
APARTMENTLOVE INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED
MARCH 31, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of ApartmentLove Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

ApartmentLove Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at March 31, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 429,569	\$ 552,733
Accounts receivable (note 3)	11,393	24,036
Prepaid expenses and deposits	102,638	35,900
	543,600	612,669
Non-current assets		
Equipment (note 4)	1,431	1,612
Intangible assets (note 5)	265,058	267,136
Total assets	\$ 810,089	\$ 881,417
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 175,731	\$ 417,862
Term loans (note 7)	39,375	-
	215,106	417,862
Non-current liabilities		
Term loans (note 7)	724,368	451,780
Total liabilities	939,474	869,642
Shareholders' (Deficiency) Equity		
Share capital (note 9)	2,967,004	2,939,464
Equity portion of convertible loan (note 7)	91,075	55,678
Contributed surplus	474,326	443,466
Warrants (note 11)	44,444	44,444
Deficit	(3,706,234)	(3,471,277)
Total shareholders' (deficiency) equity	(129,385)	11,775
Total liabilities and shareholders' (deficiency) equity	\$ 810,089	\$ 881,417

Nature of operations and going concern (note 1)
Subsequent events (note 14)

Approved by the Board of Directors:

"George Davidson"
Director

"Mackenzie Regent"
Director

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

ApartmentLove Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended	
	March 31,	
	2022	2021
Revenue (note 8)	\$ 1,033	\$ 825
Direct expenses	546	31
Gross profit	487	794
Expenses		
Selling, general and administrative expenses (note 13)	237,288	44,280
Stock-based compensation (notes 10 & 13)	40,400	145,137
Amortization and depreciation (notes 4 & 5)	33,396	20,912
Finance cost (note 7)	35,555	4,561
Total expenses	(346,639)	(214,890)
Net loss before other items	(346,152)	(214,096)
Other income	111,195	1,203
Net and comprehensive loss for the period	\$ (234,957)	\$ (212,893)
Net loss per share - basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common shares		
outstanding - basic and diluted (note 12)	38,647,350	35,622,245

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

ApartmentLove Inc.**Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)****(Expressed in Canadian Dollars)****(Unaudited)**

	Share Capital	Equity Portion of Convertible Loan	Warrants	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
Balance, December 31, 2020	\$ 2,208,355	\$ 3,821	\$ 53,500	\$ 218,315	\$ (2,640,607)	\$ (156,616)
Common shares issued for cash	400,446	-	-	-	-	400,446
Share issuance costs	(35,800)	-	-	-	-	(35,800)
Equity component of convertible loans	-	25,208	-	-	-	25,208
Common shares issued for settlement of payables	97,013	-	-	-	-	97,013
Common shares issued in exchange for services	49,537	-	-	-	-	49,537
Stock-based compensation	-	-	-	95,600	-	95,600
Net loss for the period	-	-	-	-	(212,893)	(212,893)
Balance, March 31, 2021	\$ 2,719,551	\$ 29,029	\$ 53,500	\$ 313,915	\$ (2,853,500)	\$ 262,495
Balance, December 31, 2021	\$ 2,939,464	\$ 55,678	\$ 44,444	\$ 443,466	\$ (3,471,277)	\$ 11,775
Equity component of convertible loans	-	35,397	-	-	-	35,397
Stock-based compensation	-	-	-	40,400	-	40,400
Stock options exercised	27,540	-	-	(9,540)	-	18,000
Net loss for the period	-	-	-	-	(234,957)	(234,957)
Balance, March 31, 2022	\$ 2,967,004	\$ 91,075	\$ 44,444	\$ 474,326	\$ (3,706,234)	\$ (129,385)

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

ApartmentLove Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended	
	March 31,	
	2022	2021
Operating activities		
Net loss for the period	\$ (234,957)	\$ (212,893)
Items not affecting cash:		
Amortization and depreciation	33,396	20,912
Stock-based compensation	40,400	145,137
Finance cost	35,480	4,561
Changes in non-cash working capital items:		
Accounts receivable	12,643	(2,717)
Prepaid expenses and deposits	(66,738)	4,100
Accounts payable and accrued liabilities	(242,131)	394
Net cash used in operating activities	(421,907)	(40,506)
Investing activities		
Purchase of intangible assets	(31,137)	(48,564)
Net cash used in investing activities	(31,137)	(48,564)
Financing activities		
Common shares issued for cash, net of share issue costs	-	364,646
Proceeds from stock options exercised	18,000	-
Proceeds from term loans, net of transaction costs	311,880	165,000
Net cash provided by financing activities	329,880	529,646
Net change in cash	(123,164)	440,576
Cash, beginning of period	552,733	47,362
Cash, end of period	\$ 429,569	\$ 487,938
Non-cash items not included in cash flows:		
Common shares issued for settlement of payables	\$ -	\$ 97,013

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

ApartmentLove Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

ApartmentLove Inc. (the "Company") was federally incorporated under the laws of Canada on January 19, 2015, with operations commencing July 15, 2015. The Company provides an interactive real estate website (www.apartmentlove.com) which promotes housing, apartments and other rental properties online by offering prospective tenants photographs, property descriptions, text, price, location, maps and other information that could be considered beneficial to a prospective tenant when making a rental decision.

The Company's head office is located at 1600, 421 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

These unaudited condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern 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 at March 31, 2022, the Company had a positive working capital of \$328,494 (December 31, 2021 - \$194,807). The Company also had an accumulated deficit of \$3,706,234 (December 31, 2021 - \$3,471,277) as at March 31, 2022 and incurred a net loss during the three months ended March 31, 2022 of \$234,957 (three months ended March 31, 2021 - \$212,893). The Company has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to March 31, 2022 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances. The Company will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as required until the Company succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption was inappropriate. These adjustments could be material.

The Company listed on the Canadian Securities Exchange (the "CSE") and began trading on August 30, 2021 under the ticker symbol "APLV".

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of May 30, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed interim financial statements.

ApartmentLove Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

3. ACCOUNTS RECEIVABLE

	As at March 31, 2022	As at December 31, 2021
Goods and services tax recoverable	\$ 11,393	\$ 24,036

At March 31, 2022, the Company estimated an allowance for doubtful accounts of \$16,511 (December 31, 2021 - \$16,511). The Company has not written off any of its receivables, nor has it had a recovery of bad debts during the three months ended March 31, 2022.

4. EQUIPMENT

Cost	Computers	Furniture and Fixtures	Total
Balance, December 31, 2020	\$ 1,850	\$ 5,349	\$ 7,199
Additions	1,717	-	1,717
Balance, December 31, 2021 and March 31, 2022	\$ 3,567	\$ 5,349	\$ 8,916
Accumulated depreciation			
Balance, December 31, 2020	\$ 1,519	\$ 4,903	\$ 6,422
Charge for the year	436	446	882
Balance, December 31, 2021	\$ 1,955	\$ 5,349	\$ 7,304
Charge for the period	181	-	181
Balance, March 31, 2022	\$ 2,136	\$ 5,349	\$ 7,485
Net book value			
Balance, December 31, 2021	\$ 1,612	\$ -	\$ 1,612
Balance, March 31, 2022	\$ 1,431	\$ -	\$ 1,431

ApartmentLove Inc.
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5. INTANGIBLE ASSETS

Cost	Website Development Costs	Domains	Total
Balance, December 31, 2020	\$ 212,659	\$ 114,771	\$ 327,430
Additions	275,923	-	275,923
Balance, December 31, 2021	\$ 488,582	\$ 114,771	\$ 603,353
Additions	31,137	-	31,137
Balance, March 31, 2022	\$ 519,719	\$ 114,771	\$ 634,490
Accumulated amortization and impairment			
Balance, December 31, 2020	\$ 138,266	\$ 99,257	\$ 237,523
Charge for the year	83,978	14,716	98,694
Balance, December 31, 2021	\$ 222,244	\$ 113,973	\$ 336,217
Charge for the period	32,816	399	33,215
Balance, March 31, 2022	\$ 255,060	\$ 114,372	\$ 369,432
Net book value			
Balance, December 31, 2021	\$ 266,338	\$ 798	\$ 267,136
Balance, March 31, 2022	\$ 264,659	\$ 399	\$ 265,058

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at March 31, 2022	As at December 31, 2021
Trade payables	\$ 115,731	\$ 357,862
Accrued liabilities	60,000	60,000
	\$ 175,731	\$ 417,862

All of the accounts payable and accrued liabilities at March 31, 2022 are due on standard credit terms and are expected to be settled within one year. Trade payables include amounts due to related parties amounting to \$3,992 (December 31, 2021 - \$1,946), these payables are unsecured, non-interest bearing and are due on demand.

ApartmentLove Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)
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7. TERM LOANS

	As at March 31, 2022	As at December 31, 2021
CEBA Loan (i)	\$ 34,873	\$ 33,319
Convertible debentures (ii)	728,870	418,461
	\$ 763,743	\$ 451,780

- (i) The Company applied for and received a \$60,000 CEBA loan in the 2020 fiscal year. The loan was provided by the Government of Canada to provide capital to companies to see them through the current challenges related to the COVID-19 pandemic and better position them to return to providing services and creating employment. The loan is unsecured. The loan is interest free to December 31, 2023. If the loan is paid back by December 31, 2023, \$20,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2023 the full \$60,000 loan will be converted to loan repayable over three years with a 5% interest rate. To estimate the fair value, the debt component was estimated first at \$26,094, considering the forgiveness and interest free aspects. An effective rate of 20% was used which corresponds to a rate that the Company would have obtained for a similar loan. The \$20,000 residual value was attributed to a government subsidy that is presented in the statement of loss in other income. The balance as at March 31, 2022 includes \$8,779 (December 31, 2021 - \$7,225) of accretion interest payable which was calculated using effective interest rates of 20%.
- (ii) On October 13, 2020, the Board approved the issuance of convertible debentures with a two year term and an interest rate to accrue at the rate of 10% per annum, convertible into common shares at \$0.10 to \$0.25 per common share. During the three months ended March 31, 2022, the Company closed a non-brokered private placement of convertible debentures totaling \$328,000 (2021 - \$590,000). The fair value of the loans was determined to be \$292,603 (2021 - \$518,280) using an effective interest rate of 16.79% and \$35,397 (2021 - \$71,720) being allocated to equity component of convertible debenture. During the 2022 fiscal year, a total of \$nil (2021 - \$138,685), which included accrued interest to date in the amount of \$nil (2021 - \$8,685) was converted into common shares. The balance as at March 31, 2022 includes \$40,466 (December 31, 2021 - \$6,539) of accretion and interest payable.

Convertible debentures	Fair Value	Equity Component	Total
Balance, December 31, 2020	\$ 21,652	\$ 3,821	\$ 25,473
Conversion of convertible debentures into common shares	(118,822)	(19,863)	(138,685)
Convertible debentures issued	518,280	71,720	590,000
Transaction costs	(17,400)	-	(17,400)
Accretion and interest expense	14,751	-	14,751
Balance, December 31, 2021	\$ 418,461	\$ 55,678	\$ 474,139
Convertible debentures issued	292,603	35,397	328,000
Transaction costs	(16,120)	-	(16,120)
Accretion and interest expense	33,926	-	33,926
Balance, March 31, 2022	\$ 728,870	\$ 91,075	\$ 819,945
Allocated as:			
Current			39,375
Non-current			689,495
Balance, March 31, 2022			\$ 728,870

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7. TERM LOANS (continued)

The maturity analysis of the undiscounted contractual balances of the term loans is as follows:

As at March 31, 2022

Less than one year	\$ 60,000
One to two years	793,000
Total undiscounted term loans	853,000
Amount representing implicit interest	(89,257)
Term loans	\$ 763,743

8. REVENUES

(a) Disaggregation of revenue

The Company disaggregates revenue by two major categories: (1) Revenues earned on individual listings and (2) listing contracts. Listing fee contracts have defined terms and may require a minimum or specified number of available listings on the Company's website for a defined period of time. Revenues on individual listings relate to customers directly posting their listing to the Company's Website. During the three months ended March 31, 2022 and 2021, as a result of the COVID-19 pandemic, the Company provided free listings to its contract customers.

	Three Months Ended	
	2022	2021
Revenue by major category		
Listing fees	\$ 1,033	\$ 825

(b) Accounts receivable and contract balances

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in customer deposits and deferred revenue on the balance sheet. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to the performance of obligations and related revenue recognition, resulting in accounts receivable.

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9. SHARE CAPITAL

(a) Authorized share capital

The authorized share capital consisted of an unlimited number of voting common shares.

(b) Common shares issued

As at March 31, 2022, the total number of shares issued was 38,755,350 and valued at \$2,967,004. The change in issued share capital for the periods presented were as follows:

	Number of Shares	Share Capital
Balance, December 31, 2020	34,194,990	\$ 2,208,355
Common shares issued for cash (i)	4,004,462	400,446
Share issuance costs (i)	-	(35,800)
Common shares issued for payables (ii)	970,125	97,013
Common shares issued in exchange for services (iii)	495,374	49,537
Balance, March 31, 2021	39,664,951	\$ 2,719,551
Balance, December 31, 2021	38,575,350	\$ 2,939,464
Common shares issued for option exercise (iv)	180,000	27,540
Balance, March 31, 2022	38,755,350	\$ 2,967,004

- (i) During the three months ended March 31, 2021, the Company completed a private placement to issue 4,004,462 common shares for total proceeds of \$364,646 (net of share issuance costs).
- (ii) During the three months ended March 31, 2021, \$97,013 of the amounts due to shareholders were converted to common shares, and 970,125 common shares were issued at \$0.10 per share.
- (iii) During the three months ended March 31, 2021, the Company issued 495,374 common shares in exchange for \$49,537 in consulting services.
- (iv) During the three months ended March 31, 2022, 180,000 stock options were exercised at a price of \$0.10 per share for total proceeds of \$18,000. The options exercised had an original fair value of \$9,540 previously recognized in contributed surplus which was transferred to share capital upon exercise of the options.

ApartmentLove Inc.
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10. STOCK OPTIONS

At the discretion of the Board of Directors, the Company may grant options and warrants to directors, officers, employees and key consultants.

The following table reflects the continuity of stock options for the three months ended March 31, 2022 and 2021:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2020	1,615,164	\$ 0.09
Granted (ii)	1,800,000	0.10
Balance, March 31, 2021	3,415,164	\$ 0.09
Balance, December 31, 2021	3,655,000	\$ 0.138
Granted (i)	400,000	0.25
Exercised (note 9(b)(iv))	(180,000)	0.10
Balance, March 31, 2022	3,875,000	\$ 0.151

- (i) On March 16, 2022, the Company granted 400,000 stock options to members of the board of directors of the Company, exercisable at a price of \$0.25 per share. The options vested immediately and expire on December 31, 2024. The fair value was determined to be \$40,400 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.185, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 1.83% and expected life of 2.80 years.
- (ii) On February 28, 2021, the Company granted 1,800,000 stock options to members of the board of directors of the Company, exercisable at a price of \$0.10 per share. The options vested immediately and expire on March 31, 2023. The fair value was determined to be \$95,400 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.10, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.28% and expected life of 2.08 years.
- (iii) A forfeiture rate of NIL% was used when recording stock-based compensation as it was expected that all officers, directors, and employees would continue with the Company over the vesting period. Any forfeitures will be accounted for as they happen. The Company's shares became publicly traded on August 30, 2021 however, the Company does not yet have the necessary trading history to compute its expected volatility using historical volatility; therefore, the Company has used the historical volatilities of certain members of its peer group for input into the Black-Scholes option pricing model.

During the three months ended March 31, 2022, the Company recorded share-based compensation expense of \$40,400 (three months ended March 31, 2021 - \$95,600) related to stock options.

ApartmentLove Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)
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10. STOCK OPTIONS (continued)

The following table reflects the actual stock options issued and outstanding as at March 31, 2022:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)
May 9, 2022	0.08	0.11	125,000	125,000
May 9, 2022	0.10	0.11	470,000	470,000
May 9, 2022	0.25	0.11	270,000	270,000
December 31, 2022	0.08	0.75	500,000	500,000
December 31, 2022	0.10	0.75	300,000	300,000
March 31, 2023	0.10	1.00	1,080,000	1,080,000
December 31, 2023	0.25	1.75	730,000	730,000
December 31, 2024	0.25	2.76	400,000	400,000
	0.151	1.07	3,875,000	3,875,000

11. WARRANTS

The following table reflects the continuity of warrants for the three months ended March 31, 2022 and 2021:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2020 and March 31, 2021	929,100	\$ 0.095
Balance, December 31, 2021 and March 31, 2022	710,000	\$ 0.091

Warrants include the value of warrants granted to support financings. When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account. When warrants expire, their value is credited to contributed surplus.

The following table reflects the actual warrants issued and outstanding as at March 31, 2022:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Warrants Outstanding
December 14, 2022	0.10	0.71	50,000
August 30, 2023	0.08	1.42	330,000
August 30, 2023	0.10	1.42	330,000
	0.091	1.37	710,000

12. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended March 31, 2022 was based on the net and comprehensive loss attributable to common shares of \$234,957 (three months ended March 31, 2021 – \$212,893) and the weighted average number of common shares outstanding for the three months ended March 31, 2022 of 38,647,350 (three months ended March 31, 2021 – 35,622,245). Diluted loss per share for the three months ended March 31, 2022 did not include the effect of 3,875,000 stock options, 710,000 warrants and 4,370,520 convertible debentures (three months ended March 31, 2021 – 3,415,164 stock options, 929,100 warrants and 2,112,850 convertible debentures) as they are anti-dilutive.

ApartmentLove Inc.
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13. RELATED PARTY TRANSACTIONS

The Company considers its key management personnel to be its executive officers and directors. During the three months ended March 31, 2022, the Company provided service period stock-based compensation and was charged management fees and commissions for the services provided by its executive officers, directors and companies controlled by members of directors. The total compensation relating to key management is as follows:

	Three Months Ended	
	March 31,	
	2022	2021
Management fees and commissions	\$ 54,933	\$ 33,750
Stock-based compensation	40,400	95,600
	\$ 95,333	\$ 129,350

- (i) During the three months ended March 31, 2022 the company incurred \$54,933 (three months ended March 31, 2021 - \$33,750) in management fees and commissions paid to the officers and companies controlled by directors of the Company. Of these amounts, management fees of \$46,813 (three months ended March 31, 2021 - \$33,750) are recorded as salaries and commissions, and commissions of \$8,120 (three months ended March 31, 2021 - \$nil) are recognized as a deduction from term loans.
- (ii) During three months ended March 31, 2022, the Company issued 400,000 (three months ended March 31, 2021 - 1,800,000) stock options to members of the board of directors (the "Board") that entitled the option holder to purchase one common share at a price of \$0.25 (three months ended March 31, 2021 - \$0.10) per share. The options vested immediately and expire as described in note 10. The stock based compensation expense recognized related to these options amounted to \$40,400 (three months ended March 31, 2021 - \$95,600).

14. SUBSEQUENT EVENTS

- (a) Subsequent to the period ended March 31, 2022, the Company announced a non-brokered private placement offering of up to a maximum of 10,000,000 units priced at \$0.15 per units for gross proceeds of up to \$1,500,000. Each unit consists of one common share and a one-half common share purchase warrant. Each full warrant can be exercised to purchase one common share at a price of \$0.25 per share for a period of two years from the issue date. On May 20, 2022, the Company closed the first tranche of the offering, issuing 4,633,333 units for gross proceeds of \$695,000.
- (b) Subsequent to the period ended March 31, 2022, 124,999 stock options were exercised at a price of \$0.08 per share and 470,000 stock options were exercised at a price of \$0.10 per share for total gross proceeds of \$57,000.
- (c) Subsequent to the period ended March 31, 2022, a total of 270,000 stock options with an exercise price of \$0.25 per share which were not exercised by option holders lapsed and they were cancelled.