

LIDA RESOURCES INC.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the three and nine months ended May 31, 2022.

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities administrators, if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Lida Resources Inc. (the "Company") for the interim period three and nine months ended May 31, 2022, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

The Company's independent auditors, Harbourside Chartered Professional Accountants, have not performed a review of these condensed interim consolidated financial statements.

July 27, 2022

LIDA RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
As at May 31, 2022 and August 31, 2021
(Unaudited - Expressed in Canadian dollars)

	Note	May 31, 2022	August 31, 2021
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		2,972	4,186
Goods and services tax receivable		37,267	27,388
Prepaid expenses		10,881	9,657
		51,120	41,231
Mineral interests	4	-	1,116,450
Total assets		51,120	1,157,681
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	602,421	447,555
Promissory notes payable	5	293,819	126,866
Due to related parties	7	10,000	10,000
Total liabilities		906,240	584,421
SHAREHOLDERS' EQUITY			
Share capital	6	3,964,550	3,964,550
Reserves	6	105,455	105,455
Accumulated other comprehensive loss		(35,794)	(4,342)
Deficit		(4,889,331)	(3,492,403)
Total shareholders' equity		(855,120)	573,260
Total liabilities and shareholders' equity		51,120	1,157,681

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

These condensed interim consolidated financial statements are approved and authorized for issuance on behalf the Board of Directors on July 27, 2022.

/s/ Anthony Zelen
Director

/s/ Geoff Balderson
Director

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

LIDA RESOURCES INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended May 31,		Nine months ended May 31,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Operating expenses					
Consulting fees	7	30,000	40,376	90,000	415,111
Exploration and evaluation costs	4	699	37,211	69,826	138,214
General and administrative	7	8,069	12,791	23,242	38,572
Professional fees		8,894	10,164	44,394	110,814
Transfer agent and regulatory fees		9,856	15,781	30,564	29,849
		57,518	116,323	258,026	732,560
Other expenses (income)					
Foreign exchange gain		-	88	-	(3,714)
Gain on settlement of debt		-	(6,000)	-	(6,000)
Impairment expense	4	1,116,450	-	1,116,450	-
Interest expense (income)	5	9,453	-	22,452	(2,157)
		1,125,903	(5,912)	1,138,902	(11,871)
Net loss for the period		(1,183,421)	(110,411)	(1,396,928)	(720,689)
Other comprehensive loss					
Foreign exchange loss on translation adjustment		(25,346)	(28,446)	(31,452)	(48,368)
Loss and comprehensive loss for the period		(1,208,767)	(138,857)	(1,428,380)	(769,057)
Loss per share					
Basic and diluted		(0.43)	(0.05)	(0.50)	(0.28)
Weighted average number of common shares outstanding					
Basic and diluted		2,769,155	2,751,682	2,769,155	2,743,346

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

LIDA RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended May 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	2022	2021
	\$	\$
Operating activities		
Net loss for the period	(1,396,928)	(720,689)
Items not affecting cash:		
Interest expense	22,452	-
Impairment expense	1,116,450	-
Gain on settlement of debt	-	(6,000)
Changes in non-cash working capital:		
Goods and services tax receivable	(9,879)	(13,796)
Prepaid expenses	(1,224)	(2,967)
Accounts payable and accrued liabilities	154,867	174,887
Net cash used in operating activities	(114,262)	(568,565)
Investing activities		
Mineral interest additions	-	(9,611)
Net cash used in investing activity	-	(9,611)
Financing activities		
Proceeds from promissory notes payable	144,500	90,000
Net cash provided by financing activities	144,500	90,000
Effect of foreign exchange on cash	(31,452)	(48,368)
Net change in cash and cash equivalents	30,238	(488,176)
Cash and cash equivalents, beginning of the period	4,186	542,567
Cash and cash equivalents, end of the period	2,972	6,023
Non-cash transactions		
Mineral interest costs included in accounts payable	42,188	42,188

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

LIDA RESOURCES INC.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Number of shares	Share capital	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$
Balance, August 31, 2020	2,739,155	3,940,550	105,455	(15,728)	(2,634,371)	1,395,906
Issuance of shares on debt settlement	30,000	24,000	-	-	-	24,000
Currency translation adjustment	-	-	-	(48,368)	-	(48,368)
Net loss for the period	-	-	-	-	(720,689)	(720,689)
Balance, May 31, 2021	2,769,155	3,964,550	105,455	(64,096)	(3,355,060)	650,849
Currency translation adjustment	-	-	-	59,754	-	59,754
Net loss for the period	-	-	-	-	(137,343)	(137,343)
Balance, August 31, 2021	2,769,155	3,964,550	105,455	(4,342)	(3,492,403)	573,260
Currency translation adjustment	-	-	-	(31,452)	-	(31,452)
Net loss for the period	-	-	-	-	(1,396,928)	(1,396,928)
Balance, May 31, 2022	2,769,155	3,964,550	105,455	(35,794)	(4,889,331)	(855,120)

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

LIDA RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Lida Resources Inc. (the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on September 8, 2017 and is an exploration stage company focusing on mineral properties in Peru. The Company's head and registered and records office is located at Suite 2400, 525 8 Avenue SW, Calgary, Alberta, T2P 1G1.

The unaudited condensed interim consolidated financial statements for the three and nine months ended May 31, 2022 and 2021 (the "consolidated financial statements") have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated any revenues from operations and incurred a net loss of \$1,396,928 during the nine months ended May 31, 2022 (2021 - \$720,689). As at May 31, 2022, the Company has an accumulated deficit of \$4,889,331 (August 31, 2021 - \$3,492,403). Management expects the Company will incur further expenditures to acquire and develop its mineral properties and for administrative expenses. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. As of the date of these consolidated financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

On August 16, 2021, the Company filed articles of amendment to complete an approved share consolidation of the Company's issued and outstanding common shares on the basis of 20 pre-consolidated common shares for one post-consolidated common share. All information relating to basic and diluted loss per share, issued and outstanding common shares, and per share amounts in these consolidated financial statements have been adjusted retroactively to reflect the share consolidation.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting*, using the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements do not include all disclosures required for annual audited consolidated financial statements (the "annual financial statements"). Accordingly, they should be read in conjunction with the notes to the Company's annual financial statements for the years ended August 31, 2021 and 2020, which include the information necessary or useful to understanding the Company's business and financial statement presentation.

These consolidated financial statements were prepared using accounting policies consistent with those in the annual financial statements.

These consolidated financial statements were authorized for issuance in accordance with a resolution from the Board of Directors on July 27, 2022.

b) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

LIDA RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

c) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, except as otherwise noted. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the Canadian dollar. The functional currency of the Company's wholly owned subsidiary, Imperium Mining SAC ("Imperium"), is the Peruvian soles ("S/"). References to "US\$" or "USD" are to United States dollars.

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Imperium (Peru). All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is included in the consolidated financial statements from the date control commences until the date control ceases.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated 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 consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these consolidated 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.

Critical accounting estimates

i. Share-based compensation and valuation of stock options

The fair value pricing of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in its assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

ii. Deferred income tax assets and liabilities

Valuation of deferred income tax assets requires the Company to estimate the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities. The Company applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical accounting judgements

i. Going concern presentation

Management has determined that the going concern presentation of the consolidated financial statements, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due, as discussed in Note 1, is appropriate.

ii. Carrying value and recoverability of mineral interests

The application of the Company's accounting policy for mineral interests and exploration and evaluation expenditures requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the information becomes available.

LIDA RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

iii. Functional currency

Determination of functional currency may involve certain judgments regarding the primary economic environment. The Company reconsiders the functional currency of the group if there is a change in events and conditions, which contributed to the initial assessment of the primary economic environment. Management has determined that the functional currency for the Company is the Canadian dollar, and the functional currency of the Company's Peruvian subsidiary is the S/.

4. MINERAL INTERESTS

The following costs related to the Company's San Vicente property:

	Total
	\$
Acquisition costs	
Balance, August 31, 2020	1,094,403
Acquisition costs	19,968
Foreign currency adjustment	2,079
Balance, August 31, 2021	1,116,450
Impairment expense	(1,116,450)
Foreign currency adjustment	-
Balance, May 31, 2022	-

On May 31, 2022, the Company decided not to pursue the San Vicente property. Accordingly, management elected to discontinue exploration and was fully written off during the nine months ended May 31, 2022.

Exploration and evaluation costs for the nine months ended May 31, 2022 and 2021:

	2022	2021
	\$	\$
Exploration and evaluation costs		
Camp operations	1,263	11,454
Community relations	-	1,266
Geology, lab and other fees	-	2,677
Licenses, taxes, and claim fees	807	62
Management and consulting	699	6,075
Rent	-	12,427
Professional fees	-	-
Transportation	2,953	14,346
Wages and salaries	64,104	89,907
Total exploration and evaluation costs	69,826	138,214

San Vicente, Peru

On March 5, 2018, Imperium acquired 100% of the San Vicente mineral property, which is comprised of one mining concession referred to as El Otro Lado located in the western side of the Central Andean Cordillera in Northern Peru. Pursuant to the acquisition agreement, the Company is required to pay US\$100,000, of which US\$34,000 remained outstanding as at May 31, 2022 (August 31, 2021 - US\$34,000).

5. PROMISSORY NOTES PAYABLE

The Company entered multiple promissory note payable agreement with multiple arm's length parties. The promissory notes accrue interest at from 15% to 25% per annum and is payable upon the completion of future financing.

LIDA RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

As at May 31, 2022, the Company has promissory note payable balance as follow:

Promissory note date	Principal	Interest accrued	Balance
	\$	\$	\$
January 27, 2021	30,000	6,048	36,048
February 25, 2021	60,000	11,330	71,330
June 29, 2021	15,000	2,069	17,069
July 21, 2021	14,000	1,806	15,806
November 15, 2021	80,000	6,484	86,484
January 26, 2022	40,000	2,081	42,081
February 25, 2022	5,000	321	5,321
April 27, 2022	19,500	179	19,679
Total	263,500	30,319	293,819

As at August 31, 2021, the Company has promissory note payable balance as follow:

Promissory note date	Principal	Interest accrued	Balance
	\$	\$	\$
January 27, 2021	30,000	2,673	32,673
February 25, 2021	60,000	4,580	64,580
June 29, 2021	15,000	381	15,381
July 21, 2021	14,000	231	14,231
Total	119,000	7,866	126,866

6. SHARE CAPITAL**a) Authorized share capital**

Unlimited number of common shares without par value.

b) Issued and outstanding

During the three and nine months ended May 31, 2022 and 2021, the Company did not have any share capital transactions.

c) Stock option plan

The Company adopted a stock option plan (the "Plan") to provide an incentive to directors, officers, employees, consultants and other personnel of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The exercise price of a stock option granted under this Plan shall be as determined by the Board of Directors when such stock option is granted and shall not be lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the option. All options are subject to vesting limitations which may be imposed by the Board of Directors at the time such stock option is granted. During the three and nine months ended May 31, 2022 and 2021, the Company did not granted any stock options. As at May 31, 2022 and 2021, the Company had no stock options outstanding.

d) Common share purchase warrants

The common share purchase warrants issued were valued using the residual method. Each common share purchase warrant entitles the holder to acquire one common share at an exercise price of \$5.00. At May 31, 2022, the Company had total common share purchase warrants outstanding and exercisable as follows:

	Warrants outstanding and exercisable	Weighted average exercise price
	\$	#
Balance, August 31, 2020 and 2021	471,925	5.00
Expired	(471,925)	5.00
Balance, May 31, 2022	-	-

LIDA RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

e) Agent warrants

The agent warrants were issued as consideration for brokers' fees and were valued using the Black-Scholes option pricing model. Each agent warrant entitles the holder to acquire one common share at an exercise price of \$2.00. At May 31, 2022, the Company had total agent warrants outstanding and exercisable as follows:

	Warrants outstanding and exercisable	Weighted average exercise price
	\$	#
Balance, August 31, 2020 and 2021	82,732	2.00
Expired	(82,732)	2.00
Balance, May 31, 2022	-	-

7. RELATED PARTY TRANSACTIONS

During the nine months ended May 31, 2022, the Company incurred \$nil (2021 - \$27,200) of consulting fees to the former Chief Executive Officer ("CEO"). As at May 31, 2022, the Company is indebted to the former CEO for \$71,330 (August 31, 2021 - \$64,580) related to the promissory note (note 5).

During the nine months ended May 31, 2022, the Company incurred \$22,500 (2021 - \$22,500) of fees, recorded as general and administrative expenses, to a company controlled by the Chief Financial Officer ("CFO"). As at May 31, 2022, the Company had amounts due to the CFO of \$34,125 (August 31, 2021 - \$10,500) recorded in accounts payable.

As at May 31, 2022, the Company had amounts due to the former CFO for \$nil (August 31, 2021 - \$4,148) and amounts due to directors totaling \$10,000 (August 31, 2021 - \$10,000).

All amounts due to related parties are non-interest bearing with no specific terms of repayment, with the exception of the promissory note owing to the CEO. The Company's total amount of related party transactions that occurred during the three and nine months ended May 31, 2022 and 2021 are as follows:

	Three months ended May 31,		Nine months ended May 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Consulting fees	-	6,800	-	27,200
General and administrative	7,500	7,500	22,500	22,500
Total	7,500	14,300	22,500	49,700

8. SEGMENTED INFORMATION

During the three and nine months ended May 31, 2022, the Company operated in one industry segment: mineral exploration; within the two geographic segments of Canada and Peru. The Company and its wholly owned subsidiary are operated as one entity with common management located at the Company's head office in Canada. The Company's non-current assets as at May 31, 2022 and 2021 are in Peru.

9. FINANCIAL INSTRUMENTS AND RISKS*Fair value hierarchy*

	Level	May 31, 2022	August 31, 2021
		\$	\$
Cash and cash equivalents	1	2,972	4,186
Accounts payable and accrued liabilities	2	602,421	447,555
Promissory notes payable	2	293,819	126,866
Due to related party	2	10,000	10,000

LIDA RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

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 for the asset or liability that are not based on observable market data.

The fair values of other financial instruments, which include cash and cash equivalents, accounts payable and accrued liabilities and due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk is the risk of an unexpected loss if an exploration partner, counterparty or third party to a financial instrument fails to meet its contractual obligations. To reduce credit risk, cash and cash equivalents are on deposit at major financial institutions. The Company is not aware of any counterparty risk that could have an impact on the fair value of such investments. The carrying value of the financial assets represents the maximum credit exposure. The Company minimizes credit risk by reviewing the credit risk of the counterparties to its arrangements on a periodic basis.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. All of the Company's financial liabilities have contractual maturities of less than 90 days. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at May 31, 2022, the Company's cash and cash equivalents balance of \$2,972 (August 31, 2021 - \$4,186) will not be sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of \$602,421 (August 31, 2021 - \$447,555), promissory notes payable balance of \$293,819 (August 31, 2021 - \$126,866), amounts due to related parties balance of \$10,000 (August 31, 2021 - \$10,000), and required administrative and exploration and evaluation expenditures over the next twelve months. Therefore, the Company is exposed to liquidity risk and will be required to raise additional capital in the future to fund its operations.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) 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 manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. The Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in US\$ and S/. The carrying amounts of the Company's foreign currency denominated monetary assets (liabilities) are as follows:

	May 31, 2022		August 31, 2021	
	S/	US\$	S/	US\$
Cash and cash equivalents	9	1,627	1,261	147
Prepaid expenses	1,123	9,759	863	8,794
Accounts payable and accrued liabilities	(170,904)	(43,470)	(82,922)	(42,924)
Net assets	(169,773)	(32,084)	(80,798)	(33,983)

The Company has not entered any foreign currency contracts to mitigate this risk. A 5% increase or decrease in the US dollars and Peruvian soles exchange rates would not result in a net impact of \$9,878 to the Company's loss or comprehensive loss for the nine months ended May 31, 2022.

LIDA RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars, except where noted)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to such risk.

10. CAPITAL MANAGEMENT

The Company manages its capital with the objectives of maintaining its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company, upon approval from its Board of Directors, will balance its overall capital structure through issuance of new shares or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged since incorporation.

11. SUBSEQUENT EVENTS

On July 6, 2022, the Company entered into a letter of intent ("LOI") with Continental Potash Corp. ("Continental"), a private corporation existing under the laws of British Columbia, pursuant to which the Company is proposing to acquire all of the issued and outstanding securities of Continental (the "Transaction"), whereby Lida and Continental will combine their businesses, all on substantially the indicative terms outlined in the LOI and the security holders of Continental will become security holders of the combined entity (the "Resulting Issuer").

Lida shall, upon closing the Transaction (the "Closing Date"), issue pro rata to the shareholders of Continental, 36,666,667 common shares of Lida and also issue 6,666,667 replacement performance warrants (the "Replacement Performance Warrants") in exchange for the performance warrants issued in Continental. Each Replacement Performance Warrant will be exercisable to acquire a Lida share at a price of \$0.25 per share for a period of 18 months from the Closing Date.

Upon completion of the Transaction the Resulting Issuer will continue to carry on the business of Continental as currently constituted. The Transaction is an arm's length transaction and will constitute a reverse takeover of the Company by Continental and will also constitute a "change of business" pursuant to the policies of the Canadian Securities Exchange. In connection with the Transaction, the Resulting Issuer will apply to list its common shares on the NEO exchange.