerly Commonwealth Cannabis Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended March 31, 2021 and 2020
(Unaudited – Prepared by management)

	Six months ended March 31, 2021	Six months ended March 31, 2020
	\$	\$
Net and comprehensive income (loss)	(222,569)	307,770
Operating Activities:		
Unrealized gain on investment	-	(465,000)
Shares issued for consulting services	35,075	-
Share-based payments	10,694	-
Non-cash working capital items:		
Prepaid expenses	(20,430)	(4,622)
Accounts receivable	(37,996)	(7,563)
Income taxes payable	(53,978)	-
Accounts payable	(2,520)	(208)
Accrued liabilities	75	-
Cash flows used in operating activities	(291,649)	(169,623)
Change in cash	(291,649)	(169,623)
Cash, beginning of period	2,288,253	743,813
Cash, ending of period	1,996,604	574,190
Supplementary cash flow information:		
Interest paid	-	-
Taxes paid	-	-

The accompanying notes are integral to these condensed interim consolidated financial statements.

Lido Minerals Ltd. (formerly Commonwealth Cannabis Corp.)

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by management)

For the six months ended March 31, 2021 and 2020

1. Nature and Continuance of Operations

Lido Minerals Ltd. (formerly Commonwealth Cannabis Corp.) was incorporated as 1093684 B.C. Ltd. (the "Company" or "Lido") on October 19, 2016 under the laws of British Columbia, Canada. On February 11, 2020 the Company changed its name to Lido Minerals Ltd. The Company's head office and registered office is located at 600 – 1090 West Georgia Street, Vancouver, BC V6E 3V7.

The Company's shares are traded on the Canadian Securities Exchange ("CSE") and the Company is a reporting issuer in the Provinces of British Columbia and Alberta. The Company formerly operated in the cannabis sector. In January of 2020, the Company changed its business to exploration and evaluation of mineral properties.

The condensed interim consolidated financial statements (the "financial statements") have been prepared on the basis of accounting principles applicable to a going concern which assumes 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. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully develop its business.

The development of the Company's business may take many years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. For the period ended March 31, 2021, the Company recorded loss and comprehensive loss of \$222,569 (2020 – comprehensive income of \$307,770) and expects to incur losses in the development of its business, all of which casts material uncertainty about the Company's ability to continue as a going concern. Management believes its working capital will be sufficient to support operations for the next twelve months.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. The Company's continuation as a going concern is dependent upon raising the necessary funds through the selling of investments and issuance of equity or debt sufficient to meet current and future obligations. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19 nor its effects on the Company's business or operations. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021.

Lido Minerals Ltd. (formerly Commonwealth Cannabis Corp.)

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by management)

For the six months ended March 31, 2021 and 2020

2. Statement of compliance and basis of presentation

These financial statements, including comparatives, have been prepared in accordance with International Accounts Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended September 30, 2020.

The financial statements have been prepared using accounting policies consistent with those used in the Company’s 2020 audited consolidated financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments in accordance with certain measurement standards under IFRS. In addition, these financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Basis of consolidation

These financial statements include the accounts of the Company and its subsidiary. The financial statements of the subsidiary are included in the financial statements from the date that control commences until the date that control ceases. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

The principal subsidiary of the Company as of March 31, 2021 is as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest	
			March 31, 2021	September 30, 2020
Pacific West Exploration Services Inc.	Mineral exploration	Canada	100%	100%

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Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by management)

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3. Significant Accounting Judgments and Estimates

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about critical judgments in applying accounting policies and sources of estimation uncertainty that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are the same as those that applied to the Company's 2020 annual financial statements.

The Company continues to review changes to IFRS standards, there are no other pending IFRSs or IFRIC interpretations that are expected to be relevant to the Company's financial statements.

4. Investment

On August 8, 2019, the Company subscribed to 1,000,000 units of Champignon Brands Inc. ("Champignon"), a publicly traded company (CSE: SHRM), for cash consideration of \$100,000. Each unit consisted of one common share and one half of one share purchase warrant. Each whole warrant was exercisable into one common share at \$0.15 per share for a period of three years.

At March 31, 2020, the fair value of this investment was \$590,000, which was based on the market price of the shares. For the period ended March 31, 2020, the Company recorded an unrealized gain of \$465,000 related to the investment.

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5. Acquisition of Pacific West Exploration Services Inc. (“Pacific West”)

On February 20, 2020, the Company entered into an agreement, pursuant to which the Company acquired all the outstanding common shares of Pacific West (the “Acquisition”). Pacific West is a privately held mineral exploration company that holds an option to earn up to a 100% interest in the Nimpkish Property (Note 6). In consideration for the outstanding common shares of Pacific West, the Company issued 2,000,000 common shares with a fair value of \$200,000 (Note 7).

Pacific West does not meet the definition of a business under IFRS 3; therefore, the Acquisition was treated as an acquisition of assets.

The fair value of the assets acquired, and liabilities assumed as at the date of acquisition were as follows:

Net assets acquired	
Exploration and evaluation assets	\$ 200,000
Consideration	
Fair value of 2,000,000 common shares issued (Note 7)	\$ 200,000

6. Exploration and Evaluation Assets

	Period Ended March 31, 2021 \$	Year Ended September 30, 2020 \$
Balance, opening	230,000	-
Acquisition costs	-	230,000
Balance, ending	230,000	230,000

Nimpkish Property

On February 20, 2020, the Company completed its acquisition of Pacific West. Pacific West, as optionee, is party to an option agreement dated as of May 2, 2019 (the “Option Agreement”) with respect to the Nimpkish Property (the “Property”), under which Pacific West has the exclusive and irrevocable right to acquire a 100% interest in the Property from the registered owners of the Property (collectively, the “Optionor”).

To exercise the option under the Option Agreement, Pacific West is required to:

Cash Payments: On or before May 1, 2020, Pacific West shall pay to the Optionor a cash payment in the aggregate amount of \$30,000 (paid).

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6. Exploration and Evaluation Assets (Continued)

Nimpkish Property (continued)

Exploration Expenditures: Pacific West shall make an aggregate of \$425,000 in exploration expenditures on the Property on or before the following dates:

<u>Date</u>	<u>Amount of Exploration Expenditures</u>
	\$
December 31, 2020 (Met before acquisition)	75,000
December 31, 2021	100,000
December 31, 2022	100,000
December 31, 2023	150,000
	<u>425,000</u>

In addition, under the Option Agreement Pacific West shall grant to the Optionor a 2.0% Net Smelter Returns royalty (“NSR”) on the Property. Pacific West shall have the right at any time to repurchase one-half of the NSR from the Optionor by paying \$1,000,000 to the Optionor at any time before the commencement of commercial production on the Property. Beginning on December 31, 2023, and annually thereafter, Pacific West will make annual advanced minimum royalty (“AAMR”) payments of \$7,500 to the Optionor, and any such AAMR payments shall be deducted from future NSR payments.

Hercules Silver Property

On September 21, 2020, the company executed a non-binding letter of intent (“LOI”) and amended on November 18, 2020 to acquire 100% of the Hercules Silver Property (“Hercules Property”) by the way of an asset purchase from a private company 1218530 B.C. Ltd. (“1218530”) and from 1218530’s sole shareholder (the “Transaction”). Hercules is located in Washington County, Idaho, USA and is prospective for silver mineralization. The Property comprises 42 unpatented lode claims, one patented lode claim, and 11 lots of deeded lands covering approximately 1,490 acres (603 hectares), which are registered in the name of Anglo Bomarc U.S., Inc., a wholly-owned subsidiary of 1218530.

The transaction contemplated by the LOI will provide the Company with the option to acquire 100% of the Hercules Property by making aggregate cash payments of \$175,000 and by issuing an aggregate of 700,000 common shares of Lido to 1218530 as follows:

- 1) on the date of execution of a binding definitive agreement respecting the transaction (the “Execution Date”), by making a cash payment of \$75,000 and by issuing 250,000 common shares; and
- 2) on or before the first anniversary of the Execution Date, by making an additional cash payment of \$100,000 and by issuing an additional 450,000 common shares.

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6. Exploration and Evaluation Assets (Continued)

Hercules Silver Property (Continued)

In addition, the Company shall be required to pay an additional \$1,000,000 bonus payment to 1218530 upon the commencement of commercial production on the Hercules Property. The Company shall also grant to 1218530 a 2.0% NSR on the Hercules Property. The Company shall have the right to repurchase one-half of the NSR (1.0%) from 1218530 for a purchase price of \$1,000,000 payable to 1218530 at any time before the commencement of commercial production on the Hercules Property.

Completion and execution of a definitive agreement is subject to the Company completing detailed due diligence of Hercules Property and 1218530. On March 29, 2021, the Company terminated the LOI for the Hercules Silver Property.

7. Share Capital

Common Shares

The authorized share capital of the Company consists of unlimited common shares without par value. All issued common shares are fully paid.

For the period ended March 31, 2021:

On November 16, 2020, the Company granted 250,000 common shares pursuant to a consulting agreement with the CEO. These options have a fair value, calculated using the market price at grant date of \$0.215 totaling \$53,750. The shares will vest quarterly over a period of 12 months from issuance. The total share-based payments recorded as consulting fees for the six months ended March 31, 2021 was \$35,075 (2020 - \$Nil).

For the period ended March 31, 2020:

On February 20, 2020, the Company issued 2,000,000 common shares with a fair value of \$200,000 in relation to the purchase of Pacific West (Note 5).

Stock Options

On November 16, 2020, the Company granted 50,000 stock options to the CEO with an exercise price of \$0.215 per share. The options will vest quarterly over a period of 12 months and are valid for a period of five years from grant. These options have a fair value, calculated using the Black-Scholes Option Pricing Model of \$6,452 assuming an expected life of 4.38 years, a risk-free interest rate of 0.46%, an expected dividend rate of 0.00%, and an expected annual volatility of 165%. As at March 31, 2021, \$6,452 in share-based payments have been recorded relating to this grant.

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(Unaudited – Prepared by management)

For the six months ended March 31, 2021 and 2020

7. Share Capital (Continued)**Stock Options (Continued)**

On March 1, 2021, the Company granted 25,000 stock options to a director with an exercise price of \$0.18 per share. The options vested immediately on the date of the grant and have a fair value, calculated using the Black-Scholes Option Pricing Model of \$4,242 assuming an expected life of 5 years, a risk-free interest rate of 0.63%, an expected dividend rate of 0.00%, and an expected annual volatility of 169%.

The total share-based payments expensed for the six months ended March 31, 2021 was \$10,694 (2020 - \$Nil).

The following summarizes the stock options activity during the period ended March 31, 2021 and the year ended September 30, 2020:

	March 31, 2021		September 30, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	1,210,000	\$ 0.27	-	\$ -
Granted	75,000	0.20	1,210,000	0.27
Expired	-	-	-	-
Balance, end of year	1,285,000	0.27	1,210,000	0.27

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Exercise Price	Weighted Average Contractual Life
				\$	
August 10, 2025	1,210,000	1,210,000	-	0.27	4.36
November 16, 2025	50,000	18,472	31,528	0.215	4.63
March 1, 2026	25,000	25,000	-	0.18	4.92
	1,285,000	1,247,500	37,500		4.64

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8. Related Party Transactions

Key management includes Directors and Officers which constitutes the management team. The Company paid or accrued compensation in form of consulting fees to companies controlled by Directors and Officers. The Company incurred the following related party transactions, with associated persons or corporations, which were measured at the exchange amount as follows:

<i>Period ended</i>	March 31, 2021	March 31, 2020
	\$	\$
Consulting fees paid to the former Chief Financial Officer (“CFO”)	-	10,000
Consulting services paid to a corporation controlled by the Chief Executive Officer (“CEO”)	24,150	-
Consulting fees paid to a corporation controlled by the CFO and Corporate Secretary	7,500	-
Consulting fees paid to a corporation controlled by a Director of the Company	29,000	40,000
Consulting fees paid to a corporation controlled by a Director of the Company	3,000	3,000
Consulting fees paid to a Director of the Company	500	-
Consulting fees paid in shares to the CEO	35,075	-
Share-based payments to the CEO	6,452	-
Share-based payments to a Director of the company	4,242	-
	109,919	53,000

At March 31, 2021, the Company owed \$1,575 (September 30, 2020: \$1,500) to related parties, which is included in accounts payable. These amounts are unsecured, bear no interest and are due on demand. The Company also prepaid \$4,200 (September 30, 2020: \$Nil) to related parties, which is included in prepaids.

9. Financial and Capital Risk Management

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

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9. Financial and Capital Risk Management (continued)

The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair value of accounts payable approximates their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at March 31, 2021 as follows:

	Level 1	Level 2	Level 3
Financial Assets	\$	\$	\$
Cash	1,996,604	-	-

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at September 30, 2020 as follows:

	Level 1	Level 2	Level 3
Financial Assets	\$	\$	\$
Cash	2,288,253	-	-

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at March 31, 2021, the Company has minimal risks related to foreign exchange.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The Company's cash is held by large Canadian financial institutions. The Company's credit risk with respect to cash is minimal.

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Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by management)

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9. Financial and Capital Risk Management (Continued)

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial assets or liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk. The Company's exposure to interest rate risk is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. At March 31, 2021, the Company has sufficient funds to meet its short-term commitments.

10. Capital Disclosures

The Company defines its working capital as capital. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned business and pay for administrative costs, the Company will need to raise additional funds. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period.

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11. Subsequent Events

On May 18, 2021, the Company entered into a definitive business combination agreement (the “Agreement”) with CAPPEX Mineral Ventures Inc. (“CAPPEX”) and 1303554 B.C. Ltd. (“Subco”), a newly incorporated, wholly-owned subsidiary of Lido. Pursuant to the Agreement, the Company will acquire all of the issued and outstanding shares of CAPPEX in exchange for shares of Lido (the “Transaction”). The Transaction will constitute a reverse takeover of Lido by CAPPEX and will be a “fundamental change” of Lido pursuant to the policies of the Canadian Securities Exchange (“CSE”), requiring approval from the CSE. Approval of the shareholders of Lido and CAPPEX will also be required. Pursuant to the Agreement, the Transaction will be structured as a three-cornered amalgamation, with CAPPEX amalgamating with Subco under the Business Corporations Act (British Columbia), and becoming a wholly-owned subsidiary of Lido. Shareholders of CAPPEX will receive one common share in the capital of Lido in exchange for each outstanding common share of CAPPEX held by them, with Lido expected to issue an aggregate of 37,160,813 Lido shares to the CAPPEX shareholders under the Transaction.

On May 18, 2021, the Company entered into a subscription agreement to issue 10,000,000 subscription receipts of the Company (the “Subscription Receipts”) at a price of \$0.15 per Subscription Receipt for total proceeds of \$1,500,000 (the “Transaction”). Each Subscription Receipt converts into one common share (a “Common Share”) and one common share purchase warrant of the Company (a “Warrant”) upon closing of the business combination transaction between the Company and CAPPEX Mineral Ventures Inc. (the “Merger”). Each Warrant is exercisable for one Common Share at an exercise price of \$0.25 per Common Share for a period of two years from the closing date of the Merger. If the Merger does not close prior to 5:00 pm PST on November 15, 2021 or such later time or date as may be agreed to by the Company and the subscriber, the purchase price for the Subscription Receipts will be returned to the subscriber and the Subscription Receipts will be null, void and of no further force and effect.