

**Kraken Energy Corp.**  
(formerly Ivor Exploration Inc.)

**Condensed Consolidated Interim Financial Statements**  
**For the Three and Nine Months Ended March 31, 2022 and 2021**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**Kraken Energy Corp.** (formerly Ivor Exploration Inc.)  
Condensed Consolidated Interim Statements of Financial Position  
As at March 31, 2022  
(Unaudited - Expressed in Canadian Dollars)

	Notes	March 31, 2022	June 30, 2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	\$ 2,509,100	\$ 136,667
Prepays		380,951	-
Other receivables		14,807	14,257
		2,904,858	150,924
<b>Non-Current Assets</b>			
Exploration and evaluation assets	3,5	4,639,117	178,578
<b>TOTAL ASSETS</b>		<b>\$ 7,543,975</b>	<b>\$ 329,502</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	8	\$ 557,565	\$ 68,914
Loans from related parties	8	50,000	-
Obligation to issue shares	3,5,6	8,379,927	-
<b>TOTAL LIABILITIES</b>		<b>8,987,492</b>	<b>68,914</b>
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>			
Share capital	7	4,929,530	499,307
Reserves	7	836,000	23,693
Deficit		(7,209,047)	(262,412)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIT)</b>		<b>(1,443,517)</b>	<b>260,588</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		<b>\$ 7,543,975</b>	<b>\$ 329,502</b>

**Nature and continuance of operations** (Note 1)  
**Subsequent events** (Note 12)

*"David Forest"*

David Forest, Director

*"Jay Sujir"*

Jay Sujir, Director

**Kraken Energy Corp.** (formerly Ivor Exploration Inc.)  
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
For the Three and Nine Months Ended March 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

	<b>Three months ended March</b>		<b>Nine months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Expenses</b>				
Marketing and shareholder relations	\$ 50,655	\$ -	\$ 50,655	\$ -
Management fees	8,095	-	34,095	-
Office and miscellaneous	2,336	592	11,137	636
Professional fees	98,141	4,975	113,950	18,091
Property evaluation cost	-	4,900	-	4,900
Share-based payments	836,000	-	836,000	-
Transfer agent and filing fees	4,216	2,610	8,662	11,261
	(999,443)	(13,077)	(1,054,499)	(34,888)
<b>Other item</b>				
Loss from revaluation of share obligation	(5,892,136)	-	(5,892,136)	-
<b>Loss and comprehensive loss</b>	<b>\$(6,891,579)</b>	<b>\$ (13,077)</b>	<b>\$ (6,946,635)</b>	<b>\$ (34,888)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.46)</b>	<b>\$ (0.00)</b>	<b>\$ (0.54)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>14,926,000</b>	<b>11,780,000</b>	<b>12,813,358</b>	<b>11,780,000</b>

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

**Kraken Energy Corp.** (formerly Ivor Exploration Inc.)  
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity (Deficit)  
For the Nine Months Ended March 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

<b>Share capital</b>						
	<b>Notes</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
Balance at June 30, 2020		11,780,000	\$ 499,307	\$ 23,693	\$ (222,742)	\$ 300,258
Loss for the period		-	-	-	(34,888)	(34,888)
<b>Balance at March 31, 2021</b>		<b>11,780,000</b>	<b>\$ 499,307</b>	<b>\$ 23,693</b>	<b>\$ (257,630)</b>	<b>\$ 265,370</b>
Balance at June 30, 2021		11,780,000	\$ 499,307	\$ 23,693	\$ (262,412)	\$ 260,588
Shares issued from acquisition of subsidiary	3,7	5,000,000	1,900,000	-	-	1,900,000
Shares issued for cash	7	7,138,570	2,498,500	-	-	2,498,500
Share issuance costs	7	-	(23,970)	-	-	(23,970)
Shares issued from exercise of warrants	7	320,000	55,693	(23,693)	-	32,000
Share-based payments	7			836,000		836,000
Loss for the period		-	-	-	(6,946,635)	(6,946,635)
<b>Balance at March 31, 2022</b>		<b>24,238,570</b>	<b>\$4,929,530</b>	<b>\$836,000</b>	<b>\$(7,209,047)</b>	<b>\$(1,443,517)</b>

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

**Kraken Energy Corp.** (formerly Ivor Exploration Inc.)  
Condensed Consolidated Interim Statements Cash Flows  
For the Nine Months Ended March 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

	<b>For the nine months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Loss for the period	\$ (6,946,635)	\$ (34,888)
Items not involving cash:		
Loss from revaluation of share obligation	5,892,136	-
Share-based payments	836,000	-
Changes in non-cash working capital items:		
Prepays	(368,815)	-
GST receivable	(550)	(1,524)
Related party payable	-	(500)
Accounts payable and accrued liabilities	335,408	(137,823)
<b>Net cash flows used in operating activities</b>	<b>(252,456)</b>	<b>(174,735)</b>
<b>Investing activities</b>		
Exploration and evaluation assets	(27,472)	-
<b>Net cash flows used in investing activities</b>	<b>(27,472)</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds from issuance of common shares	2,498,500	-
Share issuance costs	(1,549)	-
Proceeds from exercise of stock options	32,000	-
Cash acquired from acquisition of subsidiary	73,410	-
Loans from related party	50,000	(10,385)
<b>Net cash flows from (used in) financing activities</b>	<b>2,652,361</b>	<b>(10,385)</b>
Change in cash and cash equivalents	2,372,433	(185,120)
Cash and cash equivalents, beginning	136,667	325,733
<b>Cash and cash equivalents, ending</b>	<b>\$ 2,509,100</b>	<b>\$ 140,613</b>
<b>Supplemental cash flow information:</b>		
Shares issued from acquisition of subsidiary	\$ 1,900,000	\$ -

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

## **1. Nature and continuance of operations**

Kraken Energy Corp. (formerly Ivor Exploration Inc. and Ivor Ventures Ltd.) (the “Company” or “Kraken Energy”) was incorporated on July 4, 2011, under the Canada Business Corporations Act. On May 12, 2022, the Company changed its name from Ivor Exploration Inc. to Kraken Energy Corp. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company’s common shares began trading on Canadian Securities Exchange under the new stock symbol “UUSA” on May 11, 2022. Previously, the trading symbol was “IVOR”.

The head office, principal address, records office and registered address of the Company are located at 717 – 1030 West Georgia Street, Vancouver, BC V6E 2Y3.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At March 31, 2022, the Company had not yet achieved profitable operations and had accumulated losses of \$7,209,047 since its inception. Management estimates that the Company has sufficient financial resources, which includes the private placement closed subsequent to March 31, 2022 (Note 12), to carry out currently planned exploration and operations through the next twelve months.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, and exploration and development activities. These condensed consolidated interim financial statements do not give effect to adjustments, which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

## **2. Significant accounting policies and basis of preparation**

These condensed consolidated interim financial statements were authorized for issue by the directors of the Company on May 30, 2022.

### ***Statement of compliance***

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 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 of the International Financial Reporting Interpretations Committee. The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual audited financial statements as at and for the year ended June 30, 2021.

**Kraken Energy Corp.** (formerly Ivor Exploration Inc.)  
Notes to the Condensed Consolidated Interim Financial Statements  
For the Nine Months Ended March 31, 2022 and 2021  
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**2. Significant accounting policies and basis of preparation** (continued)

**Statement of compliance** (continued)

The condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual audited financial statements as at and for the year ended June 30, 2021.

**Basis of presentation**

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for some financial instruments classified in accordance with measurements standards under IFRS. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise specified. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**Consolidation**

The condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiary. Details of controlled subsidiaries are as follows:

	Country of incorporation	Percentage owned*	
		March 31, 2022	June 30, 2021
1330038 B.C. Ltd. ("133 B.C.")	Canada	100%	0%
Kraken Energy (Nevada) Corp. ("Kraken Nevada")	United States	100%	0%

\*Percentage of voting power is in proportion to ownership.

On March 23, 2022, the Company incorporated a private company, Kraken Nevada, a 100% owned subsidiary incorporated in Nevada, United States.

**Use of estimates and judgements**

The preparation of the condensed consolidated interim 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, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

**3. Acquisition of 133 B.C.**

On February 24, 2022, the Company entered into a share exchange agreement to acquire 100% interest in a private company, 133 B.C., which holds the right to acquire 100% of the Apex Property ("Apex Property") in Nevada, United States, for total consideration as follows:

- Issuance of 5,000,000 common shares of the Company with a fair value of \$1,900,000 (Note 7) (issued).
- Pursuant to the Apex Property sale and purchase agreement between 133 B.C. and the property vendors, the issuance of the Company's common shares to the property vendors that is equal to 29.7% of the issued and outstanding common shares upon completion of an equity financing of the Company for minimum gross proceeds of \$2,000,000.

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**3. Acquisition of 133 B.C.** (continued)

- At the date of acquisition of February 24, 2022, the number of the Company calculated 6,546,818 common shares of the Company as the potential number of shares to be issued to the property vendors at with a fair value of \$2,487,791 based on the trading price of the Company's shares of \$0.38 per share.

At acquisition date, the Company determined that acquisition of 133 B.C. did not constitute a business as defined under IFRS 3, "Business Combination", and the transaction was accounted for as an asset acquisition. The assets and liabilities are measured at their fair values at the acquisition date and the excess of the consideration paid over the fair value of net assets was attributed to the exploration and evaluation asset.

The acquisition was recorded as follows:

Fair value of shares issued to acquire 133 B.C.	\$	1,900,000
Fair value of shares to be issued to property vendors		2,487,791
Total consideration	\$	4,387,791

Allocated to:

Cash and cash equivalents	\$	73,410
Prepaid		12,136
Exploration and evaluation asset (Note 5)		4,412,674
Accounts payable and accrued liabilities		(110,429)
	\$	4,387,791

**4. Cash and cash equivalents**

	<b>March 31, 2022</b>	<b>June 30, 2021</b>
Cash	4,109	136,667
Cash held in trust	2,504,991	-
	<b>\$ 2,509,100</b>	<b>\$ 136,667</b>



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**5. Exploration and evaluation assets**

The following summarizes the cumulative costs capitalized as exploration and evaluation assets as at March 31, 2022:

	Apex Property	Ultimate Property	Total
<b>Property acquisition costs</b>			
Balance, beginning of period	\$ -	\$ 8,000	\$ 8,000
Acquisition	4,412,674	-	4,412,674
Balance, end of period	4,412,674	8,000	4,420,674
<b>Exploration and evaluation costs</b>			
Balance, beginning of period	\$ -	\$ 170,578	\$ 170,578
Costs incurred during the period:			
Assay and analysis	13,418	-	13,418
Equipment rental	12,716	-	12,716
Geological consulting	13,000	-	13,000
Transportation	8,731	-	8,731
Balance, end of period	47,865	170,578	218,443
<b>Balance, March 31, 2022</b>	<b>\$ 4,460,539</b>	<b>\$ 178,578</b>	<b>\$ 4,639,117</b>

***The Ultimate Property***

In 2012, the Company purchased the Ultimate property (the "Ultimate Property") for \$8,000. The Property is located in British Columbia.

No expenditures were incurred on the property for the period ended March 31, 2022. The balance as of March 31, 2022 was \$178,578.

***The Apex Property***

On February 24, 2022, the Company entered into a share exchange agreement to acquire 100% interest in a private company, 133 B.C., which holds the right to purchase 100% of the Apex Property (Note 3). The Apex Property remains subject to a 3% net smelter return royalty in favour of the property vendors.

On January 31, 2022, 133 B.C. entered into sale and purchase agreement between 133 B.C. and the property vendors to acquire Apex Property in Nevada, United States for total consideration as follows:

- Payment of \$50,000 USD to the property vendors (paid on April 8, 2022).
- Consideration shares to be issued to the property vendors that is equal to 29.7% of the issued and outstanding shares of 133 B.C. or a listed company that is a reporting issuer in Canada, upon completion of an equity financing of the for minimum gross proceeds of \$2,000,000. As part of the share exchange agreement, the Company assumed the obligation to issue 29.7% of its issued and outstanding shares to the property vendors (issued subsequent to March 31, 2022)(Note 12).
- Based on the purchase price allocation of acquiring 133 B.C. (Note 3), the fair value attributable to acquiring the Apex Property, was \$4,412,674.

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**6. Obligation to issue shares**

As part of the acquisition of 133 B.C., the Company assumed 133 B.C.'s obligation to issue 29.7% of its issued and outstanding common shares to the property vendors upon completion of an equity financing for minimum gross proceeds of \$2,000,000. On February 24, 2022, the date of acquisition of 133 B.C., the Company calculated 6,546,818 common shares of the Company as the potential number of shares to be issued to the property vendors at with a fair value of \$2,487,791, which was recorded as obligations to issue shares on the statement of financial position.

As at March 31, 2022, the fair value of the share obligation was \$8,379,927 based on the trading price of the Company's shares of \$1.28 per share and recorded \$5,892,136 of loss from revaluation recorded in the condensed consolidated interim statement of loss and comprehensive loss.

**7. Share capital**

***Authorized share capital***

Unlimited number of common shares without par value.

***Issued share capital***

At March 31, 2022, there were 24,238,570 (June 30, 2021 – 11,780,000) issued and fully paid common shares.

On February 24, 2022, the Company entered into a share exchange agreement to acquire 100% interest in a private company, 133 B.C through the issuance of 5,000,000 common shares of the Company with a fair value of \$1,900,000 (Note 3).

On March 21, 2022, the Company closed a non-brokered private placement by issuing 7,138,570 commons shares of the Company at \$0.35 per share for gross proceeds of \$2,498,500. The Company recorded share issuance costs of \$23,970 in connection with the private placement.

***Stock options***

A summary of the continuity of the Company's stock options is as follows:

Expiry date	Exercise price	Remaining average contractual life (Years)	Fair value of options	Number of options outstanding and exercisable
March 3, 2027	0.38	4.93	49,000	165,000
March 24, 2027	0.90	4.98	787,000	1,075,000
<b>Balance, March 31, 2022</b>	<b>\$ 0.83</b>	<b>4.98</b>	<b>\$ 836,000</b>	<b>1,240,000</b>

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**7. Share capital** (continued)

**Stock options** (continued)

During the nine months ended March 31, 2022, the Company granted 1,240,000 stock options and recorded share-based payments of \$836,000 (nine months ended March 31, 2021 - \$Nil). The fair value of stock options was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>March 31, 2022</b>
Risk-free interest rate	2.16%
Expected life	5 years
Estimated volatility	109.95%
Dividend rate	N/A

**Warrants**

The Company had no warrants outstanding as at March 31, 2022 (June 30, 2021 – 320,000).

During the period ended March 31, 2022, 320,000 finder's warrants were exercised at a price of \$0.10 per share for proceeds of \$32,000.

A summary of the continuity of the Company's warrants is as follows:

	<b>Exercise price</b>	<b>Number of warrants outstanding</b>	<b>Value of shares issuable</b>
Warrants outstanding, beginning of period	\$ 0.10	320,000	\$ 32,000
Exercised	(0.10)	(320,000)	(32,000)
<b>Warrants outstanding, end of period</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>

**8. Related party transactions**

**Balances**

As at March 31, 2022, accounts payable and accrued liabilities include \$114,078 (June 30, 2021 - \$Nil) owing to a director and officer of the Company. This amount consists of invoices paid by the director on behalf of the Company. Amounts due to the related party are unsecured, non-interest bearing and have no specified terms of repayment.

As at March 31, 2022 loans from former related parties are \$50,000 (June 30, 2021 - \$Nil). The loans are unsecured, non-interest bearing and due on demand. As at March 31, 2022, prepaids advanced to former related parties are \$69,840 (June 30, 2021 - \$Nil).

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**8. Related party transactions** (continued)

**Transactions**

The Company has identified the directors & officers as its key management personnel. During the periods ended March 31, 2022 and 2021, the following amounts were incurred by directors and officers of the Company:

	<b>Nine months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Share-based compensation	\$ 549,070	\$ -
Office and miscellaneous <sup>(1)</sup>	18,000	-
Management fees <sup>(1)</sup>	34,095	-
Professional fees <sup>(1)</sup>	20,605	-
	<b>\$ 621,770</b>	<b>\$ -</b>

**Note (1):** Amounts include amounts incurred by former directors and officers of the Company, who resigned during the current period ended March 31, 2022

**9. Capital disclosures**

The Company defines its capital as shareholders' deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. 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. As such, the Company has relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities.

In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**10. Financial instruments**

**Fair value**

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities, loans from related parties and obligation to issue shares. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments. All financial instruments are classified as Level 1.

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 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.

#### **10. Financial instruments** (continued)

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

##### ***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 is not exposed to credit risk.

##### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As at March 31, 2022, the Company had a cash and cash equivalents balance of \$2,509,100 (June 30, 2021 - \$136,667) to settle current liabilities of \$8,987,492 (June 30, 2021 - \$68,914).

The Company's sole source of funding will be the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is uncertain. There can be no assurance of continued access to significant equity funding.

##### ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

##### ***Foreign exchange risk***

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. The Company is exposed to foreign currency exchange risk as some of its mining operations are transacted in currencies other than the functional currency of the Company.

Since the Company's reporting currency is Canadian dollars and the Company and its subsidiaries have significant operations in United States, the Company is exposed to foreign currency fluctuations on its reported amounts of assets and liabilities. This risk is not considered significant as most financial assets and liabilities are maintained in Canadian Dollars.

##### ***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the period ended March 31, 2022. The Company is not subject to any externally imposed capital requirements.

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**11. Segmented information**

***Operating segment***

The Company's operations are primarily directed towards the acquisition of mineral properties and exploration for metals in Canada and USA.

***Geographic segment***

The Company's geographic information as at March 31, 2022 and June 30, 2021 are as follows:

	<b>March 31, 2022</b>		
	<b>Canada</b>	<b>USA</b>	<b>Total</b>
<b>Assets</b>			
Mineral properties	178,578	4,460,539	4,639,117
Other assets	2,904,858	-	2,904,858
	<b>\$ 3,083,436</b>	<b>\$ 4,460,539</b>	<b>\$ 7,543,975</b>

	<b>June 30, 2021</b>		
	<b>Canada</b>	<b>USA</b>	<b>Total</b>
<b>Assets</b>			
Mineral properties	178,578	-	178,578
Other assets	150,924	-	150,924
	<b>\$ 329,502</b>	<b>\$ -</b>	<b>\$ 329,502</b>

**12. Subsequent events**

- a) On April 8, 2022, the Company issued 7,198,855 common shares, which represented 29.7% of the issued and outstanding shares, with a fair value of \$12,022,088 and paid \$50,000 USD to the property vendors of Apex Property (Note 3, 5, and 6).
- b) On April 22, 2022, the Company completed a non-brokered private placement by issuing a total of 11,000,000 units at \$1.00 per share for gross proceeds of \$11,000,000. Each unit consists of one common share of the Company and one-half purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$1.85 and expires on April 22, 2023. In connection with the private placement, the Company paid finder's fee of \$555,415 in cash and issued 555,450 finder warrants. The finder warrants are exercisable at a price of \$1.85 and expire on April 22, 2023.
- c) On April 25, 2022, the Company granted 10,000 stock options to a consultant at an exercise price of \$1.74 with expiry date of April 25, 2027.

**12. Subsequent events** (continued)

- d) On May 24, 2022, the Company entered into a share exchange agreement with Panerai Capital Corp. ("Panerai"), and the shareholders of Panerai (the "Panerai Securityholders") whereby the Company will acquire 100% the issued and outstanding common shares in the capital of Panerai. Panerai holds a 100% interest in 8,850 acres of lode mining claims in Lander County, Nevada surrounding the past-producing Apex uranium mine.

The Panerai Securityholders are the registered and beneficial owners of all 11,709,666 common shares in the capital of Panerai (the "Panerai Shares").

On May 27, 2022, the Company issued to the Panerai Securityholders pro rata in proportion to their holdings of the Panerai Shares, an aggregate of 11,709,666 common shares in the capital of the Company.