*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in Ontario, British Columbia, Alberta and Quebec but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

*This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This non-offering prospectus does not constitute a public offering of securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

**AMENDED AND RESTATED PRELIMINARY PROSPECTUS DATED SEPTEMBER 19, 2022, AMENDING AND RESTATING THE PRELIMINARY PROSPECTUS DATED JUNE 23, 2022**

**Non-Offering Prospectus** **September 19, 2022**

# E-POWER RESOURCES INC.

**No securities are being offered pursuant to this Prospectus**

This prospectus (this "**Prospectus**") is being filed with the securities regulatory authorities in the provinces of Quebec, British Columbia, Alberta and Ontario (the "**Qualifying Jurisdiction**") for the purpose of allowing E-Power Resources Inc. (the "**Company"** "**we**", "**us**", "**our**") to become eligible for listing pursuant to the Policies and Procedures of the Canadian Securities Exchange (the "**CSE**" or the "**Exchange**") and to become a reporting issuer in these jurisdictions and to enable the Company to develop an additional organized market for its Common Shares ("**Common Shares**").

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

The Company is hereby qualifying for distribution in the Qualifying Jurisdiction all of its currently issued and outstanding common shares.

**There is no market through which the Company's securities may be sold and shareholders may not be able to resell securities of the Company owned by them. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. You should carefully review and evaluate certain risk factors before making any investment decision with respect to the securities of the Company. See "Risk Factors".** Listing will be subject to the Company fulfilling all of the listing requirements of the CSE including, without limitation, the distribution of the Common Shares to a minimum number of public shareholders and the Company meeting the minimum listing requirements of the Exchange.

**The Company is incorporated under the *Business Corporations Act* (Québec) and is in the business of the acquisition, exploration and development of mineral properties. See "Description of the Business". AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. AN INVESTMENT IN THESE SECURITIES SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS".**

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

**An investment in securities of the Company is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "Risk Factors".**

**No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of the Prospectus.** No person is authorized by the Company to provide any information or make any representations other than those contained in this Prospectus.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

## ENFORCEMENT OF CIVIL LIABILITIES

Certain directors or officers of the Company are residents of a foreign jurisdiction and the Company has appointed the following agent for service of process:

| Name of Person or Corporation | Name and Address of Agent for Service of Process |
|---|---|
| Michael Danielsson, Director | BCF LLP<br>1100 Rene Levesque Boulevard West,<br>25th Floor, Montreal, QC H3B 5C9 |
| Thomas Langley, Director | BCF LLP<br>1100 Rene Levesque Boulevard West,<br>25th Floor, Montreal, QC H3B 5C9 |
| Anna Oxenstierna, Director | BCF LLP<br>1100 Rene Levesque Boulevard West,<br>25th Floor, Montreal, QC H3B 5C9 |

Shareholders are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

The Company's head office is located at 3 Place Ville-Marie, Suite 400, Montreal, Quebec H3B 2E3, Canada.

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**You may only rely on the information contained in this Prospectus or that we have referred you to. We have not authorized any person to give you any supplemental information or to make any representations for us. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Common Shares in any circumstances in which such offer or solicitation is unlawful. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in our affairs since the date of this Prospectus, or that this Prospectus is correct as of any time after its date. You should not rely upon any information about our Company that is not contained in this Prospectus. Information contained in this Prospectus may become stale. You should not assume the information contained in this Prospectus or any Prospectus supplement is accurate as of any date other than their respective dates, regardless of the time of delivery of this Prospectus, any Prospectus supplement or of any sale of the Common Shares. Our business, financial condition, results of operations, and prospects may have changed since those dates.**

# NOTE TO INVESTORS

## About this Prospectus

Investors should rely only on the information contained in this Prospectus and are not entitled to rely on certain parts of the information contained in this Prospectus to the exclusion of others. The Company has not authorized anyone to provide investors with additional or different information. The information contained on the Company's website or any affiliated website is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date otherwise indicated, regardless of the time of delivery of this Prospectus. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus. If, after the date that this Prospectus is filed but before the filing of a final prospectus, a material adverse change occurs, the Company will be required to file an amendment to this Prospectus as soon as practicable, but in any event, within 10 days after the material adverse change occurs. If, after the date that a final prospectus is filed but before the completion of the distribution under the final prospectus, a material change occurs, the Company will be required to file and deliver to investors an amendment to the final prospectus as soon as practicable, but in any event within 10 days after the material change occurs.

## Interpretation

Unless the context otherwise requires, all references in this Prospectus to "we", "us". "our" or the "Company" refer to E-Power Resources Inc., a Québec corporation. Certain capitalized terms and phrases used in this Prospectus are defined under "Glossary of General Terms". Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking information" and "forward-looking statements" which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect", "believe", "plan", "project", "assume", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. No assurance can be given that the expectations in any forward-looking statement will prove to be correct and, as such, the forward-looking statements included in this Prospectus should not be unduly relied upon. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus. Forward-looking statements in this Prospectus include, but are not limited to, statements with respect to:

- the intention to complete the listing of the Common Shares on the CSE and all transactions related thereto;
- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations;
- the possibility that future exploration, development or mining results will not be consistent with the Company's expectations;
- dependence on the Tétépisca Property in eastern Québec;
- global financial conditions, including market reaction to COVID-19;
- risks related to the COVID-19 outbreak;
- dependence on key personnel including the ability to keep essential operational staff in place as a result of COVID-19;
- exploration, development and production risks;
- volatility in the market prices for graphite, other precious metals and other natural resources;
- lack of assurances regarding obtaining and renewing licenses and permits;
- liabilities inherent in exploration and development operations;
- title matters, surface rights and access rights;
- changes in economic conditions or regulatory environments;
- additional funding requirements;
- fluctuations in currency and interest rates;
- competition for, among other things, capital acquisitions of resources, undeveloped lands and skilled personnel;
- risks relating to global financial and economic conditions;
- alteration of tax regimes and treatments;
- changes in mining legislation affecting operations;
- risks relating to environmental regulation and liabilities;
- limited operating history;
- potential claims and legal proceedings;
- operating hazards, risks and insurance; and
- other factors discussed under "Risk Factors".

All forward-looking statements reflect management's beliefs and assumptions based on information at the time the assumption was made. These forward-looking statements are not based on historical facts but rather management's expectations regarding future activities, results of operations, performance, future capital and other expenditures, competitive advantages, business prospects and opportunities.

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Company's future growth potential, results of operations, future prospects and opportunities, execution of the Company's business strategy, access to adequate services and supplies, access to capital and debt markets and associated costs of funds, availability of a qualified workforce, that financial markets will not in the long term be adversely impacted by the COVID-19 crisis, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. Investors are cautioned against placing undue reliance on forward-looking statements.

Any forward-looking statements which we make in this Prospectus speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. You should read this entire Prospectus carefully, especially the "Risk Factors" section of this Prospectus and our financial statements and the notes thereto appearing elsewhere in this Prospectus. Certain capitalized terms used in this summary are defined under "Glossary of General Terms".*

### THE COMPANY

*Overview*

The Company was incorporated on October 18, 2018 pursuant to the *Business Corporations Act* (Québec) under the name "9386-4312 Québec Inc." and changed its name to "E-Power Resources Inc." on December 6, 2018. The Company's head office and registered and records office is located at 3 Place Ville-Marie, Suite 400, Montreal, Quebec H3B 2E3.

*Intercorporate Relationship*

The Company does not have any subsidiaries.

### Business of the Company

The Company is engaged in the acquisition, exploration and development of mineral properties in the province of Quebec currently has a portfolio of one property, the Property. Its current focus is to conduct the proposed exploration program on the Property as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities. See "The Property".

### Management, Directors and Officers

| Name | Title |
|---|---|
| Jamie Lavigne | President, Secretary and Director |
| Michael Danielsson | Director |
| Allan Miller | Director |
| Anna Oxenstierna | Director |
| Thomas Langley | Director |
| Paul Haber | Chief Financial Officer |

### No proceeds raised

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the Ontario Securities Commission, the British Columbia Securities Commission, the Alberta Securities Commission and the *Autorité des Marchés Financiers* for the purpose of allowing the Company to become a reporting issuer in such jurisdictions and to enable the Company to develop an organized market for its Common Shares. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

**Listing**

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including, without limitation, the Company meeting the CSE's minimum listing requirements.

**Available Funds and Principal Purposes of Such Funds**

As at March 31, 2022, the Company had a working capital in the amount of $963,415, including the marketable securities amounting to $187,500 presented as investment portfolio. The Company estimates that it will require the following funds to conduct its plan of operations over the next twelve months:

| **Use** | **Amount ($)** |
|---|---|
| To pay the estimated cost of the recommended Phase 1 exploration program and budget on the Property as outlined in the Technical Report(1) | $120,750 |
| Estimated expenses of the Prospectus, listing and related costs | $120,000 |
| Operating expenses for 12 months(2) (3) | $252,500 |
| To provide general working capital to fund the Issuer's ongoing operations(4) | $240,000 |
| Unallocated working capital | $230,165 |
| **Total** | $963,415 |

Notes:

1) The estimated cost of the recommended Phase 1 exploration program and budget on the Property as outlined in the Technical Report is currently underway.
2) Before deducting expenses of the Listing, to be borne by the Issuer of approximately $80,000 (plus applicable taxes) (which some amounts in the working capital amount have since been used), including $10,000 payable to the Exchange (plus applicable taxes), fees payable to the Commission of approximately $9,000, fees of Corporation's counsel of approximately $52,500 (plus applicable taxes and disbursements), audit fees of approximately $15,000 and other expenses associated with the Offering, including printing and related costs, of approximately $6,000. See "*Use of Proceeds*".
3) Estimated operating expenses for the next 12 months include: $40,000 for geological consulting fees; $10,000 for insurance; $85,000 for management fees; $10,000 for office and miscellaneous (includes office supplies and computer); $70,000 for professional fees (audit and legal); $10,000 for Transfer Agent and filing fees; and $15,000 for PR and marketing.
4) The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. With respect to the general working capital, the remaining general working capital will be used to fund a Phase 2 exploration program after analysis of the initial results and identification of priority targets in conjunction with the project's qualifying person. The Issuer's unallocated working capital will not suffice to fund a Phase 2 exploration program on the Property and there is no assurance that the Issuer can successfully obtain additional financing to fund a Phase 2 program.

The Company intends to fund its business using the proceeds from prior private placement financings (hereinafter described). The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regards to any prospective investment or business opportunity or if the costs of the

Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated. *See "Funds Available and Use of Available Funds".*

***Risk Factors***

An investment in the Common Shares should be considered highly speculative and involves a substantial degree of risk, and investors may incur a loss on their investment. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; CSE approval; global financial conditions, including market reaction to COVID-19; risks related to the COVID-19 outbreak; dependence on the Property; exploration, development and production risks; mineral resources and reserves; obtaining and renewing licenses and permits; no assurances that a commercially viable ore body will ever be discovered or, if discovered, ever put into production; title matters, surface rights and access rights; additional funding requirements; dilution; first nations land claims; environmental risks; limited operating history; dependence on key personnel including the ability to keep essential operational staff in place as a result of COVID-19; lack of operating cash flow; regulatory requirements; mineral prices; infrastructure; risks associated with acquisitions; executive employee recruitment and retention; adverse general economic conditions; claims and legal proceedings; force majeure; uncertainty of use of proceeds; competition; conflicts of interest; dividends; litigation; reporting issuer status; and operating hazards, risks and insurance. See "Risk Factors" for additional for a discussion of the foregoing risks and additional risk factors.

**Selected Financial Information**

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and related notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from the audited financial statements for the Company for the year ended September 30, 2021 and for the six months period ended March 31, 2022.

The following summary consolidated statements of operations data for the fiscal year ended September 30, 2021 and for the six months period ended March 31, 2022. The following information should be read in conjunction with those financial statements and the accompanying notes, and management's discussion and analysis of the Company included elsewhere in this Prospectus. See "Selected Financial Information and MD&A of the Company".

| | **Six months ended March 31, 2022 ($) (unaudited)** | **For the financial year ended September 30, 2021 ($) (audited)** |
|---|---|---|
| Total revenue | $216,369 | $430 |
| Management and Consulting fees | $239,822 | $304,480 |
| Legal and Audit Professional Fees | $64,479 | $28,721 |
| Mining Fees | $45,740 | $3,7333 |
| Office and miscellaneous | $5,099 | $35,481 |
| Share-based compensation | Nil | Nil |
| Net loss | ($144,118) | (375,988) |
| Basic and diluted loss per Share | (0.0063) | (0.0169) |
| Total assets | $1,839,565 | $1994,115 |
| Total current liabilities | ($112,514) | ($306,393) |
| Cash dividends per Share | Nil | Nil |

## GLOSSARY OF DEFINED TERMS

In this Prospectus, unless the context indicates or requires otherwise, the following terms have the following meanings:

**"Affiliate"** means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

(a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person, or

(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

**"Associate"** when used to indicate a relationship with a Person means:

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the Person;

(c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;

(d) in the case of a Person who is an individual, a relative of that Person, including:

   (i) that Person's spouse or child, or

   (ii) any relative of the Person or of his spouse who has the same residence as that Person.

"**Audit Committee**" means the Audit Committee of the Company.

"**BCA**" means the *Business Corporations Act* (Quebec).

"**Board**" means the board of directors of the Corporation.

"**Common Shares**" means the common shares in the capital of the Company.

**"Commissions"** means the *Autorité des marchés financiers,* the Ontario Securities Commission, the British Columbia Securities Commission, and the Alberta Securities Commission.

"**Company**" or "**Corporation**" means E-Power Resources Inc.

"**COVID-19**" means coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

“**CSA**” means Canadian Securities Administrators.

“**CSE**” means the Canadian Securities Exchange.

“**Directors**” means the current directors of the Company collectively, and in the singular means any one of the directors.

“**Escrow Agent**” means the Transfer Agent, in its capacity as escrow agent for the Common Shares held in escrow under the Escrow Agreement to be entered into prior to Listing.

“**Escrow Agreement**” means the escrow agreement entered into among the Escrow Agent, the Company, and the Principals, pursuant to which 1,447,200 Common Shares pursuant to NP 46-201.

“**Listing**” means the listing of the Common Shares of the Company on the CSE.

“**MD&A**” means the management discussion & analysis of the Company, prepared in accordance with Form 51-102F1.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*.

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

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**Principals**” means Jamie Lavigne, Michael Danielsson and Thomas Langley.

“**Property**” means the Tetepisca Property, as further overviewed in the Technical Report.

“**Prospectus**” means the preliminary prospectus and the final prospectus of the Company, as applicable.

“**RSU Participant**” means an eligible employee, director, or consultant of the Company or a subsidiary (or in the case of a consultant, also of a related entity) to whom RSUs are granted under the RSU Plan.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Technical Report**” means the technical report titled “N1 43-101 Technical Report on Tetepisca Property” prepared in accordance with the requirements of NI 43-101 by Michel Boily, P.Geo. and Mark Fekete, P.Geo. addressed to the Company in respect of the Property, dated effective February 18, 2022.

“**Transfer Agent**” means the Company’s transfer agent and registrar, Capital Transfer Agency at its office at 390 Bay Street Suite 920, Toronto, ON M5H 2Y2.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated on October 18, 2018 pursuant to the CBA under the name “9386-4312 Québec Inc.” and changed its name to “E-Power Resources Inc.” on December 6, 2018. The Company’s head office and registered and records office is located at 3 Place Ville-Marie, Suite 400, Montreal, Quebec H3B 2E3.

### Intercorporate Relationship

The Company does not have any subsidiaries.

## BUSINESS OF THE COMPANY

The Company is engaged in the acquisition, exploration and development of mineral properties in Québec and currently has a portfolio of one property, the Property. Its current focus is to conduct the proposed exploration program on the Property as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests and conduct exploration and evaluation of to assess their potential. The Company may decide to acquire other properties other than the Property. The Company’s operating segment that is a reportable segment under generally accepted accounting principles is the exploration of mineral properties.

The Company’s Property is located approximately 215 kilometres northwest of Baie-Comeau in the Côte-Nord Region of eastern Québec. The Property is centered at geographic coordinates 51.166° North Latitude and -69.100° West Longitude. It is divided into the northern or “Manic” section in the northeastern corner of NTS map sheet 22N03, and the southern or “TP” section that staddles the northern part of NTS map sheet 22K14 and the southern part of NTS map sheet 22N03.

The Company has applied to and obtained conditional approval from the CSE to list the Common Shares on the CSE. Listing on the CSE is subject to the Company fulfilling all of the listing requirements and conditions of the CSE. There is no guarantee that the Common Shares will be listed on the CSE or on any exchange.

***The Purchase Agreement***

The Company has acquired a 100% interest in the Property pursuant to a purchase agreement dated April 15, 2019 (the “**Purchase Agreement**”) between the Company and Michel Larouche, Pierre Brisson, Michel Gauthier, Mario Bourque, Marcel Bourque, Gilles Bourque and Roger Ouellet (collectively, the "**Vendors**"). Under the Purchase Agreement, the Company paid the Vendors $10,000 and issued 200,000 Common Shares. The Company will issue an additional 200,000 Common Shares to the Vendors upon filing a mineral resource estimate on the 52 Block in accordance with NI 43-101 standards. The Vendors have reserved a NSR royalty equal to 1.5% of all marketable materials produced from the Tétépisca block only.

The Company has the right to repurchase one third (i.e., 0.5%) of the Tétépisca block royalty at any time for $500,000.

The Purchase Agreement was an arm’s length transaction.

To the extent known, there are no other royalties, back-in rights, payments, or other agreements and encumbrances to which the Property is subject.

For a full description of the Property please see “The Property”.

### History

In the three most recent fiscal years the Company has been in operation, the Tétépisca Project was the only significant asset in the Company's pool. Exploration expenditures in 2021 totaled $4,958, management consulting fees in the amount of $304,480 and received no revenue. In 2021 and during the period ending March 31, 2022, the majority of the aggregate gross proceeds was raised through the sale of the Company's shares. The Company received no revenue from operations and received interests in the amount of $430.

The Company has taken the following steps to develop its business since incorporation:

- sought and acquired the rights to a mineral exploration property pursuant to the Purchase Agreement for the Property in April 2019;
- recruited directors and officers with the skills required to operate a publicly listed mineral exploration company;
- conducted exploration and consulting processes to ensure the viability of the mineral exploration property.
- as at March 31, 2022, the company had raised aggregate gross proceeds of $3,068,788 through the completion of non-brokered private placements of 22,882,559 Common Shares. The funds raised have provided sufficient capital to carry on the Company's business to date, and to cover the costs associated with the Prospectus and Listing over the course of its incorporation; and
- engaged auditors and legal counsel in connection with the Prospectus and Listing.

See "Use of Proceeds", "Material Contracts", and "Directors and Officers".

**Financings in the 12-month period before the date of this prospectus**

For the 12-month period before the date of this prospectus, the Company has completed the following financings:

- On July 7, 2021, the Company completed a non-brokered private placement of 2,179,338 Common Shares at a price of $0.30 per Common Share for gross proceeds of $ 653,801.40;
- On July 12, 2021, the Company completed a non-brokered private placement of 3,626,283 Common Shares at a price of $0.30 per Common Share for gross proceeds of $1,087,884.90;
- On November 30, 2021, the Company completed a non-brokered private placement of 207,000 Common Shares at a price of $0.30 per Common Share for gross proceeds of $62,100;
- On December 19, 2021, the Company completed a non-brokered private placement of 120,000 Common Shares at a price of $0.30 per Common Share for gross proceeds of $36,000;
- On February 7, 2022, the Company completed a non-brokered private placement of 190,000 Common Shares at a price of $0.30 per Common Share for gross proceeds of $57,000;
- On March 31, 2022, the Company completed a non-brokered private placement of 94,533 Common Shares at a price of $0.30 per Common Share for gross proceeds of $28,347;
- On April 22, 2022, the Company completed a non-brokered private placement of 53,103 Common Shares at a price of $0.30 per Common Share for gross proceeds of $15,930.90;
- On May 3, 2022, the Company completed a non-brokered private placement of 27,000 Common Shares at a price of $0.30 per Common Share for gross proceeds of $8,100; and

- On May 11, 2022, the Company completed a non-brokered private placement of 100,000 Common Shares at a price of $0.30 per Common Share for gross proceeds of $ 30.000.

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**Property**

The following represents information summarized from the Technical Report on the Property authored by Michel Boily, P.Geo. ("Dr. Boily") with a business address of 2121 de Romagne, Laval, Québec Canada, and Mark Fekete, P.Geo. ("Mr. Fekete") with a business address of 4281, rue St-Hubert, Montréal, Québec (collectively the "**Authors**"), each a Qualified Person (as defined in NI 43-101), prepared in accordance with the requirements of NI 43-101. All Figures and Tables from the Technical Report are reproduced in and form part of this Prospectus; a complete copy of the Technical Report is available for review on SEDAR at the following website: www.sedar.com. The extracts refer to numerous tables and figures that appear in the report, not all of which have been reproduced in the Prospectus. Some of the extracts the tables have been renumbered from those used in the Technical Report for continuity of the narrative related specifically to the Property. All readers are referred to the Technical Report for additional history, data, figures, tables, references and discussion.

**Property Location and Description**

The Property is located in the Municipality of Rivière-aux-Outardes in the MRC of Manicouagan in the Côte-Nord Region of eastern Québec approximately 215 kilometres northwest of Baie-Comeau situated on the North Shore of the St-Lawrence River. The Property is centered at geographic coordinates 51.166° North Latitude and -69.100° West Longitude. It is divided into the northern or "Manic" section in the northeastern corner of NTS map sheet 22N03, and the southern or "TP" section that straddles the northern part of NTS map sheet 22K14 and the southern part of NTS map sheet 22N03. The Manic section lies southwest of the Manicouagan Lake with a geographic centre at 493,000 mE, 5,668,300 mN. The TP section lies generally east of Tétépisca Lake with a geographic centre at 485,300 mE, 5,647,900 mN.

The Property consists of 233 mineral titles in two separate sections that cover an aggregate of 12,620.82 hectares, which are all held at 100% by the Company.

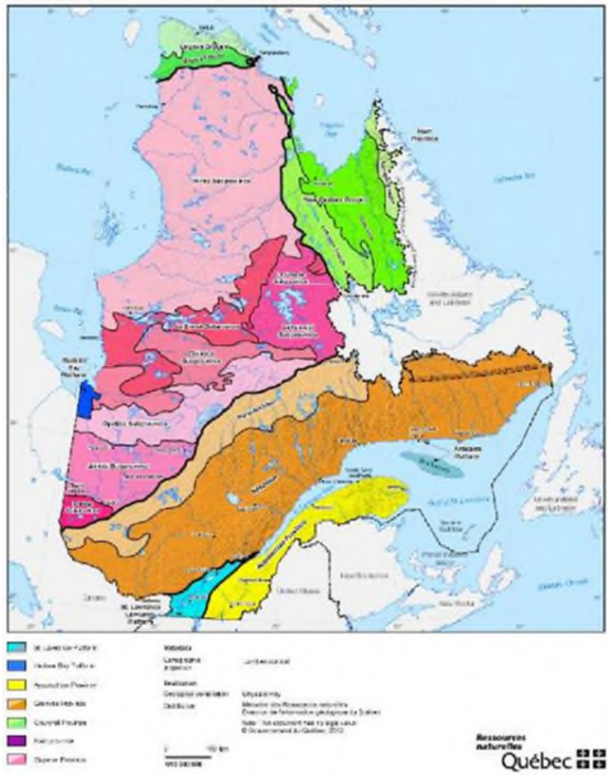
*(remainder of the page left blank intentionally)*


**Figure 1: Tétépisca property location**

## Geology

The rocks underlying the Property belong to the Grenville Province of the Precambrian Canadian Shield. The Grenville Province is a crustal build-up resulting from collision with the southeastern edge of the Superior Province through prolonged, 1.8 to 1.24 Ga, Andean-type continental arc and intracontinental back-arc magmatism with some lateral accretion of magmatic arcs (Rivers, 1997; Hanmer et al., 2000; Gower & Krogh, 2002). The Grenville largely consists of gneiss complexes of high-grade metamorphic rocks with polyphase ductile deformation and significant partial melting. It also contains the largest quantity (75%) and largest known anorthositic intrusions in the world (Ashwal & Wooden, 1983).

In Québec, the Grenville is divided into two main semi-continuous, parallel, stacked belts known as the Parautochthon and the Allochthon separated by a major thrust structure called the Allochthon Boundary Thrust (ABT) (Rivers et al., 1989). The Parautochthon is composed of mostly Archean rocks in contact with rocks of the Superior Province and is limited to the northwest by the Grenville Front. The overlying Allochthon to the southeast is composed of Paleoproterozoic to Mesoproterozoic rocks.




The northeastern Grenville was subjected to both orogenic (dominated by compression) and anorogenic events (dominated by extension) tectonics spanning several Ma listed by Gower & Krogh (2002) as: a) the Pre-Labradorian orogeny (1.90-1.71 Ga), b) the Labradorian event (1.71-1.60 Ga), c) the Wakamian event 1.60-1.52 Ga), d) the Piniwarian orogeny (1.52-1.45 Ma), e) the Elsonian event (1.451.23 Ma), f) the Elzeverian orogeny 1.23-1.180 Ma, g) the Adirondian orogeny (1.180-1.080 Ma), and h) the Grenvillian orogeny (1.080-0.985 Ma). The main magmatic arc events currently documented are associated with the late Paleoproterozoic orogeny (McLelland et al., 1996). Emplacement of large anorthosite massifs and coeval batholiths of mangerite-charnockite-granite (AMCG suites) marks periods of post-orogenic activities or reactivation following the Labradorian, Pinwarian and Grenvillian orogeny (McLelland et al., 1996; Gower & Krogh, 2003).

The Property lies within an embayment of the northeastern part of the Parautochthon on the northwestern margin of the ABT southwest of the Lac Manicouagan. The Parautochthon forms a 15 km-thick, moderately SE-dipping panel that was highly deformed in late Grenvillian orogeny (the Rigolet phase). This panel is structurally located in the footwall of the ABT and is overlain by the Allochthon. According to Dunning & Indares (2010), the central Grenville Parautochthon displays increasing metamorphic grade from the NW to SE from greenschist (450°C and 600 MPa) into the granulite facies (800°C to 1400 MPa). In the area of the Property, the Parautochthon underwent at least three main deformation events (MB2013-06). D1 is visible in the western sector of sheets 22K14 revealed as a schistosity (S1) oriented NW-SE. D2 increases toward the eastern sector until transposing the preceding deformation with two orthogonal shear zones mapped in the NE sector. D3 folding the lineation in is seen in the SE sector occasionally transposing S2.

**Mineralization**

Flake graphite is the most common type of mineralization found on or immediately adjacent to the Property with 22 known graphite showings in the immediate vicinity. There are also three known Ni-Cu-PGE showings and three vanadium occurrences.

Graphite mineralization is found in highly deformed and metamorphosed slivers of the Nault2 unit of the Nault Formation. This unit contains foliated and granoblastic paragneiss, migmatized paragneiss and migmatites having a mineral paragenesis of biotite, amphibole, garnet, kyanite, sillimanite and graphite. Graphitic layers commonly reach 50cm in thickness and may contain up to 30% graphite flakes.

Graphite mineralization commonly occurs in small disseminated or cm- or dm-sized clusters of gray-silver flakes. The graphite is oriented along the main foliation or layering within the paragneiss. It is associated with 5-20% sulfide minerals in irregular cm to dm-size plates or blobs that are disseminated in the rock or are in cm-thick ribbons. The sulfides are composed of pyrrhotite and pyrite with local chalcopyrite. The mineralized zones are constituted of alternate bands or layers of semi-massive or low-grade graphite and layers of biotite + amphibole ± muscovite ± garnet ± kyanite quartzo-feldspathic gneiss. The graphite content correlates to the concentration of sulfides.

**Exploration**

On behalf of the Company, Laurentia Exploration Inc. completed mapping, prospecting, and sampling from June 6 to 15, 2019 (Guerin-Tremblay, 2019) followed by trenching and sampling from July 15 to 25, 2019 (Boily, 2019). Prospecting with the aid of a Beep-Mat was focused along TDEM conductors outlined by the airborne survey completed by SOQUEM Inc. in 2003. The airborne data had been previously reinterpreted for the Issuer by geophysicist Marc Boivin. A total of 92 outcrops were mapped and 65 selected grab samples were collected for assay mostly from well mineralized, graphite- and sulfide-bearing bedrock belonging to the Nault Formation.

Of the 65 samples collected, 48 samples contained >1% graphite including 27 samples with > 5% Cg, 15 samples with >10% Cg and three samples with >20% Cg. The richest sample returned 47.2% Cg. Seven new graphite showings were identified by this phase of work.

In 2021, work done from mid-September to late-October, consisted of line cutting and HLEM geophysical surveys over four orientation grids at various locations on the Property. The site inspection by Mr. Fekete was done while Géophysique TMC Inc. was doing the HLEM survey. The lines cut by the geophysical crew were used as part of the site inspection, but the geophysical crew was not encountered in the field and the HLEM data was not available at the time of the site inspection. A total of 18.4km of line cutting and HLEM surveying was done on four grids.

In early February 2022 Prospectair flew a high-definition helicopter borne MAG and TDEM survey with a line spacing of 75m, average magnetic sensor height of 60m and average TDEM transmitter loop height of 35m. The survey included 279 line-km flown at 130° over the northern part of the

Manic section and 964-line km flown at 000° azimuth over the Graphi and Invent blocks of the TP section. The results of this work provide enhanced detail of certain TDEM conductors detected by the airborne survey completed by SOQUEM Inc. in 2003.

**Drilling**

The Company has not completed any drilling on the Property.

**Sampling, Analysis and Data Verification**

Dr. Boily has reviewed the sample preparation, analyses and security procedures for the work done by Laurentia Exploration Inc. on behalf of the Company. A total of 67 grab and 44 channel samples were collected by geologists or technicians under the supervision of a professional geologist. The 44 channel samples were collected from three mineralized sites which were mechanically stripped of overburden and washed to bare rock. The 10cm-wide channels were cut with a portable gas-powered rock saw by the technicians. The channel length of each sample varied from 0.5 to 1.5m with a total of 41.9 linear metres extracted. Each rock sample was tagged, inserted in a sturdy plastic bag and tied with strong adhesive tape. External control samples consisting of four certified reference standards and two blanks were inserted into the sample batch at regular intervals.

The entire batch of samples was transferred into rice bags and transported by truck by Laurentia personnel from the Lac-des-Passes camp to the Laurentia office in Saguenay, Québec. The samples were then shipped by transport to the ALS Canada Ltd. (“ALS”) laboratory in Val d’Or, Québec for preparation. In Val-d’Or the rocks (<8 kg) were dried, crushed to 70% passing 2 mm sieve, split to 250g and pulverized to 85% passing 75 µm (ALS Code PREP-31). The 250g sub-samples were then sent to the ALS laboratory in Vancouver, British Columbia for analysis of graphitic carbon content whereby a 0.2g sub-sample is treated to a mild hydrochloric acid digestion to remove inorganic carbon, then passed through a two-stage infrared induction furnace (ALS CodeC-IR18). The first temperature level eliminates the organic carbon. The second high temperature level releases CO2 leaving the reaming graphitic carbon to be measured. ALS is accredited to ISO 17025 by Standards Council of Canada for numerous specific test procedures, participates in international proficiency tests, and follows an internal QAQC program that includes the insertion of standard reference materials, duplicates and blanks into sample batches. ALS is independent of the Authors and the Company.

Dr. Boily is of the opinion that the sample preparation, security, and analytical procedures followed by Laurentia Exploration Inc. on behalf of the Company are adequate for the level of exploration conducted on the Property.

The Authors completed a comprehensive review of reports and data geoscientific data retrieved from the SIGÉOM website with respect to historical data or material supplied by the Company in the case of current data. The Authors took reasonable steps to verify this information where possible. Some relevant information on the Property presented in the Technical Report is derived from data presented in historical reports, maps and databases. The Authors have made every attempt to accurately evaluate and convey the content of these historical documents. However, the Authors were unable to verify all historical data due to the age of the data, lack of access to original copies of the data, the absence of accurate geographic coordinates for sample sites and the unavailability of drill core and sample rejects/pulps. Due to these inherent limitations the Authors have not relied on some of the historical data. Any historical data that the Authors may have relied on is clearly identified in the text of the Technical Report.

Dr. Boily compared the results stated in the Company's report prepared by Laurentia Exploration Inc. with the original assay certificates and found no discrepancies between them. The external control sample results were also satisfactory.

Dr. Boily completed a site inspection the Tétépisca block of the Property over a three-day period from July 18 to 20, 2019. At that time the Property consisted only of the 52 claims that now make up the Tétépisca block. During the inspection, work on behalf of the Company was being done by Laurentia Exploration Inc. The visit consisted of a general tour of the property geology, an assessment visit of the historical showings, a stopover at two sites where excavator trenching was underway and discussion with Laurentia geologists concerning geology, mineralization, and exploration plans. A total of four site inspection samples were collected. Dr. Boily submitted the samples to ALS.

Based on a comparison of the metal values reported by the Company with the original assay certificates and assay certificates, satisfactory external control sample results and the similarity of the site inspection sample results with metal values reported by the Issuer, Dr. Boily is of the opinion that the Issuer's data is adequate for the purposes used in the Technical Report.

Mr. Fekete completed a site inspection on certain parts of the Property from October 6 to 13, 2021 accompanied by a technician. A total of nine rock samples including one blank and one standard (OREAS 232) as external control samples were collected. The site inspection samples returned graphite values ranging from below detection limit (<0.025%Cg) to a maximum of 47.6%Cg. The external control reference standard and blank returned satisfactory results.

**Mineral Processing and Metallurgical Testing**

To the extent known, no mineral processing or metallurgical testing analyses have been carried out on the Property.

**Mineral Resources and Mineral Reserve Estimates**

To the extent known, no mineral resource estimates have been carried out on the Property.

The Property is at an early stage of exploration and is not considered by the Authors to be an advanced project. Therefore, the Technical Report does not discuss the following topics:

a) Mineral Reserve Estimates
b) Mining Methods
c) Recovery Methods
d) Project Infrastructure
e) Market Studies and Contracts
f) Environmental Studies, Permitting and Social or Community Impact

g) Capital and Operating Costs
h) Economic Analysis

**Conclusions**

The Property is at an early stage of exploration and at this point there is not enough data to discuss mineral resource or mineral reserve estimates or projected economic outcomes.

The project's potential economic viability is subject to two main risks and uncertainties. The first is the prevailing conditions of the graphite market. The global graphite market has been strong with a compound annual growth rate of 5.2% from 2017 to 2022. Demand is being driven by increasing use in “green” technologies like lithium-ion batteries and fuel cells for electric vehicles, and structural composite parts in the wind turbine energy and aerospace sectors. Currently there is insufficient capacity for low-cost production hence there is strong appeal to investors to finance early-stage graphite exploration projects. There is no guarantee that the current strong market for graphite will continue. The second factor that presents risks and uncertainties is the intrinsic ability of the Issuer to apply its expertise and knowledge to attract investment capital and successfully deploy this capital to define a viable graphite deposit mainly through successive exploration and drilling campaigns. There is no guarantee on the outcome of these future work campaigns.

The Tétépisca project has excellent logistical advantages. It is not far from existing infrastructure and active logging roads offer good access to all parts of the Property. Some of these roads are rough and slightly ingrown with alders and willows. Light maintenance may be required on these roads if more advanced exploration is undertaken. The Property is well drained due to the rolling nature of the terrain and relative to the Abitibi region there are very few swampy areas. In summary the Property is very workable.

Tétépisca clearly demonstrates the potential to host a graphite deposit based on the 22 graphite showings located to date by previous workers and the Company. These showings were all located by prospecting along TDEM conductors initially detected by an airborne survey completed by Soquem Inc. in 2003. HLEM ground geophysical surveys done by previous workers and the Issuer have also proven to be an effective method for better defining the conductive zones that host the graphite mineralization. Two separate site inspections by the Authors have verified the grade and dimensions of the graphite surface showings reported by previous workers and the Company. The Authors conclude that the Property merits further exploration for flake-type graphite mineralization.

Very impressive massive graphite mineralization exists in the Graphi-Centre showing area where the single largest TDEM feature on the Property is found. Both airborne and ground electromagnetic surveys have delineated a folded section of the Nault Formation marked by multiple conductor axes that trace at least three distinct graphite horizons within the fold. Extensive sampling by Focus Graphite Inc. in 2021 returned consistently strong graphite values ranging from 3.10 to 45.9% Cg. These high values were validated during the October 10 site inspection when two selected chips samples returned 20.0% Cg over 0.2m and 41.4% Cg over 0.2m from old prospecting pits on the north limb of the fold, and a selected chip sample returned 1.11% Cg over 0.5m from an old pit on the south limb of the fold. Moreover, this area is located on a ridge that is approximately 150m above the surrounding terrain. The high grade of the graphite zones and strong relief in this area suggest that a high grade, underground operation could possibly be developed by drifting in at the lower elevations. From an environmental and permitting standpoint this may be more favourable than an open pit operation which is more typical mining scenario for active or contemplated graphite mines in Québec. The high-grade and potential size of the Graphi Centre structure make it the primary exploration target on the Property.

The Authors strongly recommend further exploration of the Property for flake-type graphite deposits. A two-phase exploration program is recommended to identify, prioritize, and test exploration targets with an emphasis of the Graphi and Tétépisca claim blocks. It is expected that 75% of the proposed work will be done at the Graphi-Centre target on the Graphi block and 25% at the Graphi-West and Guinécourt showing areas. Phase I of the proposed program consists of data compilation and digitization, field mapping, prospecting, and sampling followed by intensive mechanical trenching. Phase II consists of drilling. The proposed expenditures, including 15% for contingencies, are estimated as $120,750 for the first phase of exploration and $526,700 for the second. Phase II is contingent upon positive results obtained in Phase I. Assuming both phases are fully completed, the total estimated cost is $647,450.

| **Phase I – Surface Work** | |
|---|---|
| Excavator | $10,500 |
| Geologist | $27,000 |
| Technical | $27,000 |
| F&L | $13,500 |
| Rentals | $6,000 |
| Truck | $6,000 |
| Rock | $12,500 |
| Permit | $2,500 |
| Contingency | $15,750 |
| **Total** | **$120,750** |

| **Phase II – Drilling** | |
|---|---|
| Drilling | $375,000 |
| Geologist | $27,000 |

| | |
|---|---|
| Technical | $13,500 |
| F&L | $9,000 |
| Truck | $6,000 |
| Core | $25,000 |
| Permit | $2,500 |
| Contingency | $68,700 |
| **Total** | **$526,700** |

Further details on the Property are available in the Technical Report.

## USE OF AVAILABLE FUNDS

### Proceeds

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds.

### Total Available Funds

As of March 31, 2022, the Company had net working capital in the amount of $775,915, as well as marketable securities in the amount of $187,500. The Company had working capital of approximately $885,150.74 (including the marketable securities in the amount of $187,500) as of May 31,2022, being the most recent month end period prior to this Prospectus.

### Principal Purposes

Assuming that the Listing is completed prior to year end, the Company expects that its yearly expenses would be approximately $600,000, as described in the table set out below.

| Use of Available Funds | Amount ($) |
|---|---|
| To pay the estimated cost of the recommended Phase 1 exploration program and budget on the Property as outlined in the Technical Report(1) | $120,750 |
| Estimated expenses of the Prospectus, listing and related costs | $120,000 |
| Operating expenses for 12 months(2) (3) | $252,500 |

| | |
|---|---|
| To provide general working capital to fund the Issuer's ongoing operations[(4)] | $240,000 |
| Unallocated working capital | $230,165 |
| **Total** | $963,415 |

Notes:

1) The estimated cost of the recommended Phase 1 exploration program and budget on the Property as outlined in the Technical Report is currently underway.
2) Before deducting expenses of the Listing, to be borne by the Issuer of approximately $80,000 (plus applicable taxes) (which some amounts in the working capital amount have since been used), including $10,000 payable to the Exchange (plus applicable taxes), fees payable to the Commission of approximately $9,000, fees of Corporation's counsel of approximately $52,500 (plus applicable taxes and disbursements), audit fees of approximately $15,000 and other expenses associated with the Offering, including printing and related costs, of approximately $6,000. See "*Use of Proceeds*".
3) Estimated operating expenses for the next 12 months include: $40,000 for geological consulting fees; $10,000 for insurance; $85,000 for management fees; $10,000 for office and miscellaneous (includes office supplies and computer); $70,000 for professional fees (audit and legal); $10,000 for Transfer Agent and filing fees; and $15,000 for PR and marketing.
4) The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. With respect to the general working capital, the remaining general working capital will be used to fund a Phase 2 exploration program after analysis of the initial results and identification of priority targets in conjunction with the project's qualifying person. The Issuer's unallocated working capital will not suffice to fund a Phase 2 exploration program on the Property and there is no assurance that the Issuer can successfully obtain additional financing to fund a Phase 2 program.

The Company intends to fund its business using the proceeds from prior private placement financings (hereinafter described). The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regards to any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated.

Since its founding, the Company has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the recommended Phase 1 exploration program on the Property. Although the Company has allocated $240,000 (as above) from recent financings to fund its ongoing operations for a period of twelve months, thereafter, the Company will be reliant on future financings for its funding requirements.

The Company funds its business using the proceeds from equity private placements. In the future, the Company may pursue additional private placement debt or equity financing based upon its working capital needs from time to time, including without limitation, to fund the proposed Phase II exploration program, however, there can be no assurance that such financing will be available, or completed on terms that are favourable to the Company.

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

**Business Objectives and Milestones**

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of mineral resource properties.

The Company's business objectives in using the available funds are to:

(a) complete the Listing (anticipated completion date: on or before October 31, 2022); and

(b) conduct the Phase 1 exploration program on the Property recommended in the Technical Report (anticipated commencement and completion dates: currently ongoing and by October 31, 2022, presuming the Listing Date is on or before October 31, 2022).

In addition to completing the Listing, the Phase 1 exploration program is ongoing and will be operating through October 31, 2022. This may be followed up by a field program consisting of prospecting, geological mapping, soil sampling and trenching. Any such field program will be dependent on the results of previous exploration work, and no funds have been allocated to the completion of any such field program.

The table below summarizes the principal milestones reached by the Corporation in the last year in connection with its activities on the Tetepisca property:

| Exploration Activity | Date of Program | Amount | Analysis, Results and Conclusions |
|---|---|---|---|
| Geological mapping and outcrop sampling | October 2021 | $10,947.66 | Geological mapping on selected parts of the property as provided the Corporation. Target areas prioritized as input for property drill program design |
| Assays | December 2021 | $1,060.59 | Graphite analyses of samples collected during October 2021 field work. Provides carbon as graphite analyses to support conclusions of fieldwork |

| | | | |
|---|---|---|---|
| Ground geophysical survey | September - October 2021 | $57,662.50 | Ground horizontal loop electromagnetic survey (max-min) completed over selected targets as defined by the Corporation, provides detailed ground control for drill planning and execution |
| Geophysical interpretation | December 2021 | $5,200 | Quality control, processing, presentation and interpretation of ground HLEM (max-min) survey data acquired on the Tetepisca Property. Integration of helicopter-borne data (Geotech survey 2002). Preparation of technical report to the standards of Québec's MERN |
| Airborne geophysical survey | January 2022 | $183,730 | Airborne magnetic and electromagnetic survey, updated technology and high-quality mapping of magnetic and conductive trends on the property. Conductors ground truther to be graphite based on historical compilation and previous field work. Fundamental to graphite exploration and resource delineation |

## DIVIDENDS OR DISTRIBUTIONS

To date, the Company has not declared any dividends or distributions on the Common Shares although there are no restrictions precluding the Company from declaring any such dividends. The Company intends to direct its cash towards the development of its business and the identification and evaluation of assets or businesses, and does not expect to declare or pay any dividends or distributions in the foreseeable future.

## MANAGEMENT DISCUSSION & ANALYSIS

Management's discussion and analysis of the Company for the three and six month periods ended March 21, 2022, and the year ended September 30, 2021, are included in Appendix C to this Prospectus and should be read in conjunction with the audited annual financial statements of the Company for the years ended September 30, 2021 and 2020. and the related notes thereto and the unaudited interim financial statements of the Company for the three and six month periods ended March 21, 2022, and the related notes thereto, included in this Prospectus in Appendix B and to which the management's discussion and analysis of the Company relates.

### Selected Financial Information

| | Six months ended March 31, 2022 ($) (unaudited) | For the financial year ended September 30, 2021 ($) (audited) |
|---|---|---|
| Total revenue | $216,369 | $430 |
| Management and Consulting fees | $239,822 | $304,480 |
| Legal and Audit Professional Fees | $64,479 | $28,721 |
| Mining Fees | $45,740 | $3,7333 |
| Office and miscellaneous | $5,099 | $35,481 |
| Share-based compensation | Nil | Nil |
| Net loss | ($144,118) | (375,988) |
| Basic and diluted loss per Share | (0.0063) | (0.0169) |
| Total assets | $1,839,565 | $1994,115 |
| Total current liabilities | ($112,514) | ($306,393) |
| Cash dividends per Share | Nil | Nil |

**Management Discussion and Analysis**

Management's discussion and analysis of the financial condition and results of operations of the Company for the six month period ended March 31, 2022 and the year ended September 30, 2021 are attached to this Prospectus as Appendix C. These management's discussions and analysis should be read in conjunction with the financial statements and the accompanying notes thereto included in this Prospectus. Certain information included in such management's discussions and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. *See "Risk Factors".*

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## DESCRIPTION OF SECURITIES OF THE COMPANY

**Share Issuances**

No securities are being offered pursuant to this Prospectus.

**Authorized Capital**

The Company is authorized to issue an unlimited number of Common Shares.

**Common Shares**

As at the date of this Prospectus, 23,062,662 Common Shares are issued and outstanding as fully paid and non-assessable.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board, to one vote per share at meetings of the shareholders of the Company and, upon liquidation, dissolution or winding-up of the Company to receive such assets of the Company as are distributable to the holders of the Common Shares.

### Options

The Board has approved a stock option plan (the "**Option Plan**"). For more information, see "Executive Compensation – Equity Compensation Plan Terms". As of the date of this Prospectus, under the Option Plan, there are no options ("**Options**") outstanding.

### Restricted Share Units

The Board has approved a restricted share unit plan (the "**RSU Plan**"). For more information, see "Executive Compensation – Equity Compensation Plan Terms". As of the date of this Prospectus, 373,333 restricted share units ("**RSUs**") have been reserved for issuance.

## CONSOLIDATED CAPITALIZATION

The following table sets out the consolidated capitalization as at the dates indicated. This table should be read in conjunction with the financial statements of the Company, including the notes thereto, contained elsewhere in the Prospectus.

| | Authorized Capital | Outstanding as at September 30, 2021 | Outstanding as at March 31, 2022 | Outstanding as at the date of this Prospectus |
|---|---|---|---|---|
| Common Shares | Unlimited | 22,271,026 | 22,882,559 | 23,062,662 |
| Options | 10% of issued and outstanding capital | Nil | Nil | Nil |
| RSUs | 10% of issued and outstanding capital | Nil | Nil | 373,333 |

(1) the pool for options and RSU, combined, shall not be more than 10% of the issued and outstanding share capital of the Company.

The increase in the number of outstanding common shares is due to the various non-brokered private placements undertaken by the Company. For more information, see "Prior Sales".

## OPTION TO PURCHASE SECURITIES OF THE COMPANY

### Stock Options

As of the date hereof, there are Nil Options issued and outstanding.

**RSUs**

As of the date of this Prospectus, 373,333 RSUs have been reserved for issuance.

**Equity Compensation Plan Terms**

*Stock Option Plan*

The purpose of the Option Plan is to provide the Company with the advantages of the incentive inherent in equity ownership on the part of Option Participants who are responsible for the continued success of the Company; to create in those Option Participants a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage Option Participants to remain with the Company and any subsidiaries; and to attract new employees, directors, officers and consultants. The Audit Committee will determine the directors, officers, employees, or consultants that Options shall be granted.

The Board will have the authority to grant Options to Option Participants, and will determine the terms and conditions applicable to the exercise of those Options including the number of Common Shares issuable under each Option, the exercise price, the expiry date, vesting conditions, if any, the nature and duration of the restrictions, if any, to be imposed on the sale or other disposition of Common Shares acquired on exercise of the Option, and the events, if any, that give rise to a termination or expiry of the Option Participant's rights under the Option, and the period in which such termination or expiry can occur.

The total number of Options that may be reserved for issuance and granted to any person under the Option Plan and the RSU Plan, in aggregate, will not exceed at any time, 10% of the issued and outstanding Common Shares, on a fully diluted basis, as at the date of grant of any Options under the Option Plan.

The Option Plan will be administered by the Board, and the Board may delegate its powers, rights and obligations to a committee. The Board may terminate the Option Plan at any time in its absolute discretion, without Shareholder approval.

*Restricted Share Unit Plan*

In proposing the RSU Plan, the Board considered its goal of attracting, retaining and encouraging key personnel. Accordingly, the RSU Plan is intended to supplement the Option Plan, provided that the aggregate issuances under the RSU Plan and the Stock Option Plan do not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis immediately prior to the proposed grant of the applicable RSUs. The purpose of the proposed RSU Plan is to provide a financial incentive for employees, consultants and directors of the Company, to devote their best efforts towards the long-term success of the Company's business, by aligning RSU Participants' financial interests with those of the Company and its Shareholders, to assist the Company in attracting and retaining individuals with top-level talent, passion, ability, and an overall commitment to the business of the Company, and to ensure that the total compensation provided to RSU Participants is at competitive levels.

The Board may grant RSUs to RSU Participants at such times as the Board in its sole and absolute discretion may determine.

The Audit Committee will determine the time vesting conditions for each RSU grant, which will be set out in the RSU Participant's award agreement. Vested RSUs will be payable in cash or Common Shares, or a combination of both cash and Common Shares, issued by the Company at the sole discretion of the Audit Committee. Absent exceptional circumstances, the Company expects that all RSUs will be settled in Common Shares issued by the Company. Where the payout is to be settled in cash, the Company will provide the RSU Participant with a cash payment determined by multiplying the number of RSUs being redeemed for cash, by the fair market value of one Common Share on the vesting date, less any applicable taxes and other source deductions required to be withheld by the Company.

A grant of RSUs will not entitle any RSU Participant to rights as a Shareholder of the Company prior to receipt of Common Shares. No holder of RSUs is entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for Shareholders of the Company for which the record date is prior to the date on which the RSU Participant becomes record owners of such Common Shares.

The RSU Plan will be administered by the Board (or by the Audit Committee upon delegation by the Board).

The Board may terminate, discontinue, or amend the RSU Plan at any time without the consent of a RSU Participant, such termination, discontinuance or amendment may not adversely affect such RSU Participant's rights under any RSU granted.

*Pension Plans*

The Company does not have defined benefit or defined contribution plans.

*Oversight and Description of Director and NEO Compensation*

The formal policies or practices of the Company to determine the compensation for the Company directors and executive officers are not known. It is anticipated that following Listing, the Company will establish such formal policies or practices.

## PRIOR SALES

### Financings in the 12-month period before the date of this prospectus

In the past 12 months, the Company has completed a series of offering of Common Shares, the details of which are set out in the table below.

| Date | Description | Price per Share | Shares Issued | Gross Proceeds |
|---|---|---|---|---|
| July 7, 2021 | Common Shares | $0.30 | 2,179,338 | $653,801 |
| July 12, 2021 | Common Shares | $0.30 | 3,626,283 | $1,087,885 |
| November 30, 2021 | Common Shares | $0.30 | 207,000 | $662,100 |
| December 19, 2021 | Common Shares | $0.30 | 120,000 | $36,000 |
| February 7, 2022 | Common Shares | $0.30 | 190,000 | $57,000 |
| March 31, 2022 | Common Shares | $0.30 | 94,533 | $28,347 |
| April 22, 2022 | Common Shares | $0.30 | 53,103 | $15,930.90 |
| May 3, 2022 | Common Shares | $0.30 | 27,000 | $8,100 |
| May 11, 2022 | Common Shares | $0.30 | 100,000 | $30,000 |

### Trading Price and Volume

The Company is a private corporation and its securities have never been publicly traded.

## ESCROWED SECURITIES

### Escrowed Securities

Pursuant to NP 46-201, securities held by Principals are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Common Shares and Options owned or controlled by the Principals of the Company are subject to the escrow requirements. In connection with the proposed Listing, the Company expects to enter into the Escrow Agreement in accordance with NP 46-201 as described herein.

Pursuant to the Escrow Agreement entered into among the Escrow Agent, the Company, and the Principals, 1,737,200 Common Shares (the “**Escrowed Securities**”) are held in escrow with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that an additional 15% will be released therefrom every 6 month interval thereafter, over a period of 36 months.

The Company is an “emerging issuer” as defined in NP 46-201. If the Company achieves “established issuer” status during the term of the Escrow Agreement, it will “graduate” resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established issuers as if the Company had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

(a) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board;

(b) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;

(c) transfers upon bankruptcy to the trustee in bankruptcy;

(d) pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and

(e) tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the Escrowed Securities that, as of the date of this Prospectus, will be subject to the Escrow Agreement:

| Designation of Class | Number of Securities to be held in Escrow | Percentage of Class |
|---|---|---|
| Common Shares | 1,737,200 | 7.53%(1) |

Note:

(1) Based on 23,062,662 Common Shares issued and outstanding.

A detailed breakdown of the Common Shares to be escrowed in connection with the Listing is shown in the following table:

| Name of Shareholder | Designation of Security | Number of Securities to be held in Escrow | Percentage of Class |
|---|---|---|---|
| Jamie Lavigne | Common Shares | 1,131,200 | 4.90% |
| Michael Danielsson | Common Shares | 536,000 | 2.32% |
| Thomas Langley | Common Shares | 70,000 | 0.31% |

NP 46-201 provides that all shares of a company owned or controlled by Principals will be escrowed at the time of the Company's initial public offering, unless the shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding Shares after giving effect to the initial public offering.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. The Company anticipates that it will be classified by the CSE as an "emerging issuer". As such, the Company anticipates that the following automatic timed releases will apply to the securities held by the Principals listed in the table above:

| Date of Automatic Timed Release | Amount of Escrowed Securities Released |
|---|---|
| On the Listing Date | 1/10 of the Escrowed Securities |
| 6 months after the Listing Date | 1/6 of the remaining Escrowed Securities |
| 12 months after the Listing Date | 1/5 of the remaining Escrowed Securities |
| 18 months after the Listing Date | 1/4 of the remaining Escrowed Securities |
| 24 months after the Listing Date | 1/3 of the remaining Escrowed Securities |
| 30 months after the Listing Date | 1/2 of the remaining Escrowed Securities |
| 36 months after the Listing Date | The remaining Escrowed Securities |

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed-release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released every six months thereafter in accordance with the table above. The depository for the escrowed securities is Capital Transfer Agency at its office at 390 Bay Street Suite 920, Toronto, ON M5H 2Y2.

## PRINCIPAL SECURITYHOLDERS

To the knowledge of management of the Company, no person or company owns of record or beneficially, or exercises control or direction over, directly or indirectly, of more than 10% of the issued and outstanding shares of any class of voting securities of the Company.

## DIRECTORS & OFFICERS OF THE COMPANY

### Name, Occupation and Security Holdings

The following table sets out the name, state/province and country of residence, position or offices held with the Company, date appointed, principal occupation, number and percentage of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as at the date of this Prospectus.

| Name, Current Position and | Position held Since | Principal Occupation for the past 5 years | Number and Percentage of |
|---|---|---|---|

| State/Province and Country of Residence | | | Shares Beneficially Owned or Controlled |
|---|---|---|---|
| **Jamie Lavigne** President, Secretary and Director Ontario, Canada | October 2018 | Economic geologist | 1,131,200Common Shares 4.90% |
| **Michael Danielsson**, Director, Sweden | September 2019 | Senior Advisor to Avis Financial Corporation | 536,000Common Shares 2.32% |
| **Allan Miller,** Director, Ontario | May 2022 | Geological Consultant | Nil |
| **Thomas Langley,** Director, Sweden | June 2022 | Director Network, RN Nordic AB | 70,000 Common Shares 0.31% |
| **Anna Oxenstierna,** Director, Sweden | June 2022 | Senior Manager, Chairman, Iwema Advice AB | Nil |
| **Paul Haber** Chief Financial Officer, Ontario | June 2022 | Capital markets consultant and accountant | 4,000 Common Shares 0.02% |

As at the date of this Prospectus, the total number of Common Shares beneficially owned, or controlled or directed, directly or indirectly by the directors and executive officers of the Company as a group is 1,741,200 Common Shares or 7.55% of the total current issued and outstanding Common Shares of the Company.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Board. No executive officers of the Company have entered into non-competition or non-disclosure agreements with the Company. *See "Executive Compensation".*

The Board has one committee, the Audit Committee, whose members are Michael Danielsson (Chair), Allan Miller, and Jamie Lavigne.

**Background – Directors and Executive Officers**

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company.

***Jamie Lavigne – President, Secretary and Director, Age: 61***

Jamie Lavigne is an economic geologist with a Bachelor of Science degree from the Memorial University of Newfoundland and a Masters of Geology from the University of Ottawa. He has held senior positions with major Canadian and Australian mining companies and management roles with several junior exploration companies. Mr. Lavigne is employed as a consulting geologist operating through his wholly owned private Company Francis Minerals Ltd. Since 2018, Mr. Lavigne has been President of E-Power Resources where he has been responsible for technical aspects and management of the Companies graphite exploration properties including acquisition, exploration, and disclosure of technical information. Consulting assignments also completed by Mr. Lavigne in the last 5 years include: (i) resource estimation and mine planning at a gold mine in Nevada; (ii) resource delineation and exploration at a gold mine and exploration properties in the Abitibi region; (iii) exploration planning and program execution on a gold exploration property in Sonora Mexico; and (iv) the completion of multiple NI 43-101 technical reports on various exploration properties. Jamie Lavigne is a member of *L'Ordre des Geologues du Quebec* and a member of the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists. It is anticipated that Mr. Lavigne will allocate 80% of his time to the business of the Company.

***Michael Danielsson –Director, Age: 67***

Michael Danielsson has an extensive career in banking and finance, starting with Svenska Handelsbanken and later Swedbank; where he worked in risk control, valuing bond portfolio, money market derivatives and foreign exchange. Michael Danielsson currently acts as Senior Advisor to Avis Financial Corporation and holds an MBA from Stockholm School of Economics. It is anticipated that Mr. Danielsson will allocate 50% of his time to the business of the Company.

***Anna Oxenstierna –Director, Age: 58***

Anna Oxenstierna has a broad communications background, having worked primarily in investor relations/PR, financial information, compliance and building long-term confidence in the capital markets. Anna Oxenstierna was Head of Investor Relations for Volvo Cars and managed the investor relations function during the Nasdaq Stockholm IPO/listing process, ensuring that Volvo Cars met all regulatory requirements. Anna Oxenstierna has managed her own investor relations/PR firm since 2003 and led corporate communications and investor relations for Ahlsell AB during its IPO process. Anna Oxenstierna serves on the board of Njuice AB, a news media tech company. It is anticipated that Ms Oxenstierna will allocate 10% of her time to the Company.

***Thomas Langley –Director, Age: 55***

Thomas Langley has had a successful career in the auto industry leading functions such as dealer network development, customer experience, fleet management, complex service agreements, sales training and procurement. Thomas Langley currently serves on the board of directors at RN Nordic AB, the importer of the brands Renault, Dacia and Alpine in Sweden and Denmark, and is Director of Customer Experience and Dealer Network Development. Thomas Langley has owned a sailboat charter company, as well as a yacht brokerage and holds a Master of Science in Business Administration from Gothenburg School of Economics and Commercial Law. It is anticipated that Mr. Langley will allocate 10% of his time to the Company.

***Allan Miller –Director, Age: 71***

Dr. Miller has had a distinguished career as a Mineral Deposits Geologist. As a research scientist with the Geological Survey of Canada for over 25 years, Dr, Miller specialized in regional metallogeny in Canada's far north. Subsequently, Dr. Miller has advised and participated in exploration and resource development programs as a consulting geologist throughout the Americas, western Europe, Africa, South Pacific, China and Russian Federation. Dr. Miller earned his Ph.D. from the University of Western Ontario, London, Ontario in 1977. It is anticipated that Mr. Miller will allocate 10% of his time to the Company.

***Paul Haber – Chief Financial Officer, Age: 52***

Paul Haber, CPA, CA, is an accountant and specialist of public corporations. During the past five years, M. Haber has run a capital market consulting company, BlackBirch Capital Inc. He is also a US licensed CPA. Paul Haber has been the CFO of multiple public corporations operating in the mineral industry, such as Meryllion Resources Corporation (since September 2017), Thesis Gold Inc. (between October 2010 and November 2020), Advantagewon Oil Corp. (since June 2017), Oremex Gold Inc. (between July 2009 and December 2012), Gold Springs Resource Corp (between February 2007 and May 2016) and High Desert Gold Corporation (between October 2007 and February 2014).

**Other Reporting Issuer Experience**

The following table sets out the proposed directors, officers and promoters of the Company that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

| Name | Name of Reporting Issuer | Name of Exchange or Market | Position | Term |
|---|---|---|---|---|
| **Anna Oxenstierna** | Volvo Car AB | Nasdaq Stockholm | Head of Investor Relations | June 2021 – May 2022 |
| | Ahlsell AB | Nasdaq Stockholm | Head of Investor Relations | September 2015 – August 2017 |
| **Paul Haber** | Craftport Cannabis Corp. (formerly Benchmark Botanics Inc.) | CSE | Chief Financial Officer | Since April 20, 2020 |

| | | | | |
|---|---|---|---|---|
| | Meryllion Resources Corporation | CSE | Chief Financial Officer | Since September 9, 2017 |
| | Thesis Gold Inc. | TSXV | Director and Chief Financial Officer | October 2010 – November 2020 |
| | Advantagewon Oil Corp. | CSE | Chief Financial Officer | Since June 30, 2017 |
| | ScreenPro Security Inc. (formerly Compel Capital Inc.) | CSE | Chief Financial Officer | Since March 5, 2021 |
| | XTM Inc. | CSE | Director | February 2020 – May 2021 |
| | DataMetrex AI Limited (previously, Everfront Ventures Corp.) | TSXV | Director | Since May 5, 2020 |
| | Graph Blockchain Inc. (formerly Reg Technologies Inc.) | CSE | Director | Since May 19, 2020 |
| | Avant Brands Inc. (formerly GTEC Holdings Ltd.) | TSX | Director and Chief Financial Officer | January 2013 – June 2018 |
| | Payfare Inc. | TSX | Director | Since March 16, 2021 |
| | Bluesky Digital Assets Corp. | CSE | Chief Financial Officer | December 2015 – September 2019 |

**Promoters**

No person may be considered a promoter of the Company and no person of the Company has received or will receive anything of value, including money, property, contracts, options, or rights of any kind from the Resulting Issuer for acting as a promoter of the Company.

For information concerning the number and percentage of each class of voting securities and equity securities of the Resulting Issuer see "The Company – Principal Securityholders".

**Corporate Cease Trade Orders or Bankruptcies**

Except as noted below, no proposed director, officer, insider, or promoter of the Company is, or within the 10 years prior to the date of this Prospectus has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Jamie Lavigne was a director of Colibri Resources Corporation ("**Colibri**") when, on May 15, 2022, a cease trade order was imposed on Colibri by the Financial and Consumer Services Commission of New Brunswick due to Colibri's delay in the filing of its annual audited financial statements for the year ended December 31, 2021, its annual management's discussion and analysis for the year ended December 31, 2021 and its certification of the annual filings for the year ended December 31, 2021.

**Penalties or Sanctions**

No proposed director, officer, insider, or promoter of the Company, or shareholder holding sufficient securities to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor in making an investment decision.

**Personal Bankruptcies**

No proposed director, officer, insider or promoter of the Company, shareholder holding sufficient securities to affect materially the control of the Company, or personal holding company of any such persons has, within 10 years before the date of this prospectus, as applicable, become bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver or receiver manager or trustee appointed to hold the assets of that individual.

### Conflicts of Interest

Some of the directors or officers of the Company are also directors and/or officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company. Directors and executive officers of the Company will be bound to act at all times in good faith in the interest of the Company and to disclose such conflicts to the Company if and when they arise.

## EXECUTIVE COMPENSATION

The Company is currently not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6 – Statement of Executive Compensation ("**Form 51-102F6**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the Company's most recently completed financial year ended September 30, 2021 and whose total salary and bonus exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

### Proposed Executive Compensation

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors.

The Company does not have written agreements with its CEO, CFO or corporate secretary, but intends to enter into a written agreement with its CEO providing for a monthly compensation of $5,000 in cash and $5,000 worth of RSU. The Company intends to enter into a written agreement with respect to this remuneration within the next month.

In addition, the Company expects to grant incentive Convertible Equity Securities to the Named Executive Officers, under the Equity Compensation Plan set forth below and as further elaborated under the heading "*Convertible Equity Securities To Purchase Securities*".

### Risks of Compensation Policies and Practices and Purchase of Financial Instruments

The Board of the Company intends to examine the risks of its compensation policies and the purchase of financial instruments following Listing.

### Convertible Equity Securities

Convertible Equity Securities grants, such as stock options and RSUs, will be made on the basis of the number of Convertible Equity Securities currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such Convertible Equity Securities will be to assist the Company in compensating, attracting, retaining and motivating its officers and to closely align the personal interests of such persons to the interests of the shareholders.

As of the date of this Prospectus, there are no stock options outstanding under the Option Plan. As of the date of this Prospectus, 373,333 RSUs have been reserved for issuance.

The recipients of incentive Convertible Equity Securities and the terms of the Convertible Equity Securities granted will be determined from time to time by the Board. The exercise price of the Convertible Equity Securities granted will be generally determined by the market price at the time of grant.

The Company has not relied on the exemptions set forth in subsections 6.1.1(4), 6.1.1(5) and 6.1.1(6) of *Regulation 52-110 – Audit Committees* at any time since the commencement of its most recently completed financial year.

**Defined Benefit Plan**

The Company does not have any defined benefit or actuarial plan.

**Termination and Change of Control Benefits**

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities

**Director Compensation**

The Company does not  have written compensation agreements with the Company's directors.

The Company does not have any additional arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of stock Convertible Equity Securities and reimbursement of expenses incurred by such persons acting as directors of the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

As of the date of this Prospectus, no director or officer of the Company, or any Associate or Affiliate of any of them is indebted to the Company, nor is any indebtedness of any such person the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

# AUDIT COMMITTEE AND CORPORATE GOVERNANCE

## Audit Committee

The applicable rules require the Company, as a venture issuer and subject to the exemption in Section 6.1 of National Instrument 52- 110 - *Audit Committees* ("**NI 52-110**"), to disclose certain information relating to the Company's audit committee and its relationship with its independent auditors.

## Composition of the Audit Committee

The members of the audit committee are:

| | | |
|---|---|---|
| Michael Danielsson (Chair) | Independent (1) | Financially Literate (2) |
| Allan Miller | Independent (1) | Financially Literate (2) |
| Jamie Lavigne | Not Independent | Financially Literate (2) |

(1) A member of an audit committee is considered to be independent if the member has no direct or indirect material relationship with the corporation that could, in the view of the board of directors, reasonably interfere with the exercise of a member's independent judgement.

(2) An individual is considered to be financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by a corporation's financial statements.

The following table describes the Audit Committee members' principal occupation in the past five years:

**Principal Occupation During the Past 5 Years**

| Name, Municipality of Residence and Office held with the Company | Principal Occupation During the Past 5 Years | Director Since |
|---|---|---|
| Jamie Lavigne | Economic geologist | October 2018 |
| Michael Danielsson | Senior Advisor to Avis Financial Corporation | September 2019 |
| Allan Miller | Geological Consultant | May 2022 |

Each member of the present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

**Audit Committee Charter**

The Company has adopted an audit committee charter in the form attached hereto as Appendix A to this Prospectus.

**Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

**Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption set forth at Section 2.4 of NI 52-110 *(De Minimis Non-audit Services)*, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

**Pre-Approval Policies and Procedures**

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

**External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company's external auditors during the financial period ended September 30, 2021, and 2020 were as follows:

| Financial Period Ended | Audit Fees (1) | Audit - Related (2) | Tax Fees (3) | All Other Fees (4) |
|---|---|---|---|---|
| September 30, 2021 | $19,200 | Nil. | $19,250 | $1,470 |
| September 30, 2020 | $14,700 | Nil. | $23,950 | $700 |

(1) The aggregate fees billed by the Company's auditor for audit fees.
(2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.

(3) This would include the aggregate fees billed for professional services rendered by the Company's Auditor for tax compliance, tax advice and tax planning.
(4) The aggregate fees billed for professional services other than those listed in the other three columns.

## CORPORATE GOVERNANCE

### General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Instrument *58-201 - Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### Board of Directors

The Company's Board facilitates its exercise of independent supervision over the Company's Management through frequent meetings of the Board.

The Board is comprised of 5 directors, of whom each of 4 are independent for the purposes of NI 58-101. Jamie Lavigne is not independent as they all have a direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgement. An executive officer of the Company, such as the President or Secretary, is deemed to have a material relationship with the Company.

### Directorships

Except as disclosed in the table above, none of the Company's directors currently serve as directors of other publicly- traded companies.

### Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of Management and in the best interests of the Company.

### Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### Compensation

The Board is responsible for determining compensation for the directors and Chief Executive Officer of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

**Other Board Committees**

The Board has no standing committees other than the Audit Committee.

**Assessments**

Due to the minimal size of the Company's board of directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## CONDITIONAL LISTING APPLICATION

The Company has applied to the CSE to list the Common Shares on the CSE. Listing on the CSE is subject to the Company fulfilling all of the listing requirements and conditions of the CSE. There is no guarantee that the Common Shares will be listed on the CSE or on any exchange.

## PLAN OF DISTRIBUTION

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the Ontario Securities Commission, British Columbia Securities Commission, Alberta Securities Commission and the *Autorité des Marchés Financiers* for the purpose of allowing the Company to become a reporting issuer in such jurisdictions and to enable the Company to develop an organized market for its Common Shares. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

## RISKS FACTORS

The following are certain factors relating to the business of the Company, which factors investors should carefully consider when making an investment decision concerning the Common Shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

Prospects for companies in the mineral exploration industry generally may be regarded as uncertain given the nature of the industry and, accordingly, investments in mineral exploration companies should be regarded as highly speculative. Mineral exploration involves a significant degree of risk. An investor should carefully consider the risks and uncertainties described below. The risks and uncertainties described below are not an exhaustive list. Additional risks and uncertainties not presently known to the Company or that are considered to be immaterial may also adversely affect the Company's business. If any one or more of the following risks occur, the Company's business, financial condition and results of operations could be seriously harmed. Further, if the Company fails to meet the expectations of the public market in any given period, the market price of the Common Shares could decline. An investment in the Common Shares should only be made by persons who can afford a significant or total loss of their investment.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements. See “Forward-Looking Statements” in this Prospectus.

**Limited Operating History and Early Stage Property**

The Company is an early stage company and the Property is an exploration stage property. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Property requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Company will be successful in achieving a return on shareholders’ investment and the likelihood of its success must be considered in light of its early stage of operations.

The Property is in the early exploration stage and is without resources or reserves. The proposed programs on the Property are an exploratory search for a mineral deposit. Development of the Property will only follow upon obtaining satisfactory results. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that the Company’s exploration and development activities will result in any discoveries of commercial bodies of ore.

The long-term success of the Company’s operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

**Going Concern**

LFB cpa LLP, the Company’s independent accounting firm, has included an explanatory paragraph in their opinion that accompanies our audited financial statements as of and for the year ended September 30, 2021, indicating that the Company’s current liquidity position raises significant doubt about its ability to continue as a going concern. If the Company is  unable to improve its liquidity position, it may not be able to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

**Negative Cash Flow from Operating Activities**

The Company currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. As of September 30, 2021, the Company had a net loss of $375,988 ($413,444 as of September 30, 2020). The Company’s failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue our business. Further exploration and development of the Property will require the commitment of substantial financial resources. It may be several years before the Company will generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

**COVID-19 Outbreak**

In December 2019, COVID-19 emerged in Wuhan, China. Since then, it has spread to several other countries and infections have been reported around the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on our business, operations and financial results. In response to the COVID-19 pandemic, the Company has implemented precautionary measures at its corporate office, including limiting visits to essential personnel and ensuring proper protocols around sanitation and social distancing.

The outbreak of COVID-19 may cause disruptions to the Company's business and operational plans. These disruptions may include disruptions resulting from (i) shortages of employees, (ii) unavailability of contractors and subcontractors, (iii) interruption of supplies from third parties upon which the Company relies, (iv) restrictions that governments impose to address the COVID-19 outbreak, and (v) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations. Such adverse effect could be rapid and unexpected.

**Dependence on the Property**

The Company is an exploration stage company and as such does not anticipate receiving revenue from its mineral properties for some time. The Company will be solely focused on the exploration and development of the Property, which does not have any identified mineral resources or reserves. Unless the Company acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

Mineral exploration and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at the Property will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that Property will be brought into commercial production. Failure to do so will have a material adverse impact on the Company's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Company's control.

**Exploration, Development and Production Risks**

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

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

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing precious metals and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which the Company has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Company's properties will be located, often in poor climate conditions.

The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its properties and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory properties or acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

**Mineral Resources and Reserves**

Because the Company has not defined or delineated any resource or reserve on any of its properties, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Unless otherwise indicated, mineralization figures presented in this Prospectus are based upon estimates made by the Company, personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis which may prove to be unreliable.

There can be no assurance that these estimates will be accurate; resource or other mineralization figures will be accurate; or such mineralization could be mined or processed profitably.

**Insufficient Resources or Reserves**

Substantial additional expenditures will be required to establish either resources or reserves on mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

**Obtaining and Renewing Licenses and Permits**

In the ordinary course of business, the Company will be required to obtain and renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Property. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving public hearings and costly undertakings on the part of the Company. The duration and success of the Company's efforts to obtain and renew licenses or permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the licensing authority. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Company believes they can recover from the Property. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

**No Assurances**

There is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits. The Company's future growth and profitability will depend, in part, on its ability to identify and expand its mineral reserves through additional exploration of the Property and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that the Company's exploration efforts at the Property will be successful.

**Title Matters, Surface Rights and Access Rights**

The Property may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the Property and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Property or the size of the area to which such claims and interests pertain. The Company cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained.

**Additional Funding Requirements**

The exploration and development of the Property will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the precious metals industries in particular), the Company's status as a new enterprise with a limited history, the location of the Property, the price of commodities and/or the loss of key management personnel. Further, if the price of precious on the commodities markets decreases, then potential revenues from the Property will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development or production at the Property.

**Dependence on Key Personnel and Qualified and Experienced Employees**

The Company's success depends on the efforts and abilities of certain senior officers and key employees. Certain of the Company's employees have significant experience in the mineral exploration industry, and the number of individuals with significant experience in this industry is small. While the Company does not foresee any reason why such officers and key employees will not remain with the Company, if for any reason they do not, the Company could be adversely affected. The Company has not purchased key man life insurance for any of these individuals. The Company's success also depends on the availability of qualified and experienced employees to work in the Company's operations and its ability to attract and retain such employees. In addition, the Company's ability to keep essential operating staff in place may also be challenged as a result of potential COVID-19 outbreaks or quarantines.

**Dilution**

Common Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time pursuant to Common Share purchase warrants and the Convertible Equity Securities to purchase Common Shares issued from time to time by the Board. The issuance of these Shares could result in dilution to holders of Common Shares.

**Environmental Risks**

All phases of the Company's operations with respect to the Property will be subject to environmental regulation. Environmental legislation involves strict standards and may entail increased scrutiny, fines and penalties for non-compliance, stringent environmental assessments of proposed projects and a high degree of responsibility for companies and their officers, directors and employees. Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. In addition, environmental hazards may exist on the Property that are currently unknown. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the properties, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's operations and future potential profitability.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The Company may be subject to reclamation requirements designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on the Company's financial resources.

**Regulatory Requirements**

Even if the Property is proven to host economic reserves of precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of the Property, environmental legislation and mine safety.

**Volatility of Mineral Prices**

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars.

## Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Property. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Property will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

## Acquiring Additional Properties

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

## Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire other mineral claims and/or companies. The Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of Convertible Equity Securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

## Executive Employee Recruitment and Retention

The success of the Company will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business.

The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

## Adverse General Economic Conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mineral exploration sector, were impacted by these market conditions.

Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity, the volatility of mineral prices would impact the Company's prospects, volatile energy, commodity and consumables prices and currency exchange rates would impact costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

In recent years, the securities markets in Canada, as well as in other countries around the world, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in developing assets, adding additional resources, establishing feasibility of deposits or creating revenues, cash flows or earnings. The value of securities will be affected by market volatility. An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop or continue, the liquidity of a shareholder's investment may be limited and the price of the Common Shares may decline.

**Claims and Legal Proceedings**

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Company's operations. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Company's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

**Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of precious metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

**Uncertainty of Use of Proceeds**

Although the Company has set out its intended use of proceeds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company’s business, including the Company’s ability to achieve its stated business objectives.

**Competition**

All aspects of the Company's business will be subject to competition from other parties. Many of the Company’s competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Company. Competition could adversely affect the Company’s ability to acquire suitable properties or prospects in the future.

**Conflicts of Interest**

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCA . To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCA . To the proposed management of the Company’s knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a proposed director or officer of the Company except as otherwise disclosed herein.

**Dividends**

To date, the Company has not paid any dividends on their outstanding shares. Any decision to pay dividends on the Common Shares will be made by the Board on the basis of the Company’s earnings, financial requirements and other conditions.

**Litigation**

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management’s attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company’s business, operating results or financial condition.

**Operating Hazards, Risks and Insurance**

The ownership, exploration, operation and development of a mine or mineral property involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Company property, and punitive awards in connection with those claims and other liabilities.

It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of our securities. Liabilities that the Company incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event the Company could incur significant costs that could adversely impact its business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses. These could include loss or forfeiture of mineral interests or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Company might undertake and legal claims for errors or mistakes by personnel.

### Absence of Public Trading Market

Currently, there is no public market for the Common Shares and there can be no assurance that an active market for the Common Shares will develop or be sustained after the Listing Date. If an active public market for the Common Shares does not develop, the liquidity of an investor's investment may be limited and the share price may decline below the price paid for the Common Shares by such investor.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS AGAINST THE COMPANY

### Legal Proceedings

Neither the Company nor any of its property was previously a party to, or the subject of, any legal proceeding nor is the Company currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. From time to time, however, the Company may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

### Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

b) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, any person or company who owns of record, or is known by the Company to own beneficially, directly or indirectly, more than 10% of the Common Shares or any associate or affiliate of the foregoing persons or companies in any transaction since its incorporation or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

## AUDITORS, TRANSFER AGENT AND REGISTRAR OF THE COMPANY

### Auditors

The Company's auditor is LFB cpa LLP located at 3 Place Ville-Marie, Suite 400, Montreal, QC H3B 2E3, Canada. LFB cpa LLP is independent with respect to the Company. The Company will appoint a participating audit firm when the listing is completed.

LFB cpa LLP audited the financial statements of the Corporation for the year ended September 30, 2021 and issued an auditor's report dated February 4, 2022. As at February 4, 2022, LFB cpa LLP was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board.

### Transfer Agent and Registrar

The Company's transfer agent and registrar is Capital Transfer Agency, at its principal office at 390 Bay Street Suite 920, Toronto, ON M5H 2Y2.

## MATERIAL CONTRACTS

The following are the material contracts of the Company that are outstanding as of the date of this Prospectus:

1. The Purchase Agreement entered into by and between the Company and the Vendors, dated April 15, 2019 related to the acquisition of a 100% interest in the Property.

2. The Escrow Agreement entered into by and between the Company and the Escrow Agent, dated as of the date hereof.

3. The Stock Option Plan.

4. The RSU Plan.

The material contracts described above may be inspected at the registered office of the Company, during normal business hours for a period of 30 days after the date of this Prospectus.

## EXPERTS

The following professional persons have prepared reports or have provided opinions that are either included in or referred to in this Prospectus: LFB cpa LLP, as auditor of the Company, BCF LLP, as agent for service of process for certain foreign directors, and Michel Boily, P.Geo. and Mark Fekete, P.Geo, each a Qualified Person (as defined in NI 43-101), authored the Technical Report in accordance with the requirements of NI 43-101, the majority of which is reproduced in and forms part of this Prospectus and is available in its full form on the Company's profile on SEDAR.

No person or company who is named as having prepared or certified a part of this Prospectus or prepared or certified a report or valuation described or included in this Prospectus has, or will have, any direct or indirect interest in the Company.

LFB cpa LLP, the auditor of the Company, has advised that they are independent with respect to the Company.

## EXEMPTIONS AND APPROVALS

On June 22, 2022, the Company obtained an exemption from the *Autorité des marchés financiers* pursuant to section 272 of the Securities Act (Québec), exempting the Company of the requirement to translate this non-offering prospectus (in both its preliminary and final versions) in the French language, as it is required by section 40.1 of the Securities Act (Québec).

### OTHER MATERIAL FACTS

There are no other material facts relating to the Company that are not disclosed in this Prospectus.

**CERTIFICATE OF THE COMPANY**

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of Quebec, Alberta, British Columbia and Ontario.

Dated: September 19, 2022

**E-POWER RESOURCES INC.**

By: *(s) Jamie Lavigne*
Jamie Lavigne
Chief Executive Officer

By: *(s) Paul Haber*
Paul Haber
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

By: *(s) Allan Miller*
Allan Miller
Director

By: *(s) Thomas Langley*
Thomas Langley
Director

# APPENDIX A

## CHARTER OF THE AUDIT COMMITTEE OF E-POWER RESOURCES INC.

**E-POWER RESOURCES INC. (“Corporation”)**

**AUDIT COMMITTEE CHARTER**

## Members

Under *Regulation 52-110 – Audit Committees*, the Corporation’s board of directors (the “**Board**”) has created a committee called the audit committee (the “**Committee**”). The Committee is made up of at least three directors, of which two who, in the opinion of the Board, are independent and financially literate. Its quorum is a majority of its members, at least one of whom is independent of the Corporation’s management.

## Purpose of the Committee

The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

The Committee shall provide assistance to the Board in fulfilling their responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the Corporation and the quality and integrity of its financial reports. As part of this process, the external auditors will report to the Committee. It is the responsibility of the Committee to maintain free and open means of communication among the directors, the external auditors and the financial management of the Corporation.

In carrying out their responsibilities, the members of the Committee have the authority to retain and compensate independent counsel and other advisors who the Committee determines are necessary to carry out its duties and responsibilities.

## Responsibilities

In carrying out its responsibilities, the Committee should ensure that the corporate accounting and reporting practices of the Corporation are in accordance with all legal requirements and are of the highest quality.

In carrying out these responsibilities, the Committee will:

– Review and recommend to the Board, the external auditors to be selected to audit the financial statements of the Corporation and its subsidiaries, and their compensation.

– Meet with the external auditors and financial management of the Corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized and, at the conclusion of the audit, any comments or recommendations of the external auditors.

– Pre-approve all non-audit services to be provided by the external auditors.

- Review, with the external auditors and the Corporation's financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Corporation and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper. Further, the committee should periodically review the Corporation's policies and determine its adherence thereto.

- Review the financial statements, MD&A and press releases concerning the annual and interim results of the Corporation before the Corporation publicly releases this information.

- Ensure that appropriate procedures are in place to review the Corporation's public disclosures extracted or derived from its financial statements and assess the adequacy of these procedures periodically.

- Provide sufficient opportunity for the external auditors to meet with the members of the Committee without the presence of the Corporation's management. Among the items which may be discussed in these meetings are the external auditors' evaluation of the Corporation's financial, accounting and auditing personnel and processes, and the co-operation that the external auditors received during the course of the audit.

- Resolve any disagreements between financial management of the Corporation and the external auditors.

- Review and approve the hiring policies regarding partners, employees and former partners, and employees of the Corporation's present and former external auditors.

- Establish, oversee and periodically review the procedures in place that permit whistle blowing as regards accounting, internal controls or auditing. These procedures will ensure that employees can report concerns on a confidential and anonymous basis.

## APPENDIX B - FINANCIAL STATEMENTS

# E-POWER RESOURCES INC.

## AMENDED FINANCIAL STATEMENTS

## FOR YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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LFB cpa

Comptables professionnels agréés
Société en nom collectif et responsabilité limitée (s.e.n.c.r.l.)

3 Place Ville-Marie, Suite 400
Montréal (Québec) Canada, H3B 2E3

Chartered professional accountants
Limited liability partnership (LLP)

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
E-Power Resources Inc.

*Opinion*

We have audited the amended financial statements of E-Power Resources Inc. (the Company), which comprise the statement of financial position as at September 30, 2021, and the statements of changes in equity, loss and comprehensive loss, and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying amended financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

*Basis for Opinion*

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

*Material Uncertainty Related to Going Concern*

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

*Emphasis of Matter – Amended Financial Statements*

We draw attention to Note 2 of the financial statements, which describes that the financial statements that we originally reported on December 23, 2021 have been amended and describes the matter that gave rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter.

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Montréal (Québec) Canada, H3B 2E3

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

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

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

LFB cpa

Comptables professionnels agréés
Société en nom collectif et responsabilité limitée (s.e.n.c.r.l.)

Chartered professional accountants
Limited liability partnership (LLP)

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

LFB CPA
S.E.N.C.R.L./L.L.P.

Montréal, Québec, Canada
February 4, 2022

[1] By FCPA auditor, FCA, public accountancy permit No. A106054

**E-POWER RESOURCES INC.**

**STATEMENT OF FINANCIAL POSITION**

**AS AT SEPTEMBER 30, 2021** 

| | | 2021 | | 2020 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Note 4) | $ | 1,152,089 | $ | 159,961 |
| Receivables (Note 5) | | 101,775 | | 18,191 |
| Prepaids | | 40,955 | | - |
| Advances to a shareholder, non-interest-bearing | | - | | 303 |
| | | 1,294,819 | | 178,455 |
| Exploration and evaluation assets (Note 6) | | 699,296 | | 179,951 |
| | $ | 1,994,115 | $ | 358,406 |
| **LIABILITY** | | | | |
| CURRENT LIABILITY | | | | |
| Payables (Note 7) | $ | 306,393 | $ | 42,759 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital (Note 8) | | 2,885,341 | | 1,137,278 |
| Deficit | | (1,197,619) | | (821,631) |
| | | 1,687,722 | | 315,647 |
| | $ | 1,994,115 | $ | 358,406 |

Contingency - nil

Commitment - nil

See accompanying notes to the audited financial statements

**Signed on behalf of directors,**

DocuSigned by: Jamie Lavigne
_______________, Director

Jamie Lavigne

DocuSigned by: Michael Danielsson
345AE26696664F3
_______________, Director

Michael Danielsson

| | Number of common shares | Share Capital | Deficit | Equity |
|---|---|---|---|---|
| Opening Balance | - | $ - | $ - | $ - |
| Private placements | 14,221,554 | 946,812 | - | 946,812 |
| Share issuance costs | - | (2,670) | - | (2,670) |
| Net loss and comprehensive loss | - | - | (408,187) | (408,187) |
| Balance, September 30, 2019 | 14,221,554 | 944,142 | (408,187) | 535,955 |
| Private placements | 1,748,792 | 200,380 | | 200,380 |
| Share issuance costs | - | (7,244) | - | (7,244) |
| Net loss and comprehensive loss | - | - | (413,444) | (413,444) |
| Balance, September 30, 2020 | 15,970,346 | 1,137,278 | (821,631) | 315,647 |
| Private placements | 6,300,680 | 1.748.063 | - | 1,748,063 |
| Share issuance costs | - | - | - | - |
| Net loss and comprehensive loss | - | - | (375,988) | (375,988) |
| Balance September 30, 2021 | 22,271,026 | $ 2,885,341 | $ (1,197,619) | $ 1,687,722 |

**E-POWER RESOURCES INC.**

**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

**YEAR ENDED SEPTEMBER 30, 2021** 

| | 2021 | 2020 |
|---|---|---|
| **Income** | | |
| Interest | $ 430 | $ - |
| **Expenses** | | |
| Magagement and consulting fees | 304,480 | 335,980 |
| Legal and audit professional fees | 28,721 | 36,344 |
| IT and web hosting | 17,000 | - |
| Travel | 16,913 | 6,612 |
| Mining fees | 3,733 | 10,513 |
| Meals and entertainment | 1,568 | 7,540 |
| Bank charges | 1,302 | 875 |
| Exploration expenses | 1,225 | - |
| Listing fee | 640 | 670 |
| Telecommunications | 485 | - |
| Office expenses | 351 | 4,536 |
| Accommodation | - | 10,374 |
| | 376,418 | 413,444 |
| **Loss and comprehensive loss before income taxes** | (375,988) | (413,444) |
| **Income taxes** | - | - |
| **Net loss and comprehensive loss** | $ (375,988) | $ (413,444) |
| Basic and diluted loss per common share (Note 11) | $ (.0169) | $ (.0259) |
| Weighted average number of common shares outstanding, basic and diluted (Note 8) | 22,271,026 | 15,970,346 |

See accompanying notes to the audited financial statements

**E-POWER RESOURCES INC.**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED SEPTEMBER 30, 2021** 

| | 2021 | 2020 |
|---|---|---|
| **Operating activities** | | |
| Net loss | $ (375,988) | $ (413,444) |
| Net change in non-cash items related to operating activities (Note 12) | 139,398 | 138,290 |
| | (236,590) | (275,154) |
| **Investing activity** | | |
| Additions to exploration and evaluation assets | (519,345) | (12,850) |
| **Financing activities** | | |
| Cash and services received from share issuance | 1,748,063 | 203,050 |
| Share issue costs | - | (9,914) |
| | 1,748,063 | 193,136 |
| **Increase (decrease) in cash** | 992,128 | (94,868) |
| **Cash, beginning of year** | 159,961 | 254,829 |
| **Cash, end of year** | $ 1,152,089 | $ 159,961 |

See accompanying notes to the audited financial statements

## 1. REPORTING ENTITY AND GOING CONCERN

REPORTING

E-Power Resources inc. (the "Company") was incorporated on October 18, 2018. The corporate office is located at Suite 400, 3 Place Ville-Marie, Montreal, Quebec, Canada. The Company intends to request funds through a first public offering within the next calendar year.

The principal business activity of the Company is the exploration for mineral resources in the province of Quebec, Canada. Exploration activities consist of searching for resources suitable for commercial exploitation by researching and analyzing an area's historic exploration data, by conducting topographical, geological, geochemical and geophysical studies, and by exploratory driling, trenching andn sampling.

As explained in note 2 (a)Emphasis of Matter - Amended Financial Statements, the amended financial statements of the Company for the year ended September 30, 2021 were authorised for issue in accordance with a resolution of the directors on February 4, 2022.

GOING CONCERN

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that may cast substantial doubt upon the Company's ability to continue as a going concern. The Company has incurred operating losses, has no source of revenue, is unable to self-finance operations and has significant on-going cash requirements to meet its operating expenses and maintain its mineral interests.

The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company.

As a result, there exists material uncertainty which raises significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

## 2. BASIS OF PREPARATION

(a) Emphasis of Matter - Amended Financial Statements

The Company's original financial statements for the year ended September 30, 2021 that were issued and approved by the Board of Directors on December 23, 2021 have been amended to reflect the reduction of consulting fees totaling $112,000 and the concurrent issuance of 373,333 common shares for the same amount that should not have been considered in the year ended September 30, 2021. The Net Loss Per Share, income taxes and losses carryforward, cash flows, changes in equity and related disclosures have been amended accordingly.

(b) Statement of compliance

The Company's amended financial statements for the year ended September 30, 2021 and the comparative numbers as at September 31, 2020 are prepared in Canadian dollars being the functionnal currency of the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These amended financial statements were authorized for issue by the Board of Directors on January 4, 2022.

(c) Use of Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on management's experience and various other factors that are believed to be reasonable under the circumstances, the results of which is the basis of making the judgments about carrying value of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates include amounts of provisions, if any, for impairment of exploration and evaluation assets, reclamation and environmental obligations and deferred income taxes reported in the notes to the financial statements.

Significant areas requiring the use of management judgments include recognition of impairment of exploration and evaluation assets, reclamation and environmental obligations, deferred income taxes, classification of financial instruments and assessment of the going concern assumption reported in the notes to the financial statements.

## 2. BASIS OF PREPARATION (continued)

(d) Basis of Measurement

These financial statements have been prepared on a historical cost basis.

(e) Presentation and Functional Currency

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

### New standards, amendments and interpretations not yet adopted

Certain pronouncements are issued by the IASB or IFRS Interpretations Committee that are mandatory for future accounting periods and which could be early adopted such as standards and amendments effective since September 30, 2020 for annual periods beginning January 1, 2021. None of the standards that could have been early adopted impact the Company's financial statements, nor are they expected to affect the Company in the period of initial application. In all cases the Company will apply the new standards from application date when required.The only accounting standard change that was analysed as to its potential impact on the Company's financial statements is IFRS 9 Interest Rate Benchmark Reform. It was determined that this recent accounting standard had no impact on the Company’s financial statements and was therefore non applicable. All other IFRSs or IFRIC Interpretations that have an effective date beginning October 1, 2020 have been considered in the financial statements. Amendments to IAS 1: Classification of Liabilities as Current or Non-current will apply for the annual year beginning October 1, 2022; and Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, will apply for the annual year beginning. October 1 2023. There were no accounting standard changes to analyse as to their potential impact on the Company's financial statements. All other IFRSs or IFRIC Interpretations that have an effective date beginning October 1, 2021 have been considered in the financial statements. The new IFRS standards and other interpretations in effect on January 1, 2022 have no impact on the financial statements.

### Covid-19

The Covid-19 outbreak (the pandemic) was first reported near the end of 2019. Since then, the virus has spread worldwide and was declared to be a pandemic on March 11, 2020. The world economy was significantly impacted since and may continue to do so in years to come. The Company is considering the impact of the pandemic in its accounting and disclosure requirements, and in applying judgement in the assessment of factors that relate to its present and future operations. The potential impact of the pandemic is however unpredictable and there may be material uncertainties.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Prepaids

Prepaids consist of exploration and technical consulting expenses paid in advance for services to be received in the upcoming year. The assets are reduced and the amount of the reduction is reported as an expense on the statement of performance as the service is rendered.

### Exploration and evaluation assets

Exploration expenditures are expensed as incurred until an economic feasibility study has established the presence of proven and probable reserves leading to the development of the project, at which time exploration and development expenditures incurred on the project thereafter are capitalized.

Costs incurred relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the project in good standing, are capitalized and deferred by project until the project to which they relate is sold, abandoned, impaired or placed into production.

The Company assesses its capitalized mineral project costs for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. A project is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

Furthermore, unknown and unpredictable climate-related matters may impair the exploration and evaluation assets and cause them to be obsolete, which would require a reduction in their carrying value. Since inception, no climate-related or other adverse conditions have caused the Exploration and evaluation capitalized costs to require a write-down.

### Mining tax credit

Mining exploration tax credits for certain exploration expenditures in Quebec are accounted for on the same basis as the related assets, that is as a reduction of the capitalized exploration costs when there is reasonable assurance that the credits are realized.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Claims and environmental obligations

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

As at September 30, 2021, the Company has no asset retirement obligations and accordingly, has not recorded an asset retirement obligation in the financial statements.

### Impairment of non-financial assets

At the end of each reporting period the carrying amount of non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income taxes

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized on profit or loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. They are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date. Since inception, the Company has not incured any current income tax expense payable.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses recognized and unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Since inception, the Company did not record any tax asset arising from their timing differences or from the application of the tax losses against future taxable income.

### Earnings (loss) per common share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

### Financial instruments

Financial assets

The company initially measures its financial assets at fair value, except for certain related party transactions that are measured at the carrying or exchanged amount as appropriate. For subsequent measurement, there are two measurement categories into which the Company classifies its financial assets:

a) Amortized cost: Assets that are held for collection of contractual cash flows where they represent solely payments of principal and interest are measured at amortized cost. The Company's cash and receivables are classified as amortized cost.

b) FVTPL (fair value through profit or loss): Assets that do not meet the criteria of amortized cost.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial instruments (continued)

Financial liabilities

The company initially measures its financial liabilities at fair value, except for certain related party transactions that are measured at the carrying or exchanged amount as appropriate.Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at FVTPL. Such liabilities shall be subsequently measured at fair value. Interest expense from financial liabilities classified as amortized cost is included in financial expenses using the effective interest rate method. Accounts payable and accrued liabilities are classified as amortized cost.

Impairment: At each reporting date, the Company assesses, on a forward-looking basis, the expected losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Fair value hierarchy

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

### Translation of foreign currency transactions and items

The Company uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Expenses translated at the historical rate, are translated at the average rate for the year. Exchange gains and losses are included in the Statement of loss and comprehensive loss.

### Equity instruments

The Company has negotiated terms with certain creditors whereby the initial financial liability arising from rendering consulting services at fair market value is paid by issuing equity shares for a consideration and number of shares issued equal to the value of the services received.

It is the intention of the company to set up a Stock Option Plan and a Restricted Share Unit Plan in the near future.

## 4. CASH AND CASH EQUIVALENTS

| | 2021 | 2020 |
|---|---|---|
| Cash | $ 151,671 | $ 159,961 |
| Guaranteed investment certificate, .272 % annual interest, maturing October 29, 2021 | 1,000,418 | - |
| | $ 1,152,089 | $ 159,961 |

## 5. RECEIVABLES

| | 2021 | 2020 |
|---|---|---|
| Government goods and service tax receivable | $ 101,775 | $ 11,376 |
| Mining and various tax credits receivable | - | 6,815 |
| | $ 101,775 | $ 18,191 |

## 6. EXPLORATION AND EVALUATION ASSETS

| | | 2021 | | | | |
|---|---|---|---|---|---|---|
| | | Cost | | Accumulated amortization | | Net book value |
| Mineral property - Tetepisca | $ | 279,278 | $ | - | $ | 279,278 |
| Mineral property - Turgeon Graphite | | 419,887 | | - | | 419,887 |
| Mineral property - Quatre Milles East | | 131 | | - | | 131 |
| | $ | 699,296 | $ | - | $ | 699,296 |

| | | 2020 | | | | |
|---|---|---|---|---|---|---|
| | | Cost | | Accumulated amortization | | Net book value |
| Mineral property - Tetepisca | $ | 94,423 | $ | - | $ | 94,423 |
| Mineral property - Turgeon Graphite | | 85,397 | | - | | 85,397 |
| Mineral property - Quatre Milles East | | 131 | | - | | 131 |
| | $ | 179,951 | $ | - | $ | 179,951 |

Capitalization of exploration and evaluation expenses paid since inception are the following :

-Telepisca: $ 92,335 (2019); $ 3,213 (2020); $ 183,730 (2021); Total: $ 279,278
-Turgeon Graphite: $ 74,766 (2019); $ 16,321 (2020); $ 328,800 (2021); Total: $ 419,887
-Quatre Miles East: $ 131 (2020); Total: $ 131

**Telespica Project, Quebec:** On April 15, 2019, the Company entered into an agreement to purchase 52 mineral claims located 216 km from Baie-Comeau, Quebec. The purchase price is $10,000; and 200,000 new common shares issued when a technical report commissioned to include a mineral resources estimate in accordance with NI 43-101 is initiated; and a royalty in an amount equal to 1.5% of all Net Smelter Returns (NSR) with a right to repurchase at any time 0.5% of the NSR for $500,000.

**Turgeon Graphite Project, Quebec**: a 2019 project located 122 km from Matagami, Quebec.

**Quatre Milles East Project, Quebec** : a 2020 project.

## 7. PAYABLES

| | | 2021 | | 2020 |
|---|---|---|---|---|
| Trade | $ | 306,393 | $ | 759 |
| Accrued payable to a director | | - | | 42,000 |
| | $ | 306,393 | $ | 42,759 |

## 8. SHARE CAPITAL

**Authorized:**

Unlimited common shares with no par value.

Unlimited class A preferred shares, one vote per share, non-participating, dividend determined at the discretion of the Board of directors, but not exceeding twelve percent (12%) per annum of the redemption price for such shares, redeemable at their paid-in value plus an amount equal to any dividends declared thereon but unpaid.

Unlimited class B preferred shares, non-voting, non-particpating, dividend determined at the discretion of the Board of directors but not exceeding thirteen percent (13%) per annum of the redemption price for such shares, redeemable at their paid-in value plus an amount equal to any dividends declared thereon but unpaid.

| | 2021 | 2020 |
|---|---|---|
| **Issued:** | | |
| 22,271,026 common shares (15,970,346 in 2020) | $ 2,895,255 | $ 1,147,192 |
| - share issue costs | (9,914) | (9,914) |
| | $ 2,885,341 | $ 1,137,278 |

During the year ended September 30, 2021, the Company issued 6,300,680 shares for cash consideration and settlement of debt amounting to $1,748,063 (2020: 1,748,792 shares for $200,380). A large proportion of the issued and outstanding shares are held by non Canadian residents.

## 9. INCOME TAXES

For the year ended September 30, 2021 a reconciliation of income taxes at statutory rates with reported taxes is as follows:

| | 2021 | 2020 |
|---|---|---|
| **Loss before income taxes** | $ (375,988) | $ (413,444) |
| Expected income tax benefit at the combined rate of 26.6% | $ 100,013 | $ 108,578 |
| Increase (decrease) in income tax benefit resulting from: | | |
| Non deductible expenses | (3,771) | (203) |
| Unrecognized tax benefit | (96,242) | (108,375) |
| Income tax benefit | $ - | $ - |

- Since inception, the Company did not incur any differences in the carrying amount of assets and liabilities from their tax base, consequently there are no tax asset or liability arising from their timing differences recorded in the financial statements.
- The Company is uncertain that future taxable profit will allow the differed tax asset to be recovered in the application period, consequently there are no tax asset arising from tax losses carryforward.

## 10. LOSSES CARRYFORWARD

The Company can carry forward losses totalling $1,083,115 at the Federal level and $1,082,137 at the Provincial level for income tax purposes. The expiration dates for using these losses to reduce income taxes are as follows:

| | Federal $ | Provincial $ |
|---|---|---|
| 2039 | 387,881 | 387,678 |
| 2040 | 318,047 | 318,047 |
| 2041 | 377,187 | 376,412 |

No future income tax asset regarding these tax losses has been accounted for in the financial statements.

## 11. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss and comprehensive loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted loss per share, potential common shares such as stock options and warrants have not been included, as they would have the effect of decreasing the loss per share from continuing operations. Decreasing the loss per share from continuing operations would be antidilutive. The basic and diluted loss per share as at September 30, 2021 is $.0169 (2020: $.0259).

## 12. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

| | | 2021 | | 2020 |
|---|---|---|---|---|
| Receivables | $ | (83,584) | $ | 110,747 |
| Advances to a shareholder, non-interest-bearing | | 303 | | 6,697 |
| Prepaids | | (40,955) | | 13,528 |
| Payables | | 263,634 | | 7,318 |
| | $ | 139,398 | $ | 138,290 |

## 13. SEGMENTED INFORMATION

The Company's business consists of one reportable segment being resource exploration. Details about geographic areas as at September 30,2021 consist of 3 sites in the province of Quebec (Canada) totaling $699,296 (2020: $179,951) as follows:

| | | September 30, 2021 |
|---|---|---|
| **Non current assets** | | |
| Province of Quebec (Canada) | $ | 699,296 |

## 14. RELATED PARTY TRANSACTIONS

Key management personnel consist of senior officers including the President and Chief Executive Officer and Chief Financial Officer and senior management.

The Company paid or accrued amounts to key senior officers and management or companies controlled by them, and to shareholders or compagnies controlled by them, for consulting services rendered in the normal course of business in the areas of operational expertise, and for financial and accounting services.

| | | September 30, 2021 |
|---|---|---|
| Consulting fees for operational services by foreign resident shareholders (2020: $202,000) | | 307,000 |
| Consulting fees for financial and accounting services rendered by a Canadian company controlled by a senior officer and shareholder (2020: $30,000) | | 30,000 |
| | $ | 337,000 |

## 15. FINANCIAL INSTRUMENTS

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 15 of these financial statements.

### Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Company by failing to discharge an obligation. The Company's credit risk is mainly related to other receivables and advances to a shareholder.

**Foreign Currency risk:** Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.The Company holds certain financial assets denominated in the United States Dollars which consist of cash and cash equivalents, and equity shares portfolio investments. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not significant.

**Market risk:** Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Some of the Company's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

## 16. CAPITAL MANAGEMENT

The Company's objectives of capital management are intended to safeguard the Company's ability to support the Company's exploration and evaluation of its resource properties and support any expansion plans. The capital of the Company consists of the items included in shareholders' equity.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its financial objectives. The Company may issue new shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements.

# E-POWER RESOURCES INC.

## INTERIM FINANCIAL STATEMENTS UNAUDITED

## FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2022 AND 2021

## AND THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2021

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**E-POWER RESOURCES INC.**

**INTERIM BALANCE SHEET**

**AS AT MARCH 31, 2022**



| | March 31, 2022 Q2 2022 Review | March 31, 2021 Q2 2021 No report | September 30, 2021 Financial Audit |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | $ 752,465 | $ 130,562 | $ 1,152,089 |
| Receivables (Note 5) | 119,709 | 20,678 | 101,775 |
| Prepaids | 16,255 | - | 40,955 |
| Business advances to a shareholder, non-interest-bearing | - | 303 | - |
| | 888,429 | 151,543 | 1,294,819 |
| Investment portfolio (Note 6) | 187,500 | - | - |
| Exploration and evaluation assets (Note 7) | 763,636 | 179,951 | 699,296 |
| | $ 1,839,565 | $ 331,494 | $ 1,994,115 |
| **LIABILITY** | | | |
| CURRENT LIABILITY | | | |
| Payables (Note 8) | $ 112,514 | $ 7,042 | $ 306,393 |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital (Note 9) | 3,068,788 | 1,330,595 | 2,885,341 |
| Deficit | (1,341,737) | (1,006,143) | (1,197,619) |
| | 1,727,051 | 324,452 | 1,687,722 |
| | $ 1,839,565 | $ 331,494 | $ 1,994,115 |

Contingency - note 7

Commitment - note 7

See accompanying notes to the reviewed financial statements

**Signed on behalf of the directors,**

DocuSigned by:
Jamie Lavigne
991F9DB9AC834B9...
, Director
Jamie Lavigne

DocuSigned by:
Michael Danielsson
345AE26696664F3...
, Director
Michael Danielsson

| | Number of common shares | Share Capital | Deficit | Equity |
|---|---|---|---|---|
| Opening Balance | - | $ - | $ - | $ - |
| Private placements | 14,221,554 | 946,812 | - | 946,812 |
| Share issuance costs | - | (2,670) | - | (2,670) |
| Net loss and comprehensive loss | - | - | (408,187) | (408,187) |
| Balance, September 30, 2019 | 14,221,554 | 944,142 | (408,187) | 535,955 |
| Private placements | 1,748,792 | 200,380 | | 200,380 |
| Share issuance costs | - | (7,244) | - | (7,244) |
| Net loss and comprehensive loss | - | - | (413,444) | (413,444) |
| Balance, September 30, 2020 | 15,970,346 | 1,137,278 | (821,631) | 315,647 |
| Private placements | 6,300,680 | 1.748.063 | - | 1,748,063 |
| Net loss and comprehensive loss | - | - | (375,988) | (375,988) |
| Balance September 30, 2021 | 22,271,026 | 2,885,341 | (1,197,619) | 1,687,722 |
| Private placements | 327,000 | 98,100 | - | 98,100 |
| Net loss and comprehensive loss | - | - | (174,200) | (174,200) |
| Balance December 31, 2021 | 22,598,026 | 2,983,441 | (1,371,950) | 1,611,491 |
| Private placements | 284,533 | 85,347 | - | 85,347 |
| Net income and comprehensive income | - | - | 30,213 | 30,213 |
| Balance March 31, 2022 | 22,882,559 | $ 3,068,788 | $ (1,341,737) | $ 1,727,051 |

**E-POWER RESOURCES INC.**

**INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

**SIX MONTHS ENDED MARCH 31, 2022** 

| | March 31, 2022 (6 months) Q2 2022 Reviewed | March 31, 2021 (6 months) Q2 2021 No report | September 30, 2021 (12 months) Financial Audited |
|---|---|---|---|
| **Income** | | | |
| Revenue from option granted on exploration assets | $ 215,500 | $ - | $ - |
| Interest | 869 | - | 430 |
| | 216,369 | - | 430 |
| **Expenses** | | | |
| Magagement and consulting fees | 239,822 | 166,411 | 304,480 |
| Legal and audit professional fees | 64,479 | 371 | 28,721 |
| Mining fees | 45,740 | 3,733 | 3,733 |
| Loss (gain) on foreign exchange conversion | 3,055 | - | - |
| IT and web hosting | 1,962 | 11,500 | 17,000 |
| Exploration expenses | 1,523 | - | 1,225 |
| Travel | 1,495 | 913 | 16,913 |
| Bank charges | 973 | 365 | 1,302 |
| Meals and entertainment | 669 | 115 | 1,568 |
| Listing fee | 657 | 640 | 640 |
| Telecommunications | 112 | 416 | 485 |
| Office expenses | - | 48 | 351 |
| | 360,487 | 184,512 | 376,418 |
| **Loss and comprehensive loss before income taxes** | (144,118) | (184,512) | (375,988) |
| **Income taxes** | - | - | - |
| **Net loss and comprehensive loss** | $ (144,118) | $ (184,512) | $ (375,988) |
| Basic and diluted loss per common share (Note 11) | $ (.0063) | $ (.0125) | $ (.0169) |
| Weighted average number of common shares outstanding, basic and diluted (Note 8) | 22,882,559 | 14,814,221 | 22,271,026 |

See accompanying notes to the reviewed financial statements

**E-POWER RESOURCES INC.**

**INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

**THREE MONTHS ENDED MARCH 31, 2022** 

| | March 31, 2022 (3 months) Q2 2022 Reviewed | March 31, 2021 (3 months) Q2 2021 No report |
|---|---|---|
| **Income** | | |
| Revenue from option granted on an exploration asset | $ 215,500 | $ - |
| Interest income | 480 | - |
| | 215,980 | - |
| **Expenses** | | |
| Management and consulting fees | 106,008 | 103,290 |
| Legal and audit professional fees | 64,479 | - |
| Mining fees | 6,913 | - |
| Loss (gain) on foreign exchange conversion | 3,055 | - |
| IT and web hosting | 1,962 | 7,000 |
| Exploration expenses | 1,392 | - |
| Bank charges | 632 | 158 |
| Meals and entertainment | 669 | - |
| Listing fee | 657 | 640 |
| Travel | - | - |
| Telecommunications | - | 118 |
| Office expenses | - | - |
| | 185,767 | 111,206 |
| **Income (loss) and comprehensive income (loss) before income taxes** | 30,213 | (111,206) |
| **Income taxes** | - | - |
| **Net income (loss) and comprehensive income (loss)** | $ 30,213 | $ (111,206) |
| Basic and diluted earnings (loss) per common share (Note 11) | $ .0014 | $ (.0075) |
| Weighted average number of common shares outstanding, basic and diluted (Note 8) | 22,882,559 | 14,814,221 |

See accompanying notes to the reviewed financial statements

**E-POWER RESOURCES INC.**

**INTERIM STATEMENT OF CASH FLOWS**

**SIX MONTHS ENDED MARCH 31, 2022** 

| | March 31, 2022 (6 months) Q2 2022 Reviewed | March 31, 2021 (6 months) Q2 2021 No report | September 30, 2021 (12 months) Financial Audited |
|---|---|---|---|
| **Operating activities** | | | |
| Net loss and comprehensive loss | $ (144,118) | $ (184,512) | $ (375,988) |
| Non-cash item: | | | |
| Loss on abandonment of the exploration asset Quatre Milles East | 131 | - | - |
| | (143,987) | (184,512) | (375,988) |
| Net change in non-cash items related to operating activities (Note 13) | (187,376) | (38,204) | 139,398 |
| | (331,363) | (222,716) | (236,590) |
| **Investing activities** | | | |
| Additions to exploration and evaluation assets | (64,208) | - | (519,345) |
| Acquisition of shares in equity investment portfolio | (187,500) | - | - |
| | (251,708) | - | (519,345) |
| **Financing activity** | | | |
| Cash and services received from share issuance | 183,447 | 193,317 | 1,748,063 |
| **Increase (decrease) in cash and cash equivalents** | (399,624) | (29,399) | 992,128 |
| **Cash and cash equivalents, beginning of year** | 1,152,089 | 159,961 | 159,961 |
| **Cash and cash equivalents, end of year** | $ 752,465 | $ 130,562 | $ 1,152,089 |

Cash and cash equivalents consist of cash.

See accompanying notes to the reviewed financial statements

| | March 31, 2022 (3 months) Q2 2022 Reviewed | March 31, 2021 (3 months) Q2 2021 No Report |
|---|---|---|
| **Operating activities** | | |
| Net income (loss) and Comprehensive income (loss) | $ 30,213 | $ (111,206) |
| Net change in non-cash items related to operating activities: | | |
| Receivables | (15,084) | (975) |
| Prepaids | (16,255) | - |
| Business advances to a shareholder | 27,424 | - |
| Payables | (78,765) | (24,808) |
| | (52,467) | (136,989) |
| **Investing activities** | | |
| Additions to exploration and evaluation assets | (15,175) | - |
| Acquisition of shares in equity investment portfolio | (187,500) | - |
| | (202,675) | - |
| **Financing activity** | | |
| Cash and services received from share issuance | 85,347 | 127,317 |
| **Increase (decrease) in cash and cash equivalents** | (169,795) | (9,672) |
| **Cash and cash equivalents, beginning of period** | 922,260 | 140,234 |
| **Cash and cash equivalents, end of the period** | $ 752,465 | $ 130,562 |

Cash and cash equivalents consist of cash.

See accompanying notes to the reviewed financial statements

## 1. REPORTING ENTITY AND GOING CONCERN

### REPORTING

E-Power Resources inc. (the "Company") was incorporated on October 18, 2018. The corporate head office is located at Suite 400, 3 Place Ville-Marie, Montreal, Quebec, Canada.

The Company has initiated the process to be listed directly on the Canadian Stock Exchange (CSE) which will lead to the filing of a Listing Statement to the CSE by way of a 'non-offering' prospectus.

The principal business activity of the Company is the exploration for mineral resources in the province of Quebec, Canada. Exploration activities consist of searching for resources suitable for commercial exploitation by researching and analyzing an area's historic exploration data, by conducting topographical, geological, geochemical and geophysical studies, and by exploratory drilling, trenching and sampling.

As explained in note 2 (a)Emphasis of Matter - Amended Financial Statements, the amended financial statements of the Company for the year ended September 30, 2021 were authorised for issue in accordance with a resolution of the directors on February 4, 2022.

The financial statements of the Company for the second quarter and six/three months ended March 31, 2022 were prepared in accordance with the IFRS 34, Interim Financial Reporting, using accounting policies consistent with IFRS as issued by the IASB and IFRIC. They were authorized for issue in accordance with a resolution of the directors on May 27, 2022.

The financial statements of the Company for the first quarter and three months ended December 31, 2021 were authorized for issue in accordance with a resolution of the directors on May 27, 2022.

The financial statements of the Company for the comparable quarters ended March 31, 2021 and December 31, 2020 were not audited or reviewed by an independent auditor nor compiled by a public accountant practioner.

## 1. REPORTING ENTITY AND GOING CONCERN (continued)

### GOING CONCERN

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that may cast substantial doubt upon the Company's ability to continue as a going concern. The Company has incurred operating losses, has no source of revenue, is unable to self-finance operations other than by the issuance of share capital, and has significant on-going cash requirements to meet its operating expenses and maintain its mineral interests.

The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company.

As a result, there exists material uncertainty which raises significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

## 2. BASIS OF PREPARATION

(a) Emphasis of Matter - Amended Financial Statements for the year ended September 30, 2021

The Company's original financial statements for the year ended September 30, 2021 that were issued and approved by the Board of Directors on December 23, 2021 have been amended to reflect the reduction of consulting fees totaling $112,000 and the concurrent issuance of 373,333 common shares for the same amount that should not have been considered in the year ended September 30, 2021. The Net Loss Per Share, income taxes and losses carryforward, cash flows, changes in equity and related disclosures have been amended accordingly.

(b) Statement of compliance

The Company's financial statements for the quarter ended March 31, 2022, the financial statements for the quarter ended December 31, 2021, the amended financial statements for the year ended September 30, 2021, and the financial statements for the comparable quarter ended March 31, 2021 are prepared in Canadian dollars being the functionnal currency of the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

## 2. BASIS OF PREPARATION (continued)

(c) Use of Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on management's experience and various other factors that are believed to be reasonable under the circumstances, the results of which is the basis of making the judgments about carrying value of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates include amounts of provisions, if any, for impairment of exploration and evaluation assets, reclamation and environmental obligations and deferred income taxes reported in the notes to the financial statements.

Significant areas requiring the use of management judgments include recognition of impairment of exploration and evaluation assets, reclamation and environmental obligations, deferred income taxes, classification of financial instruments and assessment of the going concern assumption reported in the notes to the financial statements.

(d) Basis of Measurement

These financial statements have been prepared in accordance with IAS 1,on a historical cost basis.

(e) Presentation and Functional Currency

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

**New standards, amendments and interpretations not yet adopted**

Certain pronouncements are issued by the IASB or IFRS Interpretations Committee that are mandatory for future accounting periods and which could be early adopted such as standards and amendments effective since September 30, 2021 for annual periods beginning January 1, 2022. None of the standards that could have been early adopted impact the Company's financial statements, nor are they expected to affect the Company in the period of initial application. In all cases the Company will apply the new standards from application date when required.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### New standards, amendments and interpretations not yet adopted (continued)

*Amendments to IAS 1: Classification of Liabilities as Current or Non-current* will apply for the annual year beginning October 1, 2022; and *Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, will apply for the annual year beginning October 1 2023. There were no accounting standard changes to analyse as to their potential impact on the Company's financial statements.

All other IFRSs or IFRIC Interpretations that have an effective date beginning October 1, 2021 have been considered in the financial statements. The new IFRS standards and other interpretations in effect on January 1, 2022 have no impact on the financial statements.

### Covid-19

The Covid-19 outbreak (the pandemic) was first reported near the end of 2019. Since then, the virus has spread worldwide and was declared to be a pandemic on March 11, 2020. The world economy was significantly impacted since and may continue to do so in years to come. The Company is considering the impact of the pandemic in its accounting and disclosure requirements, and in applying judgement in the assessment of factors that relate to its present and future operations. The potential impact of the pandemic is however unpredictable and there may be material uncertainties.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

### Prepaids

Prepaids consist of exploration and technical consulting expenses paid in advance for services to be received in the upcoming year. The assets are reduced and the amount of the reduction is reported as an expense on the statement of performance as the service is rendered.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Exploration and evaluation assets

Exploration expenditures are expensed as incurred until an economic feasibility study has established the presence of proven and probable reserves leading to the development of the project, at which time exploration and development expenditures incurred on the project thereafter are capitalized.

Costs incurred relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the project in good standing, are capitalized and deferred by project until the project to which they relate is sold, abandoned, impaired or placed into production.

The Company assesses its capitalized mineral project costs for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. A project is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted.

The company wrote off in the preceeding quarter the investment of $ 131 in the Quatre Milles East property because of the project abandonment.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

Furthermore, unknown and unpredictable climate-related matters may impair the exploration and evaluation assets and cause them to be obsolete, which would require a reduction in their carrying value. Since inception, no climate-related or other adverse conditions have caused the Exploration and evaluation capitalized costs to require a write-down.

### Mining tax credit

Mining exploration tax credits for certain exploration expenditures in Quebec are accounted for on the same basis as the related assets, that is as a reduction of the capitalized exploration costs when there is reasonable assurance that the credits are realized.

### Claims and environmental obligations

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

As at March 31, 2022, the Company has no asset retirement obligations and accordingly, has not recorded an asset retirement obligation in the financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of non-financial assets

At the end of each reporting period the carrying amount of non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

### Income taxes

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized on profit or loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. They are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date. Since inception, the Company has not incured any current income tax expense payable.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses recognized and unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

- Since inception, the Company did not incur any differences in the carrying amount of assets and liabilities from their tax base, consequently there are no tax asset or liability arising from their timing differences recorded in the financial statements.
- The Company is uncertain that future taxable profit will allow the differed tax asset to be recovered in the application period, consequently there are no tax asset arising from tax losses carryforward recorded in the financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Earnings (loss) per common share**

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

**Financial instruments**

Financial assets

The company initially measures its financial assets at fair value, except for certain related party transactions that are measured at the carrying or exchanged amount as appropriate. For subsequent measurement, there are two measurement categories into which the Company classifies its financial assets:

a) Amortized cost:

Assets that are held for collection of contractual cash flows where they represent solely payments of principal and interest are measured at amortized cost. The Company's cash and receivables are classified as amortized cost.

b) FVTPL (fair value through profit or loss):

Assets that do not meet the criteria of amortized cost.

Financial liabilities

The company initially measures its financial liabilities at fair value, except for certain related party transactions that are measured at the carrying or exchanged amount as appropriate. Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at FVTPL. Such liabilities shall be subsequently measured at fair value. Interest expense from financial liabilities classified as amortized cost is included in financial expenses using the effective interest rate method.

Accounts payable and accrued liabilities are classified as amortized cost.

Impairment

At each reporting date, the Company assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial instruments (continued)

Fair value hierarchy

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

### Translation of foreign currency transactions and items

The Company uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Expenses translated at the historical rate, are translated at the average rate for the quarter. Exchange gains and losses are included in the Statement of Earnings.

### Equity instruments

The Company has negociated terms with certain creditors whereby the initial financial liability arising from rendering consulting services at fair market value is paid by issuing equity shares for a consideraion and number of shares issued equal to the value of the services received.

It is the intention of the Company to set up a Stock Option Plan and a Restricted Share Unit Plan in the near future.

## 4. CASH AND CASH EQUIVALENTS

| | March 31, 2022 Q2 2022 Reviewed | March 31, 2021 Q2 2021 No report | September 30, 2021 Financial Audited |
|---|---|---|---|
| Cash | $ 209,741 | $ 321,373 | $ 151,671 |
| Savings account, .274 % annual interest | 542,724 | 600,887 | 1,000,418 |
| | $ 752,465 | $ 922,260 | $ 1,152,089 |

## 5. RECEIVABLES

| | March 31, 2022 Q2 2022 Reviewed | March 31, 2021 Q2 2021 No report | September 30, 2021 Financial Audited |
|---|---|---|---|
| Government goods and service tax receivable | $ 119,709 | $ 13,863 | $ 101,775 |
| Mining and various tax credits receivable | - | 6,815 | - |
| | $ 119,709 | $ 20,678 | $ 101,775 |

## 6. INVESTMENT PORTFOLIO

| | March 31, 2022 | March 31, 2021 | September 30, 2021 |
|---|---|---|---|
| Equity investment portfolio | $ 187,500 | $ - | $ - |

The investment portfolio consists of 300,000 shares of Rival Technologies inc. (traded on the US OTCBB exchange under RIVT and was acquired at $ 0.50 USD which is the value as at the quarter ended March 31, 2022. As explained in note 7, the shares were received as part of the payment for the Option granted on 84 of the 338 claims comprising the Turgeon exploration asset. The portfolio is considered a long term asset as the obligation under the Option Agreement will extend over the next 5 years.

## 7. EXPLORATION AND EVALUATION ASSETS

| | | | March 31, 2022 Q2 2022 Reviewed | |
|---|---|---|---|---|
| | | **Cost** | **Accumulated amortization** | **Net book value** |
| Mineral property - Tetepisca | $ | 334,949 | $ - | $ 334,949 |
| Mineral property - Turgeon Graphite | | 428,687 | - | 428,687 |
| | $ | 763,636 | $ - | $ 763,636 |

| | | | March 31, 2021 Q2 2021 No report | |
|---|---|---|---|---|
| | | **Cost** | **Accumulated amortization** | **Net book value** |
| Mineral property - Tetepisca | $ | 94,423 | $ - | $ 94,423 |
| Mineral property - Turgeon Graphite | | 85,397 | - | 85,397 |
| Mineral property - Quatre Milles East | | 131 | - | 131 |
| | $ | 179,951 | $ - | $ 179,951 |

## 7. EXPLORATION AND EVALUATION ASSETS (continued)

Capitalization of exploration and evaluation expenses paid since inception are the following :

-Tetepisca: $ 92,335 (2019); $ 2,088 (2020); $ 184,955 (2021); $ 49,296 (Q1 2022);$ 6,375 (Q2 2022); Total: $ 334,949
-Turgeon Graphite: $ 74,766 (2019); $ 10,631 (2020); $ 334,490 (2021);$ 8,800 (Q2 2022); Total: $ 428,687
-Quatre Milles East: $ 131 (2020); discontinued and expensed -$131 (2021); Total: $0

**Tetespica Project, Quebec:** On April 15, 2019, the Company entered into an agreement to purchase 52 mineral claims located 216 km from Baie-Comeau, Quebec. The purchase price was $10,000; and 200,000 new common shares issued when a technical report commissioned to include a mineral resources estimate in accordance with NI 43-101 is initiated; and a royalty in an amount equal to 1.5% of all Net Smelter Returns (NSR) with a right to repurchase at any time 0.5% of the NSR for $500,000. The company is expecting the results of a recent NI 43-101 Technical Report for the qualifying property supporting the invested amounts.

**Turgeon Graphite Project, Quebec**: a 2019 property located 122 km from Matagami, Quebec. Exploration work has started, and reports were issued to the Ministère de l'Énergie et des Ressources naturelles. Pending the results of the commissioned surveys and additional reports, an Option agreement has been entered into on February 2, 2022 with Rival Technologies inc. to dispose 84 of the 338 claims comprising the property for cash and stock payments over the next 5 years. It is determined that the nature of the Option does not qualify the property to be reclassified as an asset held for sale and consequently, its classification remains a long term exploration and evaluation asset. The Option Agreement provides for the grant to the Optionee of the exclusive and irrevocable right to acquire a 100% interest in 84 of the 338 claims comprising the Turgeon property (the 'Option'). The consideration to be paid by the Optionee for the grant of the Option is a series of individual cash payments and issuance of its stock currently traded on the US OTCBB at $ 0.50 USD. The timing of the payments ranges from March 31, 2022 until September 30, 2027 . If all conditions are met, the cash consideration will total $675,000, and the number of stock issued by the Optionee will amount to 4,300,000, *plus a possibility of an additional 1 million warrants at 50% above the market price of the last 10 trading days on the last payment date. The Optionee undertakes to do work on the claims over the Option period amounting to $2.1 million plus the initial NI 43-101 Technical Report at the outset. Failure by the Optionee to meet any of the agreed terms will result in the termination of the Option with the claims remaining the property of the Company. As further consideration, the Optionee shall grant to the Company a 2% Net Smelter Returns (NSR) royalty on products produced from the claims, with a possibility for the Optionee to acquire 1% of the NSR for a purchase price of $1 million within 10 years of commencement of the Option. Payments received in the current quarter ended March 31, 2022 are $25,000 and 300,000 shares. Future annual payments will be recorded as the conditions are met and when received as at each of the following year end starting September 30, 2023: $25,000/300,000shares; $25,000/500,000shares; $100,000/500,000shares; $200,000// 700,000shares; $300,000/2,000,000shares*.

**Quatre Milles East Project, Quebec** : a 2020 project discontinued and written off in 2021 for a total investment of $131.

## 8. PAYABLES

| | March 31, 2022 Q2 2022 Reviewed | March 31, 2021 Q2 2021 No report | September 30, 2021 Financial Audited |
|---|---|---|---|
| Trade | $ 112,514 | $ 7,042 | $ 306,393 |

## 9. SHARE CAPITAL

**Authorized:**

Unlimited common shares with no par value.

Unlimited class A preferred shares, one vote per share, non-participating, dividend determined at the discretion of the Board of directors, but not exceeding twelve percent (12%) per annum of the redemption price for such shares, redeemable at their paid-in value plus an amount equal to any dividends declared thereon but unpaid.

Unlimited class B preferred shares, non-voting, non-particpating, dividend determined at the discretion of the Board of directors but not exceeding thirteen percent (13%) per annum of the redemption price for such shares, redeemable at their paid-in value plus an amount equal to any dividends declared thereon but unpaid.

| | March 31, 2022 Q2 2022 Reviewed | March 31, 2021 Q2 2021 No report | September 30, 2021 Financial Audited |
|---|---|---|---|
| **Issued:** | | | |
| 22,882,559 common shares (22,598,026 as at December 31, 2021) | $ 3,078,702 | $ 1,340,509 | $ 2,895,255 |
| - share issue costs | (9,914) | (9,914) | (9,914) |
| | $ 3,068,788 | $ 1,330,595 | $ 2,885,341 |

During the quarter ended March 31, 2022, the Company issued 284,533 shares for cash and debt settlement amounting to $85,347 (for the quarter ended December 31, 2021: 327,000 shares for cash amounting to $98,100; for the year ended September 30, 2021: 6,300,680 shares for cash and debt settlement amounting to $1,748,063). A large proportion of the issued and outstanding shares are held by non Canadian residents.

## 10. INCOME TAXES

For the year ended September 30, 2021 and the current quarter a reconciliation of income taxes at statutory rates with reported taxes is as follows:

| | | March 31, 2022 (6 months) Q2 2022 Reviewed | | March 31, 2021 (6 months) Q2 2021 No report | | September 30, 2021 (12 months) Financial Audited |
|---|---|---|---|---|---|---|
| **Loss before income taxes** | $ | (144,118) | $ | (184,512) | $ | (375,988) |
| Expected income tax benefit at the combined rate of 26.6% | $ | 94,860 | $ | 46,333 | $ | 100,013 |
| Increase (decrease) in income tax benefit resulting from: | | | | | | |
| Non deductible expenses | | - | | - | | (3,771) |
| Unrecognized tax benefit | | (94,860) | | (46,333) | | (96,242) |
| Income tax benefit | $ | - | $ | - | $ | - |

## 11. LOSSES CARRYFORWARD

The tax returns prepared as at the year ended September 31, 2021 indicate that theCompany can carry forward losses totaling $1,083,115 at the Federal level and $1,082,137 at the Provincial level for income tax purposes. The expiration dates for using these losses to reduce income taxes are as follows:

| | | Federal | | Provincial |
|---|---|---|---|---|
| 2040 | $ | 387,881 | $ | 387,678 |
| 2041 | | 318,047 | | 318,047 |
| 2042 | $ | 377,187 | $ | 376,412 |

No future income tax asset regarding these tax losses has been accounted for in the financial statements.

## 12. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss and comprehensive loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted loss per share, potential common shares such as stock options and warrants have not been included, as they would have the effect of decreasing the loss per share from continuing operations. Decreasing the loss per share from continuing operations would be antidilutive. The basic and diluted loss per share for the six month period ended March 31, 2022 is $0.0063 (6 months ended March 31,2021: loss $0.0125); for the three month period ended March 31, 2022 is a gain of $0.0014 (3 months ended March 31, 2021 a loss of $0.0075); and for the year ended September 30, 2021: a loss of $0.0169 (year ended September 30, 2020 a loss $0.0259).

## 13. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

| | March 31, 2022 (6 months) Q2 2022 Reviewed | March 31, 2021 (6 months) Q2 2021 No report | September 30, 2021 (12 months) Financial Audited |
|---|---|---|---|
| Receivables | $ (17,934) | $ (2,487) | $ (83,584) |
| Business advances to a shareholder, non-interest-bearing | (303) | - | 303 |
| Prepaids | 24,740 | - | (40,955) |
| Payables | (193,879) | (35,717) | 263,634 |
| | $ (187,376) | $ (38,204) | $ 139,398 |

The information for the 3 months periods ended March 31, 2022 and 2021 is presented on page 7 B.

## 14. SEGMENTED INFORMATION

The Company's business consists of one reportable segment being resource exploration. Details about geographic areas as at March 31,2022 consist of 3 sites in the province of Quebec (Canada) totaling as follows:

| | March 31, 2022 Q2 2022 Reviewed | March 31, 2021 Q2 2021 No report | September 30, 2021 Financial Audited |
|---|---|---|---|
| **Non current assets** | | | |
| Province of Quebec (Canada) | $ 763,636 | $ 748,592 | $ 699,296 |

## 15. RELATED PARTY TRANSACTIONS

Key management personnel consist of senior officers including the President and Chief Executive Officer and Chief Financial Officer and senior management.

The Company paid or accrued amounts to key senior officers and management or companies controlled by them, and to shareholders or compagnies controlled by them, for consulting services rendered in the normal course of business in the areas of operational expertise, and for financial and accounting services.

| | March 31, 2022 (3 months) Q2 2022 Reviewed | March 31, 2021 (3 months) Q2 2021 No report | March 31, 2022 (6 months) Q2 2022 Reviewed | March 31, 2021 (6 months) Q2 2021 No report | September 30, 2021 (12 months) Financial Audited |
|---|---|---|---|---|---|
| Consulting fees for financial and accounting services rendered by a Canadian company controlled by a senior officer and shareholder | $ 7,500 | $ 7,500 | $ 15,000 | $ 15,000 | $ 30,000 |
| Consulting fees for operational services by foreign resident shareholders | 98,508 | 95,790 | 224,822 | 151,411 | 307,000 |
| | $ 106,008 | $ 103,290 | $ 239,822 | $ 166,411 | $ 337,000 |

## 16. FINANCIAL INSTRUMENTS

**Liquidity risk:** Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 15 of these financial statements.

**Credit risk :** Credit risk is the risk that one party to a financial asset will cause a financial loss for the Company by failing to discharge an obligation. The Company's credit risk is mainly related to other receivables and advances to a shareholder.

**Foreign Currency risk:** Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.The Company holds certain financial assets denominated in the United States Dollars which consist of cash and cash equivalents, and equity shares portfolio investments. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not significant.

**Market risk:** Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Some of the Company's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

## 17. CAPITAL MANAGEMENT

The Company's objectives of capital management are intended to safeguard the Company's ability to support the Company's exploration and evaluation of its resource properties and support any expansion plans. The capital of the Company consists of the items included in shareholders' equity.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its financial objectives. The Company may issue new shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements.

## 18. SHARE-BASED COMPENSATION

On February 16, 2022, the Board of Directors has approved a resolution to adopt a Stock Option Plan and a Restricted Share Unit Plan (together referred to as the 'Plans'), providing that at no time a maximum 10% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) may be reserved for issue under the two Plans.

Share-based compensation is measured at fair value at the date of grant and are expensed over the vesting period. In determining the amount of share-based compensation, the Company will use the Fair Market value of the shares at the grant date to establish the fair value of stock options and RSUs granted. The Fair value is determined as the most recent stock issue valuation or, where the shares are listed for trading on an Exchange, the last closing price of the Shares before the date of the grant.

No shares for issue under the Plans have been reserved as of May 27, 2022.

# APPENDIX C – MANAGEMENT DISCUSSION & ANALYSIS

# E-POWER RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Year Ended September 30, 2021**

**NOTE TO READERS**

The following is management's discussion in respect of the results of operations and financial position of E-Power Resources Inc. (the "Company" or "E-Power"), for the year ended September 30, 2021

**FORWARD LOOKING STATEMENT**

*The information presented in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws.*

*Such forward–looking statements, including but not limited to those with respect to the price of metals, the timing and amount of estimated future mineralization and economic viability of properties, capital expenditures, costs and timing of exploration projects, permitting timelines, title to properties, the timing and possible outcome of pending exploration projects and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors such as general economic and business conditions, change in foreign currency exchange rates, and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. Since forward looking statements address future events and conditions, by their nature, they involve inherent risks and uncertainties. Readers should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.*

*These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not intend nor do we undertake any obligation to update or revise any forward-looking statements whether written or oral that may be made by or on the Company's behalf should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by securities law. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.*

| ***Forwarding looking statements*** | ***Assumptions*** | ***Risk factors*** |
|---|---|---|
| *Management intends to further eliminate the working capital deficiency and to finance its operating costs with loans from related parties and or private placement of common shares.* | *Based on the past history of the Company, the Company was able to raise funds when needed through either private placement or debt financing* | *Change in interest rate, support by related parties, change in condition of capital market* |

**DATE OF REPORT**

The information in this report is presented as of June 7, 2022.

## ABOUT E-POWER RESOURCES INC.

E-Power Resources Inc. (the "Company") was incorporated was incorporated on October 18, 2018. The corporate head office is located at Suite 400, 3 Place Ville-Marie, Montreal, Quebec, Canada. The Company has initiated the process to be listed directly on the Canadian Stock Exchange (CSE) which will lead to the filing of a Listing Statement to the CSE by way of a 'non-offering' prospectus. The principal business activity of the Company is the exploration for mineral resources in the province of Quebec, Canada. Exploration activities consist of searching for resources suitable for commercial exploitation by researching and analyzing an area's historic exploration data, by conducting topographical, geological, geochemical and geophysical studies, and by exploratory drilling, trenching and sampling.

## CORPORATE OVERVIEW AND OVERALL PERFORMANCE

### Corporate Overview

E-Power Resources Inc. is a private Québec Corporation based in Montréal and focused on graphite in Quebec.

a) Tetepisca, Quebec, Canada (the "Tetepisca Property") , our Flagship property, is located in the North Shore region of the Province approximately 300 kilometers north of the town of Baie-Comeau. Our target on the Tetepisca property is flake graphite. The Tetepisca Property consists of 230 claims covering a total area of 12,620 hectares located in the Tetepisca Graphite District ("TGD"). Graphite resources in the TGD include the Lac Gueret deposit, the Lac Gueret Extension deposit, and the Lac Tetepisca deposit.

   The Company acquired its original position in the TGD through a purchase agreement with local prospectors during the winter of 2019. The Company completed a program of prospecting, trenching, and sampling on the claims during the summer of 2019. During 2019 and 2020, we identified prospective claims in the TGD and acquired these claims directly by staking.

   The Company has compiled, reviewed, and interpreted all historical exploration data and information covering the claims and has prioritized 5 targets areas for follow-up exploration.

   The targets at the Tetepisca property have been chosen based on strong electromagnetic response coupled with lower total magnetic intensity and supported by positive historical drilling and sampling results. Exploration work completed on the property during 2021 included line cutting and ground electromagnetic surveys as well as geological mapping over selected parts of the 5 targets areas. An airborne magnetic and electromagnetic survey was completed over approximately three quarters of the property during the winter 2022. The Company is currently interpreting the new exploration data and planning a drill program.

b) Turgeon, Quebec, Canada (the "Turgeon Property") is located in the Abitibi region of western Québec. Our primary target on the Turgeon Property is Copper-Zinc mineralization with secondary graphite potential. The Turgeon Property also holds significant gold potential. The Turgeon property consists of 331 claims covering 18,366 hecatres located in the Abitibi region of western Quebec. The Property was originally acquired through on-line staking in December 2018 and claims were added through on-line staking in 2020 and 2021. During the winter of 2019 E-Power completed an exploration program that included ground geophysics (electromagnetics) and diamond drilling.

The highlight of the drill program was a graphite intersection consisting of 9.65 % Cg (carbon as graphite) over an intersection length of 42 metres which included a high-grade section of 8.80 metres at 21.62% Cg. *(true widths are interpreted to be > 80% of the drill hole intersection length).*

The Turgeon property is located in a geological domain referred to as the Abitibi Greenstone Belt ("AGB"). The AGB extends in an east-west direction across the Ontario-Quebec border for approximately 500 km and in a north-south direction for a distance of approximately 350 km. The AGB has been, and continues to be, an extremely important mining district for base and precious metals. Historical gold production from the AGB in in excess of 200 million ounces and base metal massive sulphide production totals more than 775 million tonnes.

Since acquisition in 2018, there has been a steep uptick in the level of gold and base metal exploration in the area of the Turgeon Property. The Turgeon property borders the property of Agnico Eagles Detour Lake Mine, located to the northwest, and is approximately 15 kilometres north of the Casa Berardi Gold Mine. Magnetic and electromagnetic patterns support the interpretation of significant structures across the Turgeon property. Base metal (and limited gold) mineral occurrences, dominantly west of the property in Ontario, are associated with the magnetic and electromagnetic lineaments continuous across the Turgeon property. *The Qualified Person responsible for this MD&A has not verified the information on the adjacent properties and the information is not necessarily indicative of the mineralization on the property.*

During the fall of 2021, E-Power commissioned an airborne magnetic and time-domain electromagnetic survey. Based on the results of this survey, the company acquired additional claims extending the property position to the east and south. This survey will form the foundation for continued exploration and project development.

Company's strategy

A typical single electric vehicle battery requires between 50-100 kg of graphite. About 80% of graphite comes from China (U.S. Geological Survey, Mineral Commodity Summaries, January 2022). The Company is developing local sources of graphite for the Quebec and North American Electric Vehicle Industry.

- **Conduct Research** – To identify graphite exploration and resource development opportunities
- **Secure** – Land positions with graphite exploration and resource development potential
- **Delineate and Develop** – Graphite resources by determining tonnage, grade, flake size and mine ability
- **Enhance Project Viability and Reduce Project Risk** – To ensure graphite products are optimized and attractive to battery manufacturers and material suppliers requiring flake graphite
- **Monetise Projects** – Through option agreements, merger & acquisitions, joint ventures, and trade sales

## SELECTED ANNUAL INFORMATION

| | 2021<br>$ | 2020<br>$ | 2019<br>$ |
|---|---|---|---|
| Revenue | 430 | -- | -- |
| Operating Expenses | 376,418 | 413,444 | 408,187 |
| Net loss and comprehensive loss | 375,988 | 413,444 | 408,187 |
| Total assets | 1,994,115 | 358,406 | 571,396 |
| Total long-term liabilities | -- | -- | -- |
| Net loss per share (basic and diluted) | $ (0.0169) | $ (0.0259) | $ (0.0257) |

## SELECTED QUARTERLY INFORMATION

The Company has not had any revenue from inception. The Company's past result of operation was not subject to seasonality. Management expects it will be difficult for the Company to obtain further equity or debt financing in the near future given that the current Canadian capital market is in a downturn for junior mining companies. The current resources on hand are not adequate for the Company to meet its long term business objective or to conduct any significant explorative activities to the existing mineral properties.

The Company's information of the latest eight quarters is summarized as follows:

| | 2021 | | | | 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Total assets | 1,994,115 | *N/A | 331,494 | 340,191 | 47,612 | *N/A | *N/A | *N/A |
| Revenue | *N/A | *N/A | – | – | *N/A | *N/A | *N/A | *N/A |
| Net income (Loss) and comprehensive income (loss) | *N/A | *N/A | (111,206) | (73,306) | *N/A | *N/A | *N/A | *N/A |
| Earnings (loss) per share, basic and diluted | *N/A | *N/A | (0.02) | (0.01) | *N/A | *N/A | *N/A | *N/A |

* The Company is a private company which is not required to file quarterly financials. As such, certain quarterly financial information is not available.

## RESULTS OF OPERATIONS

Year Ended September 30, 2021 ("2021 YE") and 2020 ("2020 YE")

During 2021 YE, the Company had a loss and comprehensive loss of $375,988 comparing to the $413,444 loss in 2020 YE. The loss and comprehensive loss of $375,988 (2020 YE - $413,444) comprised of income of $430 (2020 YE - $NIL) and operating expenses of $376,418 (2020 YE - $413,444).

The main components of the operating expenses comprise of management and consulting fees of $304,480 for 2021 YE (2020 YE - $335,980), Legal and audit professional fees of $28,721 (2020 YE -$36,344), travel of $16,913 (2020 YE - $6,612), mining fees of $3,733 (2020 YE - $10,513) and IT and web hosting of $17,000 (2020 YE - $NIL).

The decrease in management and consulting fee in 2021 YE versus 2020 YE was mainly due to less exploration and capital raising activity.

The increase in legal and audit professional fees in 2021 YE versus 2020 YE was mainly due to additional legal and audit fees being incurred to prepare the company for a CSE listing.

The increase in travel in 2021 YE versus 2020 YE was mainly due to not much travel in 2020 and increased work on mineral properties.

The decrease in mining fees in 2021 YE versus 2020 YE was mainly due to bi-annual renewal fees for mineral claims not coming due.

The increase in IT and web hosting in 2021 YE versus 2021 YE was mainly due to developing a website and web presence.

The Fourth Quarter Ended September 30, 2021 ("2021 Q4") and 2020 ("2020 Q4")

The Company is a private company which is not required to file quarterly financials. As such, the fourth quarter profit and loss information is not available.

## LIQUIDITY AND CAPITAL RESOURCES

Financing of operations has been achieved by equity and debt financing. As at September 30, 2021, the Company had a cash balance of $1,152,089, and working capital of $988,426. The Company has no operations that generate cash inflow.

Management intends to finance its operating costs with non-current loans from related parties and or private placement of common shares.

While the Company has a history of financing its operation through debt or equity financing in the past, readers are cautioned that there are no guarantees that the Company can do so in the future.

The Company had cash outflow of $236,590 from its operating activities during the 2021 YE which was mainly spent on management and consulting fees, legal and audit professional fees and settlement of trade payables.

The Company had cash outflow of $519,345 from its investing activities during the 2021 YE which was mainly spent on acquisition of equity investments and exploration and evaluation assets.

The Company had cash inflow of $1,748,063 from its financing activities during the 2021 YE through issuance of the Company's shares.

The Company is not subject to external capital requirements and does not have capital commitment.

## OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

Company does not have any proposed transactions that have material impacts to the Company at this time.

## OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 23,062,374 shares outstanding as at the date of this MD&A.

## TRANSACTIONS WITH RELATED PARTIES

Key management personnel consist of senior officers including the President and Chief Executive Officer and Chief Financial Officer and senior management. The Company paid or accrued amounts to key senior officers and management or companies controlled by them, and to shareholders or compagnies controlled by them, for consulting services rendered in the normal course of business in the areas of operational expertise, and for financial and account services.

| | Year ended September 30, 2021 | Year ended September 30, 2020 |
|---|---|---|
| Consulting fees for financing and accounting services renderd by a Canadian company controlled by a senior officer and shareholder | $ 30,000 | $ 30,000 |
| Consulting fees for operational services by foreign resident shareholders | 307,000 | 202,000 |
| | $ 337,000 | $ 232,000 |

## CHANGES IN ACCOUNTING POLICIES

Refer to the Note 3 to the Company's financial statements for the year ended September 30, 2021.

## FINANCIAL INSTRUMENTS

Refer to the Note 15 of the Company's audited financial statements for the year ended September 30, 2021.

## RISK FACTORS

Risks of the Company's business include the following:

### Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

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**Qualified Persons**

Jamie Lavigne, P.Geo. CEO and Director, is a Qualified Person as defined in National Instrument 43-101. Mr. Lavigne has verified the exploration data and information presented in this MD&A and has reviewed and approved the information contained in this MD&A.

## OFFICERS AND DIRECTORS

| | |
|---|---|
| Jamie Lavigne | CEO and Director |
| Michael Danielsson | Director |
| Paul Haber | CFO |

# E-POWER RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Three and Six Months Ended March 31, 2022**

## NOTE TO READERS

The following is management's discussion in respect of the results of operations and financial position of E-Power Resources Inc. (the "Company" or "E-Power"), for the three and six months ended March 31, 2022

## FORWARD LOOKING STATEMENT

*The information presented in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws.*

*Such forward–looking statements, including but not limited to those with respect to the price of metals, the timing and amount of estimated future mineralization and economic viability of properties, capital expenditures, costs and timing of exploration projects, permitting timelines, title to properties, the timing and possible outcome of pending exploration projects and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors such as general economic and business conditions, change in foreign currency exchange rates, and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. Since forward looking statements address future events and conditions, by their nature, they involve inherent risks and uncertainties. Readers should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.*

*These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not intend nor do we undertake any obligation to update or revise any forward-looking statements whether written or oral that may be made by or on the Company's behalf should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by securities law. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.*

| ***Forwarding looking statements*** | ***Assumptions*** | ***Risk factors*** |
|---|---|---|
| *Management intends to further eliminate the working capital deficiency and to finance its operating costs with loans from related parties and or private placement of common shares.* | *Based on the past history of the Company, the Company was able to raise funds when needed through either private placement or debt financing* | *Change in interest rate, support by related parties, change in condition of capital market* |

## DATE OF REPORT

The information in this report is presented as of June 7, 2022.

## ABOUT E-POWER RESOURCES INC.

E-Power Resources Inc. (the "Company") was incorporated on October 18, 2018. The corporate head office is located at Suite 400, 3 Place Ville-Marie, Montreal, Quebec, Canada. The Company has initiated the process to be listed directly on the Canadian Stock Exchange (CSE) which will lead to the filing of a Listing Statement to the CSE by way of a 'non-offering' prospectus. The principal business activity of the Company is the exploration for mineral resources in the province of Quebec, Canada. Exploration activities consist of searching for resources suitable for commercial exploitation by researching and analyzing an area's historic exploration data, by conducting topographical, geological, geochemical and geophysical studies, and by exploratory drilling, trenching and sampling.

## CORPORATE OVERVIEW AND OVERALL PERFORMANCE

### Corporate Overview

E-Power Resources Inc. is a private Québec Corporation based in Montréal and focused on graphite in Quebec.

a) Tetepisca, Quebec, Canada (the "Tetepisca Property") , our Flagship property, is located in the North Shore region of the Province approximately 300 kilometers north of the town of Baie-Comeau. Our target on the Tetepisca property is flake graphite. The Tetepisca Property consists of 230 claims covering a total area of 12,620 hectares located in the Tetepisca Graphite District ("TGD"). Graphite resources in the TGD include the Lac Gueret deposit, the Lac Gueret Extension deposit, and the Lac Tetepisca deposit.

   The Company acquired its original position in the TGD through a purchase agreement with local prospectors during the winter of 2019. The Company completed a program of prospecting, trenching, and sampling on the claims during the summer of 2019. During 2019 and 2020, the Company identified prospective claims in the TGD and acquired these claims directly by staking.

   The Company has compiled, reviewed, and interpreted all historical exploration data and information covering the claims and has prioritized 5 targets areas for follow-up exploration.

   The targets at the Tetepisca property have been chosen based on strong electromagnetic response coupled with lower total magnetic intensity and supported by positive historical drilling and sampling results. Exploration work completed on the property during 2021 included line cutting and ground electromagnetic surveys as well as geological mapping over selected parts of the 5 targets areas. An airborne magnetic and electromagnetic survey was completed over approximately three quarters of the property during the winter 2022. The Company is currently interpreting the new exploration data and planning a drill program.

b) Turgeon, Quebec, Canada (the "Turgeon Property") is located in the Abitibi region of western Québec. Our primary target on the Turgeon Property is Copper-Zinc mineralization with secondary graphite potential. The Turgeon Property also holds significant gold potential. The Turgeon property consists of 331 claims covering 18,366 hecatres located in the Abitibi region of western Quebec. The Property was originally acquired through on-line staking in December 2018 and claims were added through on-line staking in 2020 and 2021. During the winter of 2019 E-Power completed an exploration program that included ground geophysics (electromagnetics) and diamond drilling.

The highlight of the drill program was a graphite intersection consisting of 9.65 % Cg (carbon as graphite) over an intersection length of 42 metres which included a high-grade section of 8.80 metres at 21.62% Cg . *(true widths are interpreted to be > 80% of the drill hole intersection length).*

The Turgeon property is located in a geological domain referred to as the Abitibi Greenstone Belt ("AGB"). The AGB extends in an east-west direction across the Ontario-Quebec border for approximately 500 km and in a north-south direction for a distance of approximately 350 km. The AGB has been, and continues to be, an extremely important mining district for base and precious metals. Historical gold production from the AGB in in excess of 200 million ounces and base metal massive sulphide production totals more than 775 million tonnes.

Since acquisition in 2018, there has been a steep uptick in the level of gold and base metal exploration in the area of the Turgeon Property. The Turgeon property borders the property of Agnico Eagles Detour Lake Mine, located to the northwest, and is approximately 15 kilometres north of the Casa Berardi Gold Mine. Magnetic and electromagnetic patterns support the interpretation of significant structures across the Turgeon property. Base metal (and limited gold) mineral occurrences, dominantly west of the property in Ontario, are associated with the magnetic and electromagnetic lineaments continuous across the Turgeon property. *The Qualified Person responsible for this MD&A has not verified the information on the adjacent properties and the information is not necessarily indicative of the mineralization on the property.*

During the fall of 2021, E-Power commissioned an airborne magnetic and time-domain electromagnetic survey. Based on the results of this survey, the company acquired additional claims extending the property position to the east and south. During the Fall 2021, the Company incorporated the results of the airborne survey into the existing exploration GIS dataset and interpreted target areas on the Property prospective for base metal and gold mineralization.

On February 2, 2022 the Company signed an option agreement with Rival Technologies Inc.("Rival") on the Turgeon property. Under the terms of the option agreement, the Company will grant to Rival the exclusive right and option (the "Option") to acquire a 100% interest in 84 claims covering the southern part of the Turgeon property. As consideration for the grant of the Option, and in order to exercise the Option, the Rival shall complete the following individual cash payments, stock issuances, and work programs on or before the dates indicated:

| Date | Cash | Stock | Work on Claims |
|---|---|---|---|
| March 31/2022 | $25,000 | 300,000 | N/43-101 Technical Report |
| February 28/2023 | | | $100,000 |
| September 30/2023 | $25,000 | 300,000 | $500,000 |
| September 30/2024 | $25,000 | 500,000 | $500,000 |
| September 30/2025 | $100,000 | 500,000 | $500,000 |
| September 30/2026 | $200,000 | 700,000 | $500,000 |
| September 30/2027 | $300,000 | 2,000,000 | |
| **Total:** | **$675,000** | **4,300,000** | **$2,100,000 plus technical report** |

In addition to the above terms, on September 30, 2027, Rival will issue to E-Power 1,000,000 warrants at 50% above the market price where the market price will be based on the market over the 10 previous trading days. Upon completion of the Option, E-Power will retain a 2% royalty in the claims. Failure to meet any of the Option terms will result in termination of the Option and the claims will remain the property of E-Power and neither party will have any further obligation or liability in regard to the Option agreement.

Company's strategy

A typical single electric vehicle battery requires 50-100 kg of graphite. About 80% of graphite comes from China (U.S. Geological Survey, Mineral Commodity Summaries, January 2022). The Company is developing local sources of graphite for the Quebec and North American Electric Vehicle Industry.

- **Conduct Research** – To identify graphite exploration and resource development opportunities
- **Secure** – Land positions with graphite exploration and resource development potential
- **Delineate and Develop** – Graphite resources by determining tonnage, grade, flake size and mine ability
- **Enhance Project Viability and Reduce Project Risk** – To ensure graphite products are optimized and attractive to battery manufacturers and material suppliers requiring flake graphite
- **Monetise Projects** – Through option agreements, merger & acquisitions, joint ventures, and trade sales

## SELECTED QUARTERLY INFORMATION

The Company has not had any revenue from inception. The Company's past result of operation was not subject to seasonality. Management expects it will be difficult for the Company to obtain further equity or debt financing in the near future given that the current Canadian capital market is in a downturn for junior mining companies. The current resources on hand are not adequate for the Company to meet its long term business objective or to conduct any significant explorative activities to the existing mineral properties.

The Company's information of the latest eight quarters is summarized as follows:

| | 2022 | | 2021 | | | | 2020 | |
|---|---|---|---|---|---|---|---|---|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Total assets | 1,839,565 | 1,802,770 | 1,994,115 | *N/A | 331,494 | 340,191 | 47,612 | *N/A |
| Revenue | 215,980 | 389 | *N/A | *N/A | – | – | *N/A | *N/A |
| Net income (Loss) and comprehensive income (loss) | 30,213 | (174,331) | *N/A | *N/A | (111,206) | (73,306) | *N/A | *N/A |
| Earnings (loss) per share, basic and diluted | 0.00 | (0.01) | *N/A | *N/A | (0.02) | (0.01) | *N/A | *N/A |

* The Company is a private company which is not required to file quarterly financials. As such, certain quarterly financial information is not available.

**RESULTS OF OPERATIONS**

Three Months Ended March 31, 2022 ("2022 Q2") and 2021 ("2021 Q2")

During 2022 Q2, the Company had a comprehensive income of $30,213 comparing to the $111,206 loss in the same quarter of last year. The $30,213 income was mainly a combined result of earning revenue from option granted on an exploration asset for $215,500 (2021 Q2 - $NIL) and incurring $185,767 operating expenses (2021 Q2 - $111,206).

The main components of the operating expenses comprise of management and consulting fees of $106,008 for 2022 Q2 (2021 Q2 - $103,290), Legal and audit professional fees of $64,479 (2021 Q2 -$NIL), and mining fees of $6,913 (2021 Q2 - $NIL) and IT and web hosting of $1,962 (2021 Q2 - $7,000).

The increase in legal and audit professional fees in 2022 Q2 versus 2021 Q2 was mainly due to costs incurred in 2022 related to preparation for listing on the CSE.

The increase in mining fees in 2022 Q2 versus 2021 Q2 was mainly due to bi-annual mineral claim renewal fees.

The decrease in IT and web hosting in 2022 Q2 versus 2021 Q2 was mainly due to non-recurring costs in 2021.

Six Months Ended March 31, 2022 ("2022 Q2 YTD") and 2021 ("2021 Q2 YTD")

During 2022 Q2 YTD, the Company had a comprehensive loss of $144,118 comparing to the $184,512 in 2021 Q2 YTD. The $144,118 loss was mainly a combined result of earning revenue from option granted on an exploration asset for $215,500 (2021 Q2 YTD - $NIL) and incurring $360,487 operating expenses (2021 Q2 YTD - $184,512).

The main components of the operating expenses comprise of management and consulting fees of $239,822 for 2022 Q2 YTD (2021 Q2 YTD - $166,411), Legal and audit professional fees of $64,479 (2021 Q2 YTD -$371), and mining fees of $45,740 (2021 Q2 YTD - $3,733) and IT and web hosting of $1,962 (2021 Q2 YTD - $11,500).

The increase in management and consulting fees in 2022 Q2 YTD versus 2021 Q2 YTD was mainly due to additional work on the company's mineral properties.

The increase in legal and audit professional fees in 2022 Q2 YTD versus 2021 Q2 YTD was mainly due to mainly due to costs incurred in 2022 related to preparation for listing on the CSE.

The increase in mining fees in 2022 Q2 YTD versus 2021 Q2 YTD was mainly due to bi-annual mineral claim renewal fees.

The decrease in IT and web hosting in 2022 Q2 YTD versus 2021 Q2 YTD was mainly due to non-recurring costs in 2021.

## LIQUIDITY AND CAPITAL RESOURCES

Financing of operations has been achieved by equity and debt financing. As at March 31, 2022, the Company had a cash balance of $752,465, and working capital of $775,915. The Company has no operations that generate cash inflow.

Management intends to finance its operating costs with non-current loans from related parties and or private placement of common shares.

While the Company has a history of financing its operation through debt or equity financing in the past, readers are cautioned that there are no guarantees that the Company can do so in the future.

The Company had cash outflow of $331,363 from its operating activities during the 2022 Q2 YTD which was mainly spent on management and consulting fees, legal and audit professional fees and settlement of trade payables.

The Company had cash outflow of $251,708 from its investing activities during the 2022 Q2 YTD which was mainly spent on acquisition of equity investments and exploration and evaluation assets.

The Company had cash inflow of $183,447 from its financing activities during the 2022 Q2 YTD through issuance of the Company's shares.

The Company is not subject to external capital requirements and does not have capital commitment.

## OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

Company does not have any proposed transactions that have material impacts to the Company at this time.

## OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 23,062,374 shares outstanding as at the date of this MD&A.

## TRANSACTIONS WITH RELATED PARTIES

Key management personnel consist of senior officers including the President and Chief Executive Officer and Chief Financial Officer and senior management. The Company paid or accrued amounts to key senior officers and management or companies controlled by them, and to shareholders or compagnies controlled by them, for consulting services rendered in the normal course of business in the areas of operational expertise, and for financial and account services.

| | | Three months ended March 31, 2022 | | Three months ended March 31, 2021 | | Six months ended March 31, 2022 | | Six months ended March 31, 2021 |
|---|---|---|---|---|---|---|---|---|
| Consulting fees for financing and accounting services renderd by a Canadian company controlled by a senior officer and shareholder | $ | 7,500 | $ | 7,500 | $ | 15,000 | $ | 15,000 |
| Consulting fees for operational services by foreign resident shareholders | | 98,508 | | 95,790 | | 224,822 | | 151,411 |
| | $ | 106,008 | $ | 103,290 | $ | 239,822 | $ | 166,411 |

## CHANGES IN ACCOUNTING POLICIES

Refer to the Note 3 to the Company's financial statements for the three and six months ended March 31, 2022 and audited financial statements for the year ended September 30, 2021.

## FINANCIAL INSTRUMENTS

Refer to the Note 16 of the Company's financial statements for the three and six months ended March 31, 2022 and the Note 15 to the Company's audited financial statements for the year ended September 30, 2021.

## RISK FACTORS

Risks of the Company's business include the following:

### Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

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