

# ORIGEN RESOURCES INC.

Condensed Interim Consolidated Financial Statements  
(Unaudited – Expressed in Canadian Dollars)

**FOR THE THREE AND NINE-MONTH PERIOD ENDED DECEMBER 31, 2021 AND 2020**

**488 - 625 Howe Street  
Vancouver, B.C. V6C 2T6**

**TELEPHONE: 604-681-0221**

#### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of Origen Resources Inc. have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.



RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	December 31, 2021	March 31, 2021
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 719,697	\$ 186,837
Receivables	64,868	19,213
Investments (Note 6)	970,094	1,838,767
Prepaid expenses (Note 9)	8,000	165,930
	1,762,659	2,210,747
<b>Non-current assets</b>		
Promissory note (Notes 7 and 8)	1,747,607	-
Exploration and evaluation assets (Notes 7 and 9)	2,741,087	2,528,912
Investment in Forty Pillars (Note 11)	1,342,934	-
Reclamation deposits (Note 7)	63,500	63,500
	\$ 7,657,787	\$ 4,803,159
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 9)	\$ 211,234	\$ 365,010
Flow-through obligation (Note 4)	31,000	31,000
	242,234	396,010
<b>Shareholders' equity</b>		
Share capital (Note 10)	6,135,144	5,444,648
Share-based payment reserves (Note 10)	591,252	422,016
Retained earnings (deficit)	689,157	(1,459,515)
	7,415,553	4,407,149
	\$ 7,657,787	\$ 4,803,159

Nature and continuance of operations (Note 1)

Subsequent events (Note 14)

Approved on Behalf of the Board on February 28, 2022.

*The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements*



RESOURCES INC.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)  
(Unaudited – Expressed in Canadian Dollars)

	Three-months ended December 31, 2021	Three-months ended December 31, 2020	Nine-months ended December 31, 2021	Nine-months ended December 31, 2020
<b>EXPENSES</b>				
Consulting (Note 9)	\$ 71,000	\$ 21,000	\$ 175,319	\$ 168,251
General office	6,795	8,221	17,155	19,955
Management fees (Note 9)	215,000	45,000	305,000	127,500
Marketing	63,950	-	106,980	-
Professional fees (Note 9)	35,352	14,701	170,411	81,214
Rent (Note 9)	5,400	4,500	14,700	13,500
Share-based payment (Note 9 and 10)	70,262	-	169,236	183,929
Transfer agent and filing fees	12,594	26,418	46,247	63,498
<b>Operating expenses</b>	<b>(480,353)</b>	<b>(119,840)</b>	<b>(1,005,048)</b>	<b>(657,847)</b>
Gain on investments (Note 6)	240,767	696,467	841,174	1,626,467
Financing expense (Note 9)	(60,800)	-	(60,800)	-
Interest income (Note 8)	44,931	-	44,931	-
Impairment of mineral property	-	(10,000)	-	(10,000)
Other expense	-	(10,000)	-	-
Equity loss on investment in Forty Pillars (Note 11)	(20,236)	-	(20,236)	-
Gain on sale of mineral property (Note 7)	2,523,089	-	2,523,089	-
Gain on deconsolidation of Forty Pillars	-	-	48,929	-
Gain on April 2021 Plan of Arrangement (Note 5)	-	-	87,921	-
<b>Income and comprehensive income for the period</b>	<b>\$ 2,247,398</b>	<b>\$ 556,627</b>	<b>\$ 2,459,960</b>	<b>\$ 958,620</b>
<b>Basic earnings per common share</b>	<b>\$ 0.07</b>	<b>\$ 0.02</b>	<b>\$ 0.07</b>	<b>\$ 0.05</b>
<b>Diluted earnings per common share</b>	<b>\$ 0.07</b>	<b>\$ 0.02</b>	<b>\$ 0.07</b>	<b>\$ 0.04</b>
<b>Weighted average number of common shares outstanding</b>				
<b>Basic</b>	<b>33,230,603</b>	<b>27,430,770</b>	<b>32,948,092</b>	<b>21,223,214</b>
<b>Diluted</b>	<b>34,583,473</b>	<b>27,445,108</b>	<b>34,262,326</b>	<b>21,602,161</b>

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

# ORIGEN

RESOURCES INC.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency) (Unaudited – Expressed in Canadian Dollars)

	Number of common shares	Share capital	Subscriptions received in advance	Share-based payment reserves	Deficit	Total
Balance, March 31, 2020	1	\$ 1	\$ -	\$ -	\$ (129,807)	\$ (129,806)
Cancelled incorporation share	(1)	(1)	-	-	-	(1)
Shares issued for plan of arrangement (Note 4)	13,621,958	2,500,000	-	-	-	2,500,000
Private placements, net of share issuance costs	4,945,032	655,473	-	-	-	655,473
Shares issued for exploration and evaluation assets	7,000,000	1,133,500	-	-	-	1,133,500
Shares issued pursuant to termination agreement (Note 7)	275,000	50,875	-	-	-	50,875
Shares issued pursuant to strategic investment (Note 6)	4,200,000	840,000	-	-	-	840,000
Share-based payment	-	-	-	183,929	-	183,929
Subscription received in advance	-	-	29,000	-	-	29,000
Income and comprehensive income for the period	-	-	-	-	958,620	958,620
Balance, December 31, 2020	30,041,990	5,179,848	29,000	183,929	828,813	6,221,590
Private placements, net of share issuance costs	2,206,666	264,800	(29,000)	-	-	235,800
Share-based payments	-	-	-	238,087	-	238,087
Loss and comprehensive loss for the period	-	-	-	-	(2,288,328)	(2,288,328)
Balance, March 31, 2021	32,248,656	5,444,648	-	422,016	(1,459,515)	4,407,149
Shares issued for exploration and evaluation assets	750,000	255,500	-	-	-	255,500
Shares issued upon exercise of warrants	1,980,332	396,361	-	-	-	396,361
Shares purchased pursuant to NCIB (Note 10)	(81,500)	(22,165)	-	-	-	(22,165)
Shares issued pursuant to financing fee (Note 9)	160,000	60,800	-	-	-	60,800
April 2021 Plan of Arrangement (Note 5)	-	-	-	-	(311,288)	(311,288)
Share-based payments	-	-	-	169,236	-	169,236
Income and comprehensive income for the period	-	-	-	-	2,459,960	2,459,960
Balance, December 31, 2021	35,057,488	\$ 6,135,144	\$ -	\$ 591,252	\$ 689,157	\$ 7,415,553

*The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements*



RESOURCES INC.

# Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
<b>Cash flows from operating activities</b>		
Net income for the period	\$ 2,459,960	\$ 958,620
Non-cash items:		
Share-based payments	169,236	183,929
Termination payment in shares	-	50,875
Gain on deconsolidation of Forty Pillars	(48,929)	-
Gain on April 2021 Plan of Arrangement	(87,921)	-
Gain on sale of mineral property	(2,523,089)	-
Impairment of mineral property	-	10,000
Equity loss from Investment in Forty Pillars	20,236	-
Interest income	(44,931)	-
Financing fee	60,800	-
Gain on investments	(841,174)	(1,626,467)
Changes in non-cash working capital items:		
Receivables	(20,655)	(335)
Prepaid expenses	157,930	(5,250)
Accounts payable and accrued liabilities	(73,603)	(279,369)
Net cash used in operating activities	(772,140)	(707,997)
<b>Cash flows from investing activities</b>		
Exploration and evaluation assets	(919,077)	(345,395)
Purchases of investments	(1,341,333)	(119,800)
Proceeds from sale of investments	1,895,536	-
Proceeds from sale of mineral property	1,000,000	-
Recovery on exploration and evaluation assets	362,572	130,394
Net cash provided by (used in) investing activities	997,698	(334,801)
<b>Cash flows from financing activities</b>		
Cash received from plan of arrangement	-	506,899
Cash paid as part of the April 2021 Plan of Arrangement	(66,894)	-
Cash received from loan	1,000,000	-
Repayment of loan	(1,000,000)	-
Subscriptions received in advance	-	29,000
Funds from promissory note	-	100,000
Issuance of shares, net of share issuance costs	396,361	555,472
Repurchase of shares pursuant to NCIB	(22,165)	-
Net cash provided by financing activities	307,302	1,191,371
<b>Net change in cash</b>	<b>532,860</b>	<b>148,573</b>
<b>Cash, beginning of the period</b>	<b>186,837</b>	<b>808</b>
<b>Cash, end of the period</b>	<b>\$ 719,697</b>	<b>\$ 149,381</b>

Supplemental cash flow information (Note 13)

*The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements*



RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month period ended December 31, 2021

(Unaudited – Expressed in Canadian Dollars)

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## 1 NATURE AND CONTINUANCE OF OPERATIONS

Origen Resources Inc. (the “Company” or “Origen”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on September 12, 2019. The address of its head office is located at Suite 488-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6. The Company’s registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5. The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol ORGN and the Frankfurt Exchange under the symbol 4VX.

On April 28, 2020, the Company and Raffles Financial Group Limited (formerly Explorex Resources Inc.) (“Raffles”) closed their plan of arrangement (the “Plan of Arrangement”). Pursuant to the Plan of Arrangement, Raffles has spun out certain assets and liabilities to the Company, along with the transfer of \$500,000 in cash, for consideration of 13,621,958 common shares and 935,325 share purchase warrants of the Company to Raffles’ shareholders (Note 4). The Company is an exploration company engaged in generating, acquiring and advancing base and precious metal properties.

The Company entered into an arrangement agreement dated April 1, 2021 to complete another plan of arrangement (the “April 2021 Plan of Arrangement”) under the BCBCA with its formerly wholly owned subsidiary, Forty Pillars Mining Corp. (“Forty Pillars”). The April 2021 Plan of Arrangement was completed on May 31, 2021 (Note 5). Pursuant to the April 2021 Plan of Arrangement, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 6,485,174 common shares of Forty Pillars (the “Forty Pillars Shares”) valued at \$0.08 per Forty Pillars Share, of which 3,891,102 Forty Pillars Shares were distributed to Origen’s shareholders and 2,594,072 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. Forty Pillars is listed on the CSE under the symbol PLLR.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at December 31, 2021, the Company had working capital of \$1,520,425 (March 31, 2021 - \$1,814,737) and had not yet achieved profitable operations. The Company expects to incur further losses in the development of its business. All of these circumstances comprise a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements, it could be necessary to restate the Company’s assets and liabilities on a liquidation basis.

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



RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month period ended December 31, 2021

(Unaudited – Expressed in Canadian Dollars)

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## **2 BASIS OF PRESENTATION**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim consolidated financial statements, including International Accounting Standards (“IAS”) 34 “Interim Financial Reporting”.

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition, the condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2021. The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended March 31, 2021.

### **Basis of consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its formerly wholly-owned subsidiary, Forty Pillars, from the date of Forty Pillars’ incorporation on February 4, 2021 until May 31, 2021 when Forty Pillars was spun-out. All significant intercompany accounts and transactions between the Company and its former subsidiary have been eliminated upon consolidation.



### 3 SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported expenses during the reporting period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the consolidated statements of financial position: The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount;
- The valuation of shares issued in non-cash transactions: Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices;
- The recognition of deferred tax assets: The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets;
- The fair value of the exploration and evaluation assets transferred in the plan of arrangement: Management estimated the fair value of the exploration and evaluation assets transferred which formed the value recorded on completion of the transaction; and
- Valuation of investments: Many factors can enter into the valuation of investments, including the trading value and volume of shares. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the shares held.

The most significant judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and the conclusion that the Plan of Arrangement was an acquisition of assets and not a business combination.

**4 PLAN OF ARRANGEMENT**

On April 28, 2020, the Company and Raffles closed their Plan of Arrangement. Pursuant to the Plan of Arrangement, Raffles has spun out certain assets and liabilities to the Company, along with the transfer of \$500,000 in cash, for consideration of 13,621,958 common shares and 935,325 share purchase warrants of the Company to Raffles' shareholders.

The share purchase warrants were issued pursuant to the Plan of Arrangement, whereby holders of outstanding Raffles warrants received, in exchange for each warrant, one Raffles replacement warrant and one-half of one share purchase warrant of the Company, both with exercise prices based on the proportionate market value of two companies after the completion of Plan of Arrangement. The fair value of the share purchase warrants was determined to be \$nil. All share purchase warrants issued pursuant to the Plan of Arrangement expired during the year ended March 31, 2021 (Note 10).

The fair value of the net assets transferred to the Company pursuant to the Plan of Arrangement consisted of the following assets and liabilities:

Assets:	\$
Cash	506,899
Receivables	6,287
Prepaid expenses	2,375
Exploration and evaluation assets	2,197,415
Total assets	2,712,976
Liabilities:	
Accounts payable and accrued liabilities	(181,976)
Flow-through obligation	(31,000)
Fair value of net assets contributed	2,500,000

The Company assumed a flow-through obligation of \$31,000 as Raffles had not completely fulfilled its commitment to incur exploration expenditures by December 31, 2018 in relation to flow-through share financings in October 2017. The Company may be required to indemnify flow-through individual investors for the amount of increased taxes payable by the flow-through investors as a consequence of the failure of Raffles to incur qualifying exploration expenditures previously renounced to the flow-through investors.

The Plan of Arrangement resulted in an increase of share capital amounting to \$2,500,000.

**5 TRANSFER OF ASSETS**

The Company entered into an arrangement agreement dated April 1, 2021 to complete a plan of arrangement (the “April 2021 Plan of Arrangement”) under the BCBCA with its formerly wholly owned subsidiary, Forty Pillars.

The April 2021 Plan of Arrangement was completed on May 31, 2021. Pursuant to the April 2021 Plan of Arrangement, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 6,485,174 Forty Pillars Shares valued at \$0.08 per Forty Pillars Share, of which 3,891,102 Forty Pillars Shares were distributed to Origen’s shareholders and 2,594,072 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. Upon completion Forty Pillars was listed on the CSE under the symbol PLLR.

As a result of the April 2021 Plan of Arrangement, the Company issued an aggregate of 187,184 additional share purchase warrants to the Company’s warrant holders, comprising of: (1) 50,730 share purchase warrants exercisable at \$0.22 per common share expiring on April 28, 2022; (2) 86,106 share purchase warrants exercisable at \$0.20 per common share expiring on December 1, 2021; and (3) 50,348 share purchase warrants exercisable at \$0.20 per common share expiring on January 12, 2022 with a fair value of \$32,974 recorded as share based compensation. The weighted average fair value per option was \$0.18 and was estimated using the Black-Scholes option pricing model assuming a life expectancy of 0.64 years, risk-free rate of 0.31% and volatility of 100%.

The carrying value of the net assets transferred to Forty Pillars consisted of the following:

	\$
Cash	66,894
Exploration and evaluation assets	451,974
Accounts payable and accrued liabilities	(87,975)
Carrying Value of net assets	430,893
Fair value of consideration received	518,814
Gain on spinout	87,921

In accordance with IFRIC 17, Distribution of Non-Cash Assets to Owners, the Company recognized the distribution of net assets to the Company’s shareholders at fair value with the difference between that value and the carrying amount of the net assets recognized in the statement of income (loss) and comprehensive income (loss).

## 6 INVESTMENTS

	Number of Common Shares Held		Fair Value	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Exploits Discovery Corp. (NFLD)	1,222,222*	3,666,667*	\$ 684,444	\$ 1,741,667
Tearlach Resources Ltd. (TEA)	100,000	100,000	\$ 29,500	\$ 19,000
West Mining Corp. (WEST)	10,000	110,000	\$ 1,150	\$ 78,100
Opawica Explorations Inc. (OPW)	850,000	-	\$ 255,000	\$ -
			\$ 970,094	\$ 1,838,767

\*1,222,222 shares became free trading effective September 18, 2021 and 1,222,222 shares will be free trading effective March 18, 2022.

	Number of Share Purchase Warrants Held		Fair Value	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
West Mining Corp. (WEST)	55,000*	55,000	\$ -	\$ -
Opawica Explorations Inc. (OPW)	375,000**	-	\$ -	\$ -

\* Each share purchase warrant is exercisable for one common share at an exercise price of \$0.35 per common share until December 15, 2022.

\*\* Each share purchase warrant is exercisable for one common share at an exercise price of \$0.60 per common share until May 31, 2023.

### Exploits Discovery Corp.

On June 4, 2020, the Company entered into a strategic investment agreement with Exploits Gold Corp. ("Exploits Gold"). Exploits Gold was a private exploration company. The Company was granted an exclusive one year right of first refusal to acquire any of the new projects generated by Exploits Gold in exchange for 666,667 common shares of Exploits Gold for gross proceeds of \$100,000.

On September 1, 2020, the Company entered into a share purchase and sale agreement with Crest Resources Inc. ("Crest") to purchase additional shares of Exploits Gold. The Company purchased 3,000,000 common shares of Exploits Gold from Crest in exchange for 4,200,000 common shares of the Company valued at \$840,000.

Exploits Gold was acquired by Exploits Discovery Corp. (formerly Mariner Resources Corp.) ("Exploits") on September 18, 2020, resulting in the Company's strategic investment becoming a reporting issuer traded on the CSE.

During the nine months ended December 31, 2021, the Company sold 2,444,445 common shares of Exploits for net proceeds of \$1,826,444.

These transactions are deemed to be related party transactions by virtue of common directors.



RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month period ended December 31, 2021

(Unaudited – Expressed in Canadian Dollars)

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West Mining Corp.

During the year ended March 31, 2021, the Company acquired 110,000 units of West Mining Corp. ("West") at a price of \$0.18 per unit totaling \$19,800. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into a common share at an exercise price of \$0.35 for 2 years. No value was attributed to the share purchase warrants.

On November 4, 2020, the Company received 500,000 common shares of West in relation to the Kagoot Brook Project valued at \$90,000 (Note 7).

During the nine months ended December 31, 2021, the Company sold 100,000 common shares of West for net proceeds of \$69,093.

Tearlach Resources Ltd.

On January 22, 2021, the Company received 100,000 common shares of Tearlach Resources Ltd. ("Tearlach") in relation to the Bonanza Mountain Project valued at \$8,000 (Note 7).

Opawica Explorations Inc.

On May 31, 2021, the Company purchased 750,000 units of Opawica Explorations Inc. ("Opawica") for a total of \$300,000. Each unit is comprised of one common share and one-half of one share purchase warrant, with each whole warrant exercisable at \$0.60 per common share until May 31, 2023. This transaction is deemed to be a related party transaction as an officer and director of the Company is also an officer and director of Opawica. No value was attributed to the share purchase warrants.

During the nine months ended December 31, 2021, the Company purchased an additional 100,000 common shares of Opawica for \$41,333.

Condensed Interim Consolidated Statements of Cash Flows  
(Unaudited – Expressed in Canadian Dollars)

**7 EXPLORATION AND EVALUATION ASSETS**

	Silver Dollar Property	Arlington Property	Beatrice Property	Kagoot Brook Project	Bonanza Mountain Project	Broken Handle Project	Wishbone Property	LGM Property	Middle Ridge Property	NFLD Lithium Project	Los Sapositos Lithium	Total
<b>Acquisition Costs</b>												
Opening, September 12, 2019 and March 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan of Arrangement	1,530,332	63,920	60,237	90,000	452,926	-	-	-	-	-	-	2,197,415
Additions	-	-	-	30,000	54,000	352,500	94,167	634,833	29,000	40,118	-	1,234,618
Recoveries	(66,894)	-	-	(90,000)	(43,000)	(15,000)	-	(10,000)	-	-	-	(224,894)
Impairment	(1,029,398)	-	(42,408)	(10,000)	-	-	-	-	-	-	-	(1,081,806)
Closing, March 31, 2021	434,040	63,920	17,829	20,000	463,926	337,500	94,167	624,833	29,000	40,118	-	2,125,333
Additions	-	69,500	-	-	-	-	60,000	-	64,500	35,770	140,306	370,076
Recoveries	-	-	-	-	-	-	(154,167)	-	-	-	-	(154,167)
Closing, December 31, 2021	434,040	133,420	17,829	20,000	463,926	337,500	-	624,833	93,500	75,888	140,306	2,341,242
<b>Exploration Costs</b>												
Opening, September 12, 2019 and March 31, 2020	-	-	-	-	-	-	-	-	-	-	-	-
Assay	-	-	-	-	-	-	4,506	9,905	-	-	-	14,411
Equipment, field supplies, and other	-	1,000	51	8,500	3,193	-	45,112	202,610	129	-	-	260,595
Geological	-	-	-	-	-	-	-	-	6,588	-	-	6,588
Geophysical	-	-	-	-	-	-	-	66,835	91,150	-	-	157,985
Recoveries	-	-	-	(28,500)	(7,500)	-	-	-	-	-	-	(36,000)
Closing, March 31, 2021	-	1,000	51	(20,000)	(4,307)	-	49,618	279,350	97,867	-	-	403,579
Assay	-	25,940	-	-	819	-	-	-	-	3,638	-	30,397
Equipment, field supplies, and other	-	49,264	54	-	1,580	-	801	29,059	-	189,163	2,604	272,525
Geological	-	35,613	-	-	5,488	-	-	-	863	-	-	41,964
Geophysical	-	-	-	-	-	-	140,089	88,757	9,278	-	-	238,124
Staking	-	-	-	-	-	-	-	-	-	73,635	-	73,635
Recoveries	-	(10,000)	-	-	(7,897)	-	(190,508)	-	-	-	-	(208,405)
Closing, December 31, 2021	-	101,817	105	(20,000)	(4,317)	-	-	397,166	108,008	266,436	2,604	851,819
<b>Transfer of assets (Note 5)</b>	(434,040)	-	(17,934)	-	-	-	-	-	-	-	-	(451,974)
<b>Balance, December 31, 2021</b>	\$ -	\$ 235,237	\$ -	\$ -	\$ 459,609	\$ 337,500	\$ -	\$ 1,021,999	\$ 201,508	\$ 342,324	\$ 142,910	\$ 2,741,087

*The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements*

## **Silver Dollar Property, British Columbia**

On April 28, 2020, the Company acquired the Silver Dollar Property as part of the Plan of Arrangement.

The Company owned a 100% interest in the Silver Dollar Property, located in the Revelstoke Mining District of British Columbia, subject to an existing 1% net smelter return (“NSR”) royalty held by Happy Creek Minerals Ltd., beginning upon commencement of commercial production on the property.

Raffles entered into an option agreement with Exploits on August 14, 2018, whereby Exploits had the right to acquire a 75% interest in the Silver Dollar Property. Pursuant to the option agreement, Exploits was required to make cash payments, issue shares, and meet exploration expenditure requirements as follows:

- Cash payments: Exploits was required to pay \$25,000 upon execution of the agreement (received by Raffles), \$50,000 in cash or common shares of Exploits, at Exploits' discretion, on or before May 30, 2021, \$100,000 in cash on or before May 30, 2022, and \$250,000 in cash on or before May 30, 2023 for an aggregate total consideration of \$425,000;
- Share issuances: Exploits was required to issue 100,000 common shares on May 30, 2021, an additional 300,000 shares on or before May 30, 2022, and an additional 500,000 shares on or before May 30, 2023 for an aggregate total of 900,000 shares; and
- Work commitments: Exploits was required to incur \$75,000 in exploration expenditures on or before the May 30, 2020 (incurred); an additional \$150,000 on or before May 30, 2021, an additional \$350,000 on or before May 30, 2022, and an additional \$425,000 on or before May 30, 2023 for an aggregate total of \$1,000,000 in exploration expenditures.

Upon Exploits earning the 75% interest in the property, the parties would enter into a joint venture.

On November 9, 2020, Exploits elected to terminate the option agreement and paid a termination fee of \$66,894, which was recorded as a recovery against acquisition costs.

Exploits and the Company are related by virtue of an officer of Exploits and a director of the Company being related.

During the nine months ended December 31, 2021, the Company spun out the Silver Dollar Property to Forty Pillars (Note 5).



RESOURCES INC.

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(Unaudited – Expressed in Canadian Dollars)

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### **Arlington Property, British Columbia**

On April 28, 2020, the Company acquired 100% of the Arlington Property as part of the Plan of Arrangement. The property is located in British Columbia.

On April 15, 2021, the Company increased the size of its Arlington property through the purchase of a 100% interest in the Fresh Pot claims in Beaverdell, British Columbia by paying \$3,500 in cash and issuing 200,000 common shares by August 15, 2021 (issued with a fair value of \$66,000). The Fresh Pot claims are subject to a 1% NSR royalty, which can be purchased by the Company for \$1,000,000.

The Company entered into an option agreement with Jessy Ventures Corp. ("Jessy Ventures") on September 17, 2021, whereby Jessy Ventures has the right to acquire a 60% interest in the Arlington Property. Pursuant to the option agreement, Jessy Ventures will be paying the Company \$185,000 (\$10,000 received), issuing 1,000,000 common shares and incurring \$750,000 in exploration expenditures on the property as follows:

- Paying \$10,000 upon signing as a non-refundable deposit (received);
- Issuing 200,000 common shares upon final receipt of final approval of the option agreement by the TSX Venture Exchange (the "Exchange Approval Date");
- Paying \$25,000, issuing 300,000 common shares and incurring \$125,000 in exploration expenditures on or before the first anniversary of the Exchange Approval Date;
- Paying \$50,000, issuing 500,000 common shares and incurring \$250,000 in exploration expenditures on or before the second anniversary of the Exchange Approval Date; and
- Paying \$100,000, issuing 1,000,000 common shares and incurring \$375,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Any shortfall in cumulative exploration expenditures can be settled in either cash or common shares at the option of the Company. Jessy Ventures is also required to reimburse the Company for the costs that have been incurred on the recently completed exploration program on the Fresh Pot claims totaling approximately \$110,000 within 5 days of the Exchange Approval Date.

Upon exercise of the option, the Company will be granted a 1.5% NSR royalty on the property, of which Jessy Ventures can purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production.

The option agreement will be terminated if the date of Exchange Approval (the "Exchange Approval Date") has not been obtained by March 31, 2022.





RESOURCES INC.

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#### **Beatrice Property, British Columbia**

On April 28, 2020, the Company acquired 100% of the Beatrice Property as part of the Plan of Arrangement. The Beatrice Property is located in the southern portion of the Silver Dollar Property and forms part of the Silver Dollar Property.

During the nine months ended December 31, 2021, the Company spun out the Beatrice Property to Forty Pillars (Note 5).

#### **Kagoot Brook Cobalt Project, New Brunswick**

On April 28, 2020, the Company acquired the Kagoot Brook Cobalt Project ("Kagoot Brook Project") as part of the Plan of Arrangement.

On May 11, 2020, the Company entered into a Sale, Assignment and Assumption Agreement (the "Assumption Agreement") with West with respect to the purchase and assumption by West of all of the Company's rights, title and interest in, to and under an option and joint venture agreement relating to Kagoot Brook Project dated May 10, 2018, and as amended on January 7, 2020, with Great Atlantic Resources Corp. ("Great Atlantic") (the "Underlying Agreement"). For consideration, West issued an aggregate of 500,000 common shares, valued at \$90,000, to the Company (Note 6). As a result, the Company recognized an impairment of \$10,000 in exploration and evaluation assets during the year ended March 31, 2021.

#### **Bonanza Mountain Project, British Columbia**

On April 28, 2020, the Company acquired the Bonanza Mountain Project as part of the Plan of Arrangement.

The Company holds a 100% interest in the Bonanza Mountain Project in the historic Knight's Mining Camp, Grand Forks area, British Columbia. To complete the obligation to earn its 100% interest, the Company issued 300,000 common shares, valued at \$54,000, during the year ended March 31, 2021.

On June 12, 2020, the Company granted Tearlach an option to acquire a 75% interest in the project by:

(a) Paying an aggregate of \$210,000 and issuing 500,000 common shares over a 3-year period as follows:

- \$10,000 upon signing (received);
- \$25,000 and issuing 100,000 common shares by January 22, 2021 (received);
- \$50,000 and issuing 100,000 common shares on or before January 7, 2022;
- \$50,000 and issuing 100,000 common shares on or before January 7, 2023; and
- \$75,000 and issuing 200,000 common shares on or before January 7, 2024.



RESOURCES INC.

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(b) Incurring \$500,000 in exploration expenditures as follows:

- \$100,000 by January 7, 2022; and
- \$400,000 by January 7, 2024.

Any excess exploration expenditures will be cumulative and can be carried forward to future years or in the event of a shortfall of exploration expenditures, Tearlach can pay the Company in cash or shares at the Company's election.

Upon exercise of the option, the Company will be granted a 1.5% NSR royalty on the project, of which Tearlach can purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production.

Subsequent to December 31, 2021, Tearlach elected to terminate the option agreement.

#### **Broken Handle Project, British Columbia**

On May 11, 2020, the Company acquired a 100% interest in the Broken Handle Project located 50km north of Grand Forks, British Columbia, through issuance of 1,500,000 shares valued at \$352,500. The property is subject to a 1% NSR royalty. The Company has the option to purchase 0.5% of the 1% NSR royalty for \$1,000,000.

On December 15, 2020, the Company granted Hawthorn Resources Corp. ("Hawthorn") an option to acquire a 75% interest in the project by incurring \$500,000 in exploration expenditures on the property, paying the Company \$250,000 (\$15,000 received) and issuing 1,000,000 common shares as follows:

- Paying \$15,000 upon signing (received);
- Paying \$25,000 and issuing 150,000 common shares within 15 days of Exchange approval and acceptance of the 43-101 report ("Exchange Approval Date");
- Issuing 200,000 common shares and incurring \$100,000 in exploration expenditures on or before 12 months after the Exchange Approval Date;
- Paying \$60,000 on or before 18 months of the Exchange Approval Date;
- Paying \$70,000 and issuing 250,000 common shares on or before the second anniversary of the Exchange Approval Date; and
- Paying \$80,000, issuing 400,000 common shares and incurring \$400,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Upon exercise of the option, the Company will be granted a 1.5% NSR royalty on the property, of which Hawthorn can purchase 1% of the NSR royalty for \$1,000,000 within one year of commencement of commercial production. This transaction is deemed to be a related party transaction by virtue of common directors.



RESOURCES INC.

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### **LGM Property and Wishbone Property, British Columbia**

On May 27, 2020, the Company entered into a Sale and Assignment Agreement to acquire a 100% interest in the LGM Property located in British Columbia and an option to acquire a 100% interest in the Wishbone Property located in British Columbia from Orogenic Regional Exploration Ltd. ("Orogenic"). The transaction is deemed to be a related party transaction by virtue of two common directors.

In consideration for the assignment and the property transfer, the Company:

- Paid a non-interest-bearing advance to Orogenic in the amount of \$25,000 which was repayable by September 10, 2020 with a fee of up to \$10,000 (\$35,000 was received, of which \$10,000 was recorded as recovery against acquisition costs);
- Issued 5,000,000 common shares (issued and valued at \$700,000); and
- Granted Orogenic a right to appoint a further member to the Board of Directors of the Company.

The LGM and Wishbone Properties are subject to NSR royalties of 2% and 1%, respectively.

Pursuant to the option agreement dated May 29, 2019 to acquire 100% interest of the Wishbone Property, the Company was to:

- Pay \$10,000 (paid by Orogenic) and issue 100,000 common shares (issued by Orogenic) upon execution of option agreement;
- Pay \$15,000 (paid) and issue 100,000 common shares (issued and valued at \$14,000) by May 29, 2020;
- Pay \$25,000 (paid) and issue 100,000 common shares (issued and valued at \$35,000) by May 29, 2021;
- Pay \$50,000 and issue 200,000 common shares by May 29, 2022; and
- Pay \$50,000 and issue 200,000 common shares by May 29, 2023.

During the year ended March 31, 2021, the Company paid \$63,500 in relation to reclamation deposits associated with the LGM and Wishbone Properties.

On October 4, 2021, the Company entered into an assignment agreement with Forty Pillars Mining Corp. to transfer to Forty Pillars a 100% interest in the Company's Wishbone Property.

In consideration for the assignment and the property transfer, the Company:

- Received \$1,000,000 in cash from Forty Pillars;
- Received a \$2,000,000 promissory note from Forty Pillars with a three-year term bearing interest at 5% per annum, payable monthly (Note 8); and
- Received a 1% NSR royalty. Half of the NSR can be purchased by Forty Pillars prior to commercial production for \$1,000,000.



RESOURCES INC.

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Forty Pillars will be obligated to make the remaining share issuances and cash payments under the original property agreement. Forty Pillars has also reimbursed the Company \$140,089 for geophysical exploration costs incurred.

During the nine months ended December 31, 2021, the Company recorded a gain on sale of Wishbone of \$2,523,089.

#### **Middle Ridge Property, Newfoundland**

On October 28, 2020, the Company entered into an option agreement to acquire a 100% interest in the Middle Ridge Pond Property located in Newfoundland from private vendors. Pursuant to the option agreement, the Company is to:

- Pay \$16,000 (paid) and issue 100,000 common shares (issued and valued at \$13,000) by November 1, 2020;
- Pay \$15,000 (paid) and issue 150,000 common shares (issued and valued at \$49,500) by November 1, 2021;
- Pay \$25,000 and issue 200,000 common shares by November 1, 2022;
- Pay \$25,000 and issue 250,000 common shares by November 1, 2023; and
- Pay \$35,000, issue 400,000 common shares and incur exploration expenditures of \$750,000 by November 1, 2024.

The property is subject to a 2% NSR royalty, of which 1% NSR royalty can be purchased for \$1,000,000.

#### **NFLD Lithium Project, Newfoundland**

During the year ended March 31, 2021, the Company acquired a 100% interest in the NFLD Lithium Project by staking.

On June 10, 2021, the Company purchased additional lithium claims within the NFLD Lithium Project. The Company paid a total of \$2,770, issued 100,000 common shares (issued and valued at \$33,000) and granted a 1% NSR royalty to private vendors. Half of the NSR royalty (0.5%) can be purchased prior to commercial production for \$500,000. An 'Area of Mutual Interest' was also granted within the existing boundaries of the NFLD Lithium Project (the "AMI"). If the Company stakes new claims within the AMI, the staked claims will become part of the NFLD Lithium Project and its NSR royalty. If the vendors stake or caused to stake any new claims within the AMI on or before June 10, 2023, the Company must issue an additional 10,000 common shares per claim staked.



RESOURCES INC.

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### **Los Sapos Lithium Project, Argentina**

On October 1, 2021, the Company entered into an option agreement to acquire a 100% interest in the Los Sapos Lithium Project located in Argentina from private vendors. Pursuant to the option agreement, the Company is to:

- Pay USD\$25,000 (paid) upon signing;
- Pay USD\$25,000 (paid) and issue 200,000 common shares (issued and valued at \$72,000) on November 15, 2021;
- Incur USD\$200,000 in exploration expenditures on or before 12 months after the Execution Date;
- Pay USD\$75,000 and issue 200,000 common shares on each anniversary of the Execution Date for four years beginning on the first anniversary;
- Incur an additional USD\$4,800,000 in exploration expenditures on or before 60 months after the Execution Date.

## **8 PROMISSORY NOTE**

On October 4, 2021, as part of the sale of the Wishbone Property to Forty Pillars, the Company received a promissory note for \$2,000,000, bearing interest at 5% per annum and maturing on October 4, 2024. The Company fair valued the loan at \$1,727,676 using a 5% discount rate, the promissory note will be accreted to its face value over the term of the note at an effective interest rate of 4.77%. As at December 31, 2021, the Company had accrued interest receivable of \$25,000 and recorded accretion income of \$19,931 for total interest income of \$44,931. The carrying value of the promissory note at December 31, 2021 was \$1,747,607.

## **9 RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the nine months ended December 31, 2021, the Company entered into the following transactions with related parties:

Paid or accrued exploration costs of \$403,824 (2020 - \$221,117) that were capitalized as exploration and evaluation assets to a company controlled by a director and Chief Executive Officer of the Company.

Paid or accrued management fees of \$147,500 (2020 – \$67,500) to a company controlled by a director and Chief Executive Officer of the Company.

Paid or accrued management fees of \$147,500 (2020 - \$60,000) to a company controlled by a director and President of the Company.



## RESOURCES INC.

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Paid or accrued consulting fees of \$2,000 (2020 - \$14,900) to a director of the Company.

Paid or accrued consulting fees of \$84,000 (2020 - \$42,000) to a company controlled by a director of the Company.

Paid or accrued rent of \$14,700 (2020 - \$13,500) to a company controlled by a director and Chief Executive Officer of the Company.

Paid or accrued professional fees of \$16,250 (2020 - \$22,500) to a company controlled by the former Chief Financial Officer of the Company.

Paid or accrued professional fees of \$10,350 (2020 - \$Nil) to a company of which the Chief Financial Officer of the Company is an owner.

Paid or accrued professional fees of \$9,000 (2020 - \$9,000) to a company controlled by a director and Chief Executive Officer of the Company.

During the year ended March 31, 2021, the Company paid \$100,000 (2020 - \$nil) to Crest for marketing services of which \$70,000 (2020 - \$nil) has been expensed to consulting fees in the nine months ended December 31, 2021.

During the nine months ended December 31, 2021, the Company issued 325,000 (2020 – 1,500,000) stock options to the officers and directors of the Company. Upon the issuance, \$70,262 (2020 – \$153,275) in share-based compensation expense was recorded.

As at December 31, 2021, \$192,628 (March 31, 2021 - \$130,424) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to services provided and reimbursement of expenses. As at December 31, 2021, \$5,000 was included in prepaids for an advance to a director of the Company.

#### Commitments – Consulting Agreements

On April 28, 2020, as part of the Plan of Arrangement, the Company assumed a commitment relating to a consulting agreement with a former director of Raffles, whereby the Company would receive consulting service at an annual cost of \$63,000 until August 31, 2021. On May 15, 2020, the Company entered into a termination agreement in respect of this consulting agreement and settled all future contractual obligations by paying \$25,000 (paid) and issuing 275,000 common shares (issued and valued at \$50,875) of the Company, which were recorded as consulting fees.

#### Promissory Note

On September 20, 2020, the Company entered into a promissory note with a company controlled by a director and Chief Executive Officer of the Company, in the amount of \$100,000. The promissory note bore interest of 12% per annum and was due on October 31, 2020. The repayment of the promissory note was extended to December 1, 2020. During the year ended March 31, 2021, the Company paid



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interest of \$2,367. On December 1, 2020, the principal of the promissory note was settled through subscription to 835,000 units of the Company for total consideration of \$100,000. Each unit was comprised of one common share and one-half share purchase warrant, with each whole warrant exercisable at \$0.20 per common share until December 1, 2021.

#### Short term loan

During the year ended March 31, 2021, the Company received a non-interest-bearing short-term loan of \$50,000 from a company controlled by a director of the Company, which was repaid.

During the nine months ended December 31, 2021, the Company received a non-interest-bearing short-term loan from Crest of \$1,000,000 for a 30-day term. In exchange, the Company issued Crest a one-time bonus of 160,000 common shares (valued at \$60,800). The loan has been repaid during the nine months ended December 31, 2021.

## 10 SHARE CAPITAL

### a) Authorized

Unlimited number of common shares without par value.

### b) Issued and outstanding

#### **During the nine months ended December 31, 2021, the Company:**

On May 31, 2021, the Company completed the April 2021 Plan of Arrangement where share capital was decreased by \$311,288.

On June 23, 2021, the Company executed a normal course issue bid ("NCIB") through the facilities of the CSE. Under the NCIB, the Company intends to acquire up to 1,620,000 common shares. The NCIB will expire on June 30, 2022. During the nine months ended December 31, 2021, the Company acquired 81,500 common shares for \$22,165.

On October 21 2021, the Company issued 160,000 common shares value at \$60,800 as financing fees.

During the nine months ended December 31, 2021, the Company issued 1,980,332 common shares pursuant to exercise of share purchase warrants for gross proceeds of \$396,361.

During the nine months ended December 31, 2021, the Company issued 750,000 common shares valued at \$255,500 relating to exploration and evaluation assets (Note 7).



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**During the year ended March 31, 2021:**

On September 12, 2019, the date of incorporation, the Company issued one common share at a price of \$1. On April 28, 2020, one common share was cancelled.

On April 28, 2020, 13,621,958 common shares of the Company were issued pursuant to the Plan of Arrangement (Note 4).

On April 28, 2020, the Company closed a private placement for gross proceeds of \$200,496 through the issuance of 1,113,867 units at a price of \$0.18 per unit. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.22 per common share until April 28, 2022.

On May 15, 2020, the Company entered into a termination agreement in respect to a commitment to a consulting agreement that the Company had assumed as part of the Plan of Arrangement. The Company settled all future contractual obligations by paying \$25,000 and issuing 275,000 common shares of the Company valued at \$50,875, which were recorded in consulting fees (Note 9).

On September 1, 2020, the Company issued 4,200,000 common shares in relation to purchasing additional 3,000,000 common shares of Exploits Gold valued at \$840,000 (Note 6).

On December 1, 2020, the Company closed a private placement for gross proceeds of \$459,740 through the issuance of 3,831,165 units at a price of \$0.12 per unit. Each unit is comprised of one common share and one-half share purchase warrant, with each whole share purchase warrant exercisable at \$0.20 per common share until December 1, 2021. Finder's fees of \$4,763 were paid in connection with the private placement.

On January 12, 2021, the Company closed a private placement for gross proceeds of \$264,800 through the issuance of 2,206,666 units at a price of \$0.12 per unit. Each unit is comprised of one common share and one-half share purchase warrant, with each whole warrant exercisable at \$0.20 per common share until January 12, 2022.

During the year ended March 31, 2021, the Company issued 7,000,000 common shares valued at \$1,133,500 relating to exploration and evaluation assets (Note 7).

**c) Stock Options**

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

As at December 31, 2021, the following stock options were outstanding:





# RESOURCES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

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	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2020 and September 12, 2019	-	\$ -
Granted	3,200,000	0.19
Balance, March 31, 2021	3,200,000	0.19
Granted	325,000	0.29
Forfeited	(600,000)	0.17
Balance, December 31, 2021	2,925,000	\$ 0.20

During the nine months ended December 31, 2021, the Company issued:

- 325,000 stock options with an exercise price of \$0.29 per share with a fair value of \$70,262. The weighted average fair value per option was \$0.22. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 1.39% and volatility of 100%.

During the year ended March 31, 2021, the Company issued:

- 1,800,000 stock options with an exercise price of \$0.15 per share with a fair value of \$183,929. The weighted average fair value per option was \$0.10. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 0.39% and volatility of 100%.
- 1,400,000 stock options with an exercise price of \$0.23 per share with a fair value of \$238,087. The weighted average fair value per option was \$0.17. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, risk-free rate of 0.45% and volatility of 100%.

A summary of the Company's stock options outstanding and exercisable as at December 31, 2021 is as follows:

Expiry Date	Number of Stock Options	Exercise Price	Number of Stock Options Exercisable	Remaining Life (Years)
June 1, 2025	1,350,000	\$0.15	1,350,000	3.42
January 21, 2026	1,250,000	\$0.23	1,250,000	4.06
December 3, 2026	325,000	\$0.29	325,000	4.93
	2,925,000		2,925,000	



## RESOURCES INC.

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#### d) Share Purchase Warrants

As at December 31, 2021, the following share purchase warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2020 and September 12, 2019	-	\$ 0.00
Granted	5,068,108	0.21
Expired	(935,325)	0.22
Balance, March 31, 2021	4,132,783	\$ 0.21
Granted	200,000	0.36
Exercised	(1,980,332)	0.20
Expired	(200,001)	0.20
Balance, December 31, 2021	2,152,450	\$ 0.23

On May 17, 2021, the Company issued 200,000 share purchase warrants to a consultant with a fair value of \$66,000 which was recorded as share-based payment. The share purchase warrants are exercisable for a period of 2 years at \$0.36 per common share. The weighted average fair value per warrant was \$0.33. The fair value of the warrants is estimated using the Black-Scholes option pricing model assuming a life expectancy of 2 years, risk-free rate of 0.33% and volatility of 100%.

As at December 31, 2021, the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price	Remaining Life (Years)
April 28, 2022	1,099,117	\$ 0.22	0.32
January 12, 2022	853,333	\$ 0.20	0.03
May 17, 2023	200,000	\$ 0.36	1.38
	2,152,450		

#### e) Escrowed Shares and Warrants

As at December 31, 2021, 700,286 common shares and 169,852 share purchase warrants of the Company were held in escrow and a portion will be released every 6 months from November 5, 2021 until May 5, 2023.

## 11 INVESTMENT IN FORTY PILLARS

The April 2021 Plan of Arrangement was completed on May 31, 2021. Pursuant to the April 2021 Plan of Arrangement, the Company completed a share reorganization and spun out its Silver Dollar Property, Beatrice Property and \$66,894 in cash to Forty Pillars in exchange for 6,485,174 common shares of Forty Pillars valued at \$0.08 per Forty Pillars Share, of which 3,891,102 Forty Pillars Shares were distributed to Origen's shareholders and 2,594,072 Forty Pillars Shares were retained by Origen, for total consideration of \$518,814. Upon completion Forty Pillars was listed on the CSE under the symbol PLLR (Note 5).

# ORIGEN

## RESOURCES INC.

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On October 28, 2021, the Company acquired 10,000,000 common shares and 10,000,000 warrants by participating in Forty Pillar's private placement.

As at December 31, 2021, the Company has 12,594,072 common shares of Forty Pillars which represents 43.45% of the issued and outstanding shares of Forty Pillars. The Company has concluded it has significant influence over Forty Pillars and has applied equity accounting for the investment.

		\$
Balance, March 31, 2021		-
Fair value – 2,594,072 shares held on October 28, 2021		363,170
Cost – 10,000,000 shares acquired on October 28, 2021		1,000,000
Equity loss (October 28, 2021 to December 31, 2021)		(20,236)
Balance, December 31, 2021	\$	1,342,934

The Company holds 10,000,000 share purchase warrants of Forty Pillars which have a fair value of \$Nil (March 31, 2021 – Nil). Each share purchase warrant is exercisable for one common share at an exercise price of \$0.12 per common share until October 28, 2024.

## 12 SEGMENTED INFORMATION

As at December 31, 2021, the Company currently operates in one segment, being the acquisition and exploration and evaluation of resource assets located in Canada as described in Note 7.

## 13 SUPPLEMENTAL CASH FLOW INFORMATION

		Nine-month period ended December 31, 2021		Nine-month period ended December 31, 2020
Exploration expenditures in accounts payable and accrued liabilities	\$	162,352	\$	13,657
Shares issued for exploration and evaluation assets	\$	255,500	\$	1,133,500
Shares issued for strategic investment	\$	-	\$	840,000
Shares issued for financing fee	\$	60,800	\$	-
Shares received in relation to exploration and evaluation assets agreement	\$	-	\$	90,000
Plan of Arrangement / Transfer of Assets		Note 5		Note 4

## 14 SUBSEQUENT EVENTS

Subsequent to December 31, 2021, the Company entered into the following transactions:

- In January 2022, the Company purchased 100,000 common shares of Opawica for \$30,800.
- In January 2022, the Company granted 125,000 stock options with an exercise price of \$0.23 per share.



RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month period ended December 31, 2021

(Unaudited – Expressed in Canadian Dollars)

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- c) In January 2022, the Company issued 416,666 common shares pursuant to exercise of share purchase warrants for gross proceeds of \$83,333.
- d) In January 2022, the Company issued 75,000 common shares pursuant to exercise of stock options for gross proceeds of \$11,250.
- e) In January 2022, the Company purchased 500,000 units of Cavu Mining Corp. for a total of \$200,000. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.60 per share for 24 months after the closing date.