



# **Archer Exploration Corp.**

**Form 2A**

## **LISTING STATEMENT**

**Dated: November 25, 2022**

## 1. GLOSSARY OF TERMS

*The following is a glossary of certain terms used in this Listing Statement and in certain documents attached as schedules hereto.*

“**Broker Warrants**” means the 385,031 non-transferable broker warrants of the Company issued to the Agents on the Closing Date, each Broker Warrant entitling the holder thereof to purchase one Common Share at a price of \$0.66 for a period of 18 months following the Closing Date.

“**Agency Agreement**” means the agency agreement dated as of the Offering Closing Date between the Company and the Agents, with respect to the Offering.

“**Agents**” means, together, the Lead Agent, National Bank Financial Inc. and Raymond James Ltd.

“**Asset Purchase Agreement**” means the agreement dated July 12, 2022, as amended on November 9, 2022, between the Company and Wallbridge, whereby the Company will purchase from Wallbridge 100% of the right, title and interest in the Nickel Projects in exchange for the Consideration Shares and the granting of the Royalty.

“**Auditors**” means DeVisser Gray LLP, the auditors of the Company.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) including the regulations thereunder, as amended.

“**Board**” means the board of directors of the Company, as it may be comprised from time to time.

“**Caster Property**” means the property known as the Caster property located in the Lac Paul region of Quebec.

“**CEO**” means an individual who acted as the chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

“**CFO**” means an individual who acted as the chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

“**Charity FT Units**” means the charity flow-through units of the Company sold pursuant to the Offering at a price of \$1.38 per Charity FT Unit.

“**Closing Date**” means November 18, 2022.

“**Common Shares**” or “**Shares**” means common shares without par value in the capital of the Company.

“**Company**”, “**Archer**”, “**we**”, “**us**”, or “**our**” means Archer Exploration Corp.

“**Consideration Shares**” means the 66,211,929 Common Shares (on a post-Consolidation basis) issued by the Company to Wallbridge at the deemed price of \$0.81 per Consideration Shares (on a post-Consolidation basis). The Consideration Shares comprise the Wallbridge Retained Shares and the Wallbridge Spinout Shares.

“**Consolidation**” means the consolidation of the Common Shares at a rate of three pre-Consolidation Common Shares for one post-Consolidation Common Share.

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

“**Date of Final CSE Approval**” means that date upon which the CSE issues a bulletin to the effect that the Company, having closed a fundamental change, has been approved for the resumption of trading on the CSE.

“**Distribution**” means the distribution by Wallbridge to its shareholders of the Wallbridge Spinout Shares on a *pro rata* basis by way of reduction of stated capital.

“**Echelon**” means Echelon Minerals Ltd.

“**Escrow Agreements**” means the escrow agreements between the Company, Odyssey Trust Company and holders of Escrowed Securities.

“**FT Units**” means the flow-through units of the Company sold pursuant to the Offering at a price of \$0.75 per FT Unit.

“**Grasset Project**” means Grasset nickel sulphide project located in Quebec.

“**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“**Lead Agent**” means Canaccord Genuity Corp.

“**Listing Statement**” means this CSE Form 2A Listing Statement.

“**Loncan**” means Lonmin Canada Inc.

“**Loncan Shares**” means certain shares held by Wallbridge in Loncan.

“**Named Executive Officers**” means Michael Brown and Jeffrey Wilson (our former Chief Executive Officers), Dilshan Anthony (our Chief Financial Officer) and Nelson Lamb (our former Chief Financial Officer).

“**NFT Units**” means the units of the Company sold pursuant to the Offering at a price of \$0.66 per Unit.

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

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“**Nickel Projects**” means, collectively, the Grasset Project and the Other Properties.

“**Offering**” means the sale by the Company of 4,545,455 NFT Units at a price of \$0.66 per NFT Unit, 4,243,334 FT Units at a price of \$0.75 per FT Unit and 2,989,550 Charity FT Units at a price of \$1.38 per Charity FT Unit, for gross proceeds of \$10,182,499.80 pursuant to the Agency Agreement.

“**Other Properties**” means the 37 properties comprised of 30,984 hectares within 807 mining claims in the district of Sudbury, the RUM project located 140 kilometers northeast of Matagami, Quebec and the

Gargoyle project located in northwest Ontario.

“**Related Person**” has the meaning as described thereto in CSE Policy 1.

“**Royalty**” means a royalty equal to 2% of net smelter returns less the amount of any pre-existing royalties on encumbered portions of the Grasset Project.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, at [www.sedar.com](http://www.sedar.com).

“**Stock Option Plan**” or “**Plan**” means the incentive stock option plan of the Company dated October 15, 2020, which allows for the granting of incentive stock options to purchase Common Shares to directors, officers, employees and consultants of the Company or its subsidiaries.

“**Subsidiary**” means 1273600 B.C. Ltd.

“**Tax Act**” means the *Income Tax Act* (Canada) and all rules and regulations made pursuant thereto, all as may be amended, re-enacted or replaced from time to time.

“**Technical Report**” means the technical report on the Grasset Project entitled “NI 43-101 Technical Report for the Grasset Property, Quebec, Canada” dated effective September 2, 2022, prepared by the Technical Report Author.

“**Technical Report Author**” means Carl Pelletier, P.Geo of InnovExplo Inc.

“**Transaction**” means the acquisition of the Nickel Projects from Wallbridge pursuant to the Asset Purchase Agreement.

“**Units**” means, collectively, the NFT Units, FT Units and Charity FT Units.

“**Wallbridge**” means Wallbridge Mining Company Limited.

“**Wallbridge Retained Shares**” means 18,043,758 Consideration Shares.

“**Wallbridge Spinout Shares**” means 48,168,171 Consideration Shares.

### **Forward-Looking Statements**

Certain statements in this Listing Statement may constitute “forward-looking” statements involving known and unknown risks, uncertainties and other factors regarding the Company’s intentions, beliefs, expectations and future results as they pertain to the Company and its proposed business. This may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this Listing Statement and as they are expected to be after the Offering.

Forward-looking statements may include, but are not limited to, statements regarding the Company’s opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company’s available cash resources and other statements about future events or results. In certain cases, forward-looking statements can be identified by the use of such words as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “seek”, “project”, “should”, “strategy”, “future”, “consider” and other similar terminology. These statements reflect

the Company's current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement. In particular, and without limiting the generality of the foregoing, this Listing Statement contains forward-looking information concerning:

- the Company's exploration of the Nickel Projects, which information has been based on exploration on the Nickel Projects to date and the recommended work program set forth in the Technical Report;
- general market conditions;
- the availability of financing for proposed programs on reasonable terms;
- the ability to contract outside service providers and the reliability of those outside service providers in delivering services in a satisfactory and timely manner;
- expectations with respect to the exploration activities of the Company;
- the use of the net proceeds of the Offering;
- the performance of the Company's business and operations;
- the Company's expectations regarding expenses and anticipated cash needs;
- the intention to grow the Company's business and operations;
- the competitive conditions of the industry in which the Company operates;
- the legal system and changes thereto;
- the regulatory and permitting process;
- the expected timing and completion of the Company's near-term objectives;
- laws and any amendments thereto applicable to the Company;
- the competitive advantages and business strategies of the Company;
- the Company's plans with respect to the payment of dividends;
- the identity of the NEOs of the Company and the expected compensation payable to them; and
- corporate governance matters, including the adoption of Board committee mandates, the membership of such committees and the adoption of various corporate policies.

The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. Investors should not place undue reliance on forward-looking information.

With respect to forward-looking statements and forward-looking information contained in this Listing Statement, assumptions have been made regarding, among other things:

- future minerals prices;
- the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts its business and any other jurisdictions in which the Company may conduct its business in the future;
- future expenses and capital expenditures to be made by the Company;
- future sources of funding for the Company's business;
- the geology of the areas in which the Company is conducting exploration and development activities;
- the intentions of the Board with respect to the executive compensation plans and corporate governance programs described herein;
- the impact of competition on the Company; and
- the Company's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Listing Statement, including:

- general economic, market and business conditions;
- uncertainties surrounding the local, national and global impact of the COVID-19 pandemic;
- uncertainties surrounding the regulatory framework being applied to the Nickel Projects and the Company's ability to be, and remain, in compliance;
- volatility in market prices for mineral resources;
- potential conflicts of interest;
- risks related to the exploration for minerals;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- the Company's status and stage of development;
- geological, technical, drilling and processing problems, including the availability of equipment and access to the Nickel Projects;
- failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties;

- risks related to the timing of completion of the Company's work programs;
- competition for, among other things, capital and skilled personnel;
- operational hazards;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;
- risks inherent in the exploration for minerals which may create liabilities to the Company in excess of the Company's insurance coverage;
- failure to accurately estimate abandonment and reclamation costs;
- failure of third parties' reviews, reports and projections to be accurate;
- the availability of capital on acceptable terms;
- political risks;
- changes to royalty or tax regimes;
- the failure of the Company to maintain its mineral property options in good standing;
- competing claims made in respect of the Company's properties or assets;
- operating and capital costs;
- unforeseen title defects;
- risks arising from future acquisition activities;
- the potential for management estimates and assumptions to be inaccurate;
- risks associated with establishing and maintaining systems of internal controls;
- volatility in the market price of the Common Shares;
- the effect that the issuance of additional securities by the Company could have on the market price of the Common Shares;
- failure to engage or retain key personnel;
- discretion in the use of proceeds of the Offering; and
- the other factors discussed under "*Risk Factors*".

Although the forward-looking statements contained in this Listing Statement are based upon what

management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Listing Statement and are expressly qualified in their entirety by this cautionary statement.



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## **2. CORPORATE STRUCTURE**

### **2.1 Corporate Name and Head and Registered Office**

The full corporate name of the Company is Archer Exploration Corp. (the “**Company**” or “**Archer**”). The Company’s head office is located at 1090 West Georgia Street, Suite 700, Vancouver, British Columbia, V6E 3V7 and its registered office is located at 353 Water Street, Suite 401, Vancouver, British Columbia, V6B 1B8.

### **2.2 Jurisdiction of Incorporation**

The Company was incorporated pursuant to the BCBCA on October 26, 2018 under the name “Lift Capital Corp.”. On November 6, 2020, the Company changed its name to “Archer Exploration Corp.”.

The Company is a reporting issuer in each of British Columbia and Ontario.

### **2.3 Intercorporate Relationships**

The Subsidiary is the only subsidiary of the Company. The Subsidiary has no assets and has not commenced commercial operations.

### **2.4 Fundamental Change**

On July 13, 2022 the Company announced the Transaction. The Transaction was completed on the Closing Date and constituted a “fundamental change” as defined in CSE policies. This Listing Statement is filed in connection with CSE approval for the fundamental change.

Fundamental changes require CSE listed issuers to obtain both the approval of the shareholders of the Company (which was obtained by way of consent resolution) and the CSE (conditional approval was obtained October 12, 2022).

### **2.5 Non-Corporate Issuers**

Not applicable. The Company is incorporated under the BCBCA.

## **3. GENERAL DEVELOPMENT OF THE BUSINESS**

### **3.1 Three Year History**

The Company’s principal business purpose since incorporation has been the identification, acquisition, evaluation and exploration of mineral properties.

#### *Caster Property*

The Company previously had a right to earn up to a 100% interest in the Caster Property pursuant to an option agreement. On May 31, 2022, the Company terminated the option agreement following evaluation of initial exploration results at the Caster Property and a review of the allocation of Company capital.

#### *Acquisition of Echelon*

On December 15, 2021, the Company announced it had entered into a securities exchange agreement with

Echelon and the shareholders of Echelon, pursuant to which the Company would acquire all of the issued and outstanding shares of Echelon. Echelon, through its subsidiaries, held the Zanzui nickel project in Northern Tanzania and related mining and technical data. On July 13, 2022, the Company terminated the securities exchange agreement with Echelon and is no longer pursuing the acquisition.

### *Consolidation*

In connection with the Transaction, the Company completed the Consolidation on November 8, 2022.

### *The Transaction*

In connection with the Transaction, the Company acquired the Nickel Projects, as more particularly described under section 2.4 – *Fundamental Change* in this Listing Statement.

### *The Offering*

On the Closing Date, the Company issued an aggregate of (i) 4,545,455 NFT Units at a price of C\$0.66 per NFT Unit, (ii) 4,243,334 FT Units at a price of C\$0.75 per FT Unit and (iii) 2,898,550 Charity FT Units at a price of C\$1.38 per Charity FT Unit. Each FT Unit and Charity FT Unit was issued as a “flow-through share” as defined in subsection 66(15) of the *Income Tax Act* (Canada) and section 359.1 of the *Quebec Tax Act* with respect to purchasers in Quebec. Aggregate gross proceeds of the Offering were C\$10,182,499.80.

Each Unit consisted of one Common Share and one common share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one additional Common Share at a price of \$1.02 until November 18, 2024.

The net proceeds of the Offering will be used for exploration and development of the Nickel Projects and for working capital purposes. The proceeds from the issuance of the FT Units and Charity FT Units will be used to incur eligible “Canadian exploration expenses” that qualify as flow-through critical mineral mining expenditures. The Company has agreed to renounce such Canadian exploration expenses with an effective date of no later than December 31, 2022, in an aggregate amount of not less than the total amount of the gross proceeds raised from the issuance of FT Units and Charity FT Units.

In connection with closing of the Offering, the Company entered into an investor rights agreement with a strategic shareholder (the “**Shareholder**”) pursuant to which the Shareholder will be entitled to, among other things, the following rights (subject to maintaining certain ownership thresholds): (a) the right to participate in certain equity financings by the Company in order to acquire up to a 19.99% ownership interest in the Company; and (b) the right to nominate one person to the Board (and if the Board is increased to nine or more directors, two people to the Board). The Shareholder has advised Archer that it does not currently own a sufficient number of the issued and outstanding Common Shares to trigger the nomination right.

In connection with the Offering, the Agents received an aggregate cash fee of C\$450,950. In addition, the Company granted the Agents 385,031 Broker Warrants. Each Broker Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of C\$0.66 per Common Share until May 18, 2024.

The Units, FT Units, Charity FT Units and securities underlying the Broker Warrants have a hold period of four months and one day from the Closing Date.

### *Additional Information*

The Company was originally listed and began trading on the CSE on February 11, 2021 under the symbol

“RCHR”. A copy of the Company’s prospectus, dated January 29, 2021, is available for review on SEDAR. In that regard, the Company also prepared and filed a Listing Statement dated February 5, 2021, a copy of which can be found on SEDAR (filed February 10, 2021).

### **3.2 Significant Acquisitions and Dispositions**

The Transaction is a significant acquisition for which financial statements would be required under NI 41-101 if this Listing Statement were a prospectus. Details regarding the Transaction can be found under the heading “*Narrative Description of the Business*”.

The Company has not completed any significant disposition during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under NI 41-101 if this Listing Statement were a prospectus.

### **3.3 Trends, Commitments, Events or Uncertainties**

Archer’s main focus will be the exploration and development of the Nickel Projects. The Company’s immediate focus will be exploration and development of the Grasset Project in accordance with the Phase 1 work program outlined in the Technical Report.

In addition, subject to the Company having sufficient available funds and if the Board determines it is in Company’s best interests, the Company may acquire additional mineral properties. Also, depending upon the Company’s ability to continue to obtain necessary funding to conduct exploration and development activities on its mineral properties and upon the results from such exploration activities, the Company may consider “optioning”, disposing or abandoning any or a portion of its mineral properties. The financing, exploration and development of the Nickel Projects and any other properties the Company may propose to acquire, will be subject to a number of factors including, the availability of capital, the price of applicable minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company’s operations and business. See Section 17 - *Risk Factors* for risk factors affecting the Company.

## **4. NARRATIVE DESCRIPTION OF THE BUSINESS**

Archer is a junior exploration company governed by the laws of British Columbia. The Company’s principal business is the exploration for minerals and the development of mineral projects. It is the intention of the Company to remain in the mineral exploration business and should the Nickel Projects be deemed not viable, the Company will explore opportunities to acquire interests in other properties.

### **Nickel Projects**

The Nickel Projects consist of the Grasset Project and the Other Properties. The Grasset Project is the Company’s only material property.

The Company intends to explore the Nickel Projects for the purposes of identifying mineral resource deposits thereon, as the Board may determine.

### **Asset Purchase Agreement**

The Transaction was effected in accordance with the Asset Purchase Agreement, a copy of which has been filed by Archer on SEDAR as a material contract. The summary of the terms of the Asset Purchase

Agreement contained herein is qualified in its entirety by reference to the complete text of the Asset Purchase Agreement. The Asset Purchase Agreement contains certain representations and warranties made by each of Archer and Wallbridge in respect of the assets, liabilities, capital, financial position and operations of Archer and Wallbridge, respectively.

#### Purchase and Sale

Subject to the terms and conditions set out in the Asset Purchase Agreement, the Company agreed to purchase from Wallbridge 100% of the property, assets, rights and obligations related to Nickel Projects, free and clear of any encumbrances (other than certain pre-existing royalties, among other permitted encumbrances listed in the Asset Purchase Agreement) in exchange for the Consideration Shares and the grant of the Royalty in favour of Wallbridge.

The Company also agreed to acquire the Loncan Shares from Wallbridge pursuant to the Asset Purchase Agreement. As announced by Magna Mining Inc. (“**Magna**”) (TSX: NICU) on August 16, 2022, Magna entered into an agreement to acquire 100% of the outstanding shares of Loncan (the “**Loncan Transaction**”). On November 7, 2022, Magna announced that it closed the Loncan Transaction and acquired 100% of the issued and outstanding shares of Loncan in exchange for an aggregate purchase price of \$16,000,000, comprised of a closing payment of \$13,000,000 million in cash (the “**First Payment**”) and a deferred payment of \$3,000,000 (the “**Deferred Payment**”), payable *pro rata* to each shareholder of Loncan. Wallbridge received its *pro rata* portion of the First Payment in the amount of C\$2,652,997 with respect to the Loncan Transaction, which amount was paid to Archer on the Closing Date. Archer is also entitled to receive Wallbridge's *pro rata* portion of the Deferred Payment in the amount of C\$612,000. The Deferred Payment will be payable to Archer in cash or shares of Magna, within 12 months of the closing date of the Loncan Transaction.

The Company also agreed to assume obligations under the closure plan relating to Wallbridge’s Broken Hammer open pit mine which ceased operation in 2015 (the “**Mine Closure Plan**”). The Mine Closure Plan, which was originally proposed by Wallbridge in 2013, was previously approved by the Ministry of Northern Development and Mines (Ontario) on March 22, 2013. The Mine Closure Plan requires the completion of various rehabilitation and monitoring measures during the three phases of closure: temporary suspension, state of inactivity and final closure. The Mine Closure Plan also sets out expectations regarding site conditions following closure. Wallbridge has posted a standby letter of credit in the amount of \$361,245.00 to provide financial assurance for the Mine Closure Plan. The Company has agreed to provide a replacement letter of credit within 90 days of closing of the Transaction.

The Nickel Projects consist of 2,046 mining claims covering approximately 67,000 hectares and include a 100% interest in the Grasset Project.

#### Distribution

Wallbridge has agreed to complete the Distribution on or before the date that is 60 days after the Closing Date. Wallbridge will retain the Wallbridge Retained Shares following completion of the Distribution of the Wallbridge Spinout Shares.

See “*Principal Securityholders*”.

#### Covenants of Wallbridge

Wallbridge gave the Company usual and customary covenants in respect of the Transaction until the Closing Date, including, among other things, that it would:

- (a) maintain its interest in the Nickel Projects in good standing under applicable laws, perform all work required to be performed, pay all taxes, royalties, rentals, fees, expenditures and other payments required to be paid in respect thereof and make any necessary tax, governmental and other filings and payments and perform such other related and applicable obligations in respect of the Nickel Projects in a timely fashion;
- (b) take reasonable care to protect and safeguard the Nickel Projects;
- (c) not sell or dispose of or transfer possession of all or any portion of the Nickel Projects;
- (d) not grant or permit to exist any encumbrances on its rights to the Nickel Projects;
- (e) promptly advise the Company with the full particulars of certain events;
- (f) perform all obligations required or desirable to be performed by it under the Asset Purchase Agreement and do all such other acts and things as may be necessary or desirable in order to consummate the Transaction; and
- (g) provide the Purchaser and its affiliates and agents (as applicable) with access and assistance as set out in the Asset Purchase Agreement.

#### Covenants of Archer

The Company gave Wallbridge usual and customary covenants in respect of the Transaction until the Closing Date, including among other things that it would:

- (a) promptly advise Wallbridge with the full particulars of certain events; and
- (b) perform all obligations required or desirable to be performed by it under the Asset Purchase Agreement and do all such other acts and things as may be necessary or desirable in order to consummate the Transaction.

#### Conditions to the Transaction

The respective obligations of the parties to complete the transactions contemplated by the Asset Purchase Agreement were subject to a number of conditions which were satisfied or waived in order for the Transaction to be completed. The following significant conditions, in addition to other customary conditions, were contained in the Asset Purchase Agreement:

- (a) acceptance by the CSE and receipt of other applicable regulatory approvals;
- (b) receipt of approval of the shareholders of the Company;
- (c) completion by the Company of a private placement for gross proceeds of at least C\$10,000,000; and
- (d) certain other closing conditions customary for a transaction of this nature.

#### Representations and Warranties

The Asset Purchase Agreement contained representations and warranties made by each of Archer and Wallbridge. The assertions embodied in those representations and warranties were solely for the purposes of the Asset Purchase Agreement. Certain representations and warranties may not have been accurate or

complete as of any specified date because they were subject to a standard of materiality or were otherwise qualified. Therefore, the representations and warranties in the Asset Purchase Agreement should not be relied on as statements of factual information.

The Asset Purchase Agreement contained representations and warranties of Archer and Wallbridge relating to certain matters including, among other things: organization; subsidiaries and other interests; capitalization; authority; consents; director approval; contracts; waivers; absence of defaults; absence of changes; employment agreements; financial statements; books and records; litigation; assets; insurance; tax matters; compliance with applicable laws; its assets and conduct of operations; reporting issuer and listing status; and matters related to the Transaction.

### **Ancillary Agreements**

In connection with closing of the Transaction, Archer and Wallbridge entered into a royalty agreement (the “**Royalty Agreement**”), an investor rights agreement (the “**Investor Rights Agreement**”), and an exploration cooperation agreement (the “**Exploration Cooperation Agreement**”). Forms of such agreements are attached as schedules to the Asset Purchase Agreement, a copy of which has been filed by Archer on SEDAR as a material contract.

#### Royalty Agreement

The Royalty Agreement provides for a royalty equal to 2% of net smelter returns less the amount of any pre-existing royalties on encumbered portions of the Grasset Project. In certain circumstances, Wallbridge was granted a right of first refusal to acquire any new royalties sold by Archer on the Grasset Project.

#### Investor Rights Agreement

The Investor Rights Agreement provides, among other things, that for so long as Wallbridge holds at least 10% of the issued and outstanding Archer Shares, it will have a *pro rata* pre-emptive right, top-up rights and a standard piggyback registration right subject to underwriter cutback. In addition, Wallbridge has agreed to not dispose of any Archer Shares, other than in connection with the Distribution, for a period of one year. Additionally, Wallbridge has the right to nominate two directors to Archer’s board of directors, with the current nominees being Marz Kord, Chief Executive Officer of Wallbridge and Brian Penny, Chief Financial Officer of Wallbridge.

#### Exploration Cooperation Agreement

The Exploration Cooperation Agreement applies to the Grasset Project but will exclude those portions which are subject to the Resource Estimate (the “**Gold Cooperation Area**”). Pursuant to the Exploration Cooperation Agreement, Wallbridge was granted the right to explore the Gold Cooperation Area for gold in certain circumstances. If the results from either Wallbridge’s or Archer’s exploration work in the Gold Cooperation Area establish a mineral resource that consists of primary gold mineralization, then the parties will form a joint venture in which Archer will have a 30% interest and Wallbridge will have a 70% interest. If the results from Wallbridge’s exploration work in the Gold Cooperation Area establish a mineral resource that consists of primary mineralization other than gold, then the parties will form a joint venture in which Archer will have a 70% interest and Wallbridge will have a 30% interest. The purpose of any such joint ventures will be to explore, develop and operate such mineral resource. The Exploration Cooperation Agreement has a term of five years and is subject to earlier termination in certain circumstances.

#### Finder’s Fee Agreement

In connection with the Transaction, the Company entered into a finder’s fee agreement with two arm’s length parties (the “**Finders**”). As compensation for the Finders’ introduction of the Company and Wallbridge, Archer issued to the Finders 1,655,298 Common Shares of Archer (representing 2.5% of the number of Consideration Shares). The Common Shares issued to the Finders are subject to escrow and will be released over a period of two years after the Closing Date.

**Business Objectives and Milestones**

The overall business objective of Archer focuses on identifying, evaluating, acquiring and exploring mineral properties for the purposes of identifying a mineral resource deposit on the Nickel Projects (or any other properties acquired by the Company) for the development of a mine or for corporate transactions that are value-accretive to shareholders.

Following consultation with its geologists, management has established the below exploration objectives. The Company cautions that these objectives are subject to change based on the results of ongoing exploration, the availability of resources, permitting, weather and other factors within or outside the control of management. Refer to “Risk Factors” for a complete description of risks affecting the Company’s exploration plans.

The Company anticipates that the estimated time period when the business objectives will be achieved are as follows:

<b>Financial Quarter</b>	<b>Business Objectives</b>	<b>Estimated Cost</b>
Ended December 31, 2023	Complete Phase 1 work program at the Grasset Project and publish results	\$4,197,500

Archer expects to conduct the Phase 1 work program in an effort to define the mineral potential of the Grasset Project. The Company may, from time to time, make acquisitions of additional resource properties, assets or businesses, enter into joint-ventures, dispose, abandon or grant options or other rights in its properties as opportunities arise and as the Board determines to be in the best interest of the Company’s shareholders.

**Use of Available Funds**

As at October 31, 2022, the Company had a working capital of approximately \$(10,237). As of the date of this Listing Statement, the Company had cash of approximately \$12.2 million and a working capital of approximately \$11.8 million .

The following table summarizes the Company’s principal purposes, with approximate amounts, for which the available funds as of the date of this Listing Statement will be used by the Company:

<b>Use of Funds</b>	<b>Amount</b>
Transaction expenses	\$500,000
Quebec exploration, including completion of Phase 1 work program at the Grasset Project	\$5,000,000



Use of Funds	Amount
Exploration work at the Other Properties	\$2,500,000
Replacement of Letter of Credit on Broken Hammer Property	\$361,245
Closure Plan Obligations related to Broken Hammer Property	\$998,308
Estimated annual corporate and administrative expenses	\$1,725,000 <sup>(1)</sup>
Estimated unallocated working capital	\$3,146,703
<b>Total</b>	<b>\$12,231,256</b>

Notes:

- (1) Estimated annual corporate and administrative expenses consist of: accounting and audit (\$75,000), general and administrative (\$200,000), regulatory and legal (\$200,000), investor relations and shareholder costs (\$150,000), salaries and board fees (\$1,100,000).

The Company expects to have enough working capital to complete the Phase 1 work program outlined under the Technical Report and the additional exploration programs planned and to satisfy the corporate and administrative expenses for the next twelve months.

During the fiscal year ended September 30, 2021 and the nine-month period ended June 30, 2022, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at one of its mineral projects. As a result, the Company may need to allocate a portion of its existing working capital to fund any such negative cash flow from operating activities in future periods.

### **Principal Products or Services**

The Company is in the mineral exploration business and does not have any marketable products at this time nor is it distributing any products at this time. In addition, the Company does not know when any of the Nickel Projects will reach the development stage and, if so, what the estimated costs would be to reach commercial production.

### **Specialized Skill and Knowledge**

All aspects of the Company's business require specialized skills and knowledge. specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mine construction and operation, and accounting. While recent increased activity in the resource mining industry has made it more difficult to locate competent employees and consultants in such fields, the Company has found that it can locate and retain such employees and consultants and believes it will continue to be able to do so. See "Directors and Officers" for details as to the specific skills and knowledge of the Company's directors and management.

### **Employees**

As of the date hereof, the Company has two employees. The Company has retained certain geological consultants to assist in execution of exploration of the Nickel Projects. The Company will rely on consultants to conduct the necessary geological and financial work required.

On an ongoing basis, the Board expects to evaluate the required expertise and skills necessary to execute the strategy described herein and will seek to attract and retain individuals required to meeting the Company's objectives. The Company believes its success is dependent on the performance of its management and key individuals, many of whom have specialized skills in exploration in Canada, and the nickel industry.

The Company believes it has adequate personnel with the specialized skills required to carry out its operations and anticipates making ongoing efforts to match its workforce capabilities with its business strategy for the Nickel Projects as circumstances evolve. See "17. Risk Factors".

### **Competitive Conditions**

The mineral exploration and development industry is competitive in all phases of exploration, development and production. There is a high degree of competition faced by the Company in Quebec and Ontario for skilled employees, suitable contractors for drilling operations, technical and engineering resources, and necessary exploration and mining equipment. Many competitor companies have greater financial resources, operational expertise, and/or more advanced properties than the Company. The Company has in place experienced management personnel and continues to evaluate the required expertise and skills to carry out its operations. As a result of this competition, the Company may be unable to achieve its exploration and development in the future on terms it considers acceptable or at all. See "Risk Factors".

### **Lending Operations, Investment Policies and Restrictions**

The Company has not adopted any specific policies or restrictions regarding investments or lending, but will ensure any investment or debt activities incurred are in the best interests of the Company and its shareholders. The Company expects that, in the immediate future in order to maintain and develop the Nickel Projects, it may need to raise additional capital through equity and/or debt. If the Company is unable to raise the necessary capital to meet its obligations as they become due, the Company may have to curtail its operations or obtain financing at unfavourable terms.

### **Bankruptcy and Receivership**

The Company has not been the subject of any bankruptcy or any receivership or similar proceedings or any voluntary bankruptcy, receivership or similar proceedings, since incorporation.

### **Material Restructuring**

The Company has not completed any reorganization since its incorporation, nor is the Company proposing any material restructuring transaction for the current financial year, other than the Transaction.

### **Companies with Asset-Backed Securities**

The Company does not have any asset-backed securities.

### **Mineral Properties**

The disclosure required by section 4.3 of CSE Form 2A is included in the attached Schedule D to this Listing Statement.

## **5. SELECTED CONSOLIDATED FINANCIAL INFORMATION**

### **5.1 Annual Information**

The Company's audited financial statements for the fiscal years ended September 30, 2021, 2020 and 2019, are attached hereto as Schedule A and are available on SEDAR.

The following financial data summarizes selected financial data for the Company prepared in accordance with IFRS and is derived from the Company's audited annual financial statements for the years ended September 30, 2021, 2020 and 2019. The information set forth below should be read in conjunction with the Company's annual financial statements and the related notes thereto attached hereto as Schedule A and available on SEDAR.

<b>Item</b>	<b>Year Ended September 30, 2021</b>	<b>Year Ended September 30, 2020</b>	<b>Period Ended September 30, 2019</b>
<b>Operating Data</b>			
Total Revenues	Nil	Nil	Nil
Total Expenses	\$734,797	\$8,406	Nil
Net loss	\$734,797	\$8,406	Nil
Basic and Diluted Loss Per Share <sup>(1)</sup>	\$0.05	\$0.00	\$0.00
Dividends	Nil	Nil	Nil
<b>Balance Sheet Data:</b>			
Total Assets	\$1,535,777	\$217,486	\$1
Total Liabilities	\$224,611	\$8,392	Nil

Notes:

(1) Represents pre-Consolidation amounts.

The following financial data summarizes selected financial data for the Nickel Projects prepared in accordance with IFRS. The information set forth below should be read in conjunction with the financial statements and the related notes thereto attached hereto as Schedule B.

<b>Item</b>	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>	<b>Period Ended December 31, 2019</b>
<b>Operating Data</b>			
Total Revenues	Nil	Nil	Nil
Total Expenses	\$779,341	\$2,671,038	\$287,383
Net loss	\$850,341	\$2,038,038	\$350,383
Dividends	Nil	Nil	Nil

<b>Balance Sheet Data:</b>			
Total Assets	\$52,913,156	\$53,324,671	\$17,253,268
Total Liabilities	\$5,047,380	\$5,638,299	\$5,454,647

A pro forma consolidated statement of financial position for Archer giving effect to the Offering and Transaction as at June 30, 2022 is attached to this Listing Statement as Schedule C.

## 5.2 Quarterly Information

The results for each of the eight most recently completed quarters of the Company ending at the end of the most recently completed financial quarter, namely June 30, 2022, are summarized below:

<b>Quarter Ended</b>	<b>Total Revenue</b>	<b>Net Loss</b>	<b>Net Loss per Share<sup>(1)</sup></b>
June 30, 2022	Nil	\$1,271,055	\$0.04
March 31, 2022	Nil	\$138,219	\$0.01
December 31, 2021	Nil	\$1,175,825	\$0.05
September 30, 2021	Nil	\$408,457	\$0.02
June 30, 2021	Nil	\$109,623	\$0.01
March 31, 2021	Nil	\$185,406	\$0.01
December 31, 2020	Nil	\$31,311	\$0.00
September 30, 2020	Nil	\$8,406	\$0.00

Notes:

(1) Represents pre-Consolidation amounts.

## 5.3 Dividends

The Company has not declared or paid any dividends since its incorporation and management of the Company does not foresee paying any dividends in the foreseeable future, since available funds will be used primarily to conduct exploration activities. Any future payment of dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Company is not bound or limited in any way to pay dividends in the event that the Board determines that a dividend was in the best interest of the Company's shareholders.

## 5.4 Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Company are expected to be, prepared in accordance with IFRS.

The financial statements included in this Listing Statement are not prepared or presented on the basis of foreign GAAP.

## 6. MANAGEMENT’S DISCUSSION AND ANALYSIS

The Company’s MD&A for the nine months ended June 30, 2022 and for the financial year ended September 30, 2021 are attached to this Listing Statement as Schedule A.

MD&A for the Nickel Projects for the six months ended June 30, 2022 and for the financial year ended December 31, 2021 are attached to this Listing Statement as Schedule B.

## 7. MARKET FOR SECURITIES

The Common Shares are currently listed for trading on the CSE under the symbol “RCHR”.

The Company’s Shares were listed on the CSE effective February 11, 2021 under the symbol “RCHR”. Trading of the Company’s Shares was halted July 13, 2022 upon announcing the Transaction.

## 8. CONSOLIDATED CAPITALIZATION

The Company’s authorized share capital consists of an unlimited number of Common Shares without par value. As at June 30, 2022 and as at the date of this Listing Statement, the outstanding capital of the Company consists of the following:

Designation of Security	Number Authorized	Amount Outstanding at June 30, 2022 <sup>(1)</sup>	Amount Outstanding at the date of this Listing Statement <sup>(2)</sup>
Common Shares	Unlimited	33,333,248	90,672,321
Warrants	N/A	7,294,999	14,119,005
Stock Options	10%	2,060,136	673,379
Broker Warrants	N/A	Nil	385,031

Notes:

- (1) Represents pre-Consolidation amounts.
- (2) Represents post-Consolidation amounts.

## 9. OPTIONS TO PURCHASE SECURITIES

The Company has established a Stock Option Plan under which the Company is authorized to grant stock options from time to time. As at the date of this Listing Statement, there are 673,379 options granted under the Plan (on a post-Consolidation basis).

### Summary of Stock Option Plan

The Stock Option Plan was adopted by the Company’s board of directors on October 15, 2020 and approved by the shareholders on February 25, 2022. The purpose of the Stock Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its

shares.

The material terms of the Stock Option Plan are as follows:

- (a) the maximum aggregate number of Common Shares that can be issued pursuant to the exercise of options granted under the Plan, the Stock Option Plan or otherwise, is 10% of the Company's current issued and outstanding share capital (on a non-diluted basis);
- (b) stock options granted under the Stock Option Plan will have an expiry date not to exceed ten years from the date of grant;
- (c) any stock options granted that expire or terminate for any reason without having been exercised will again be available under the Stock Option Plan;
- (d) stock options will vest as required by the CSE, or such other stock exchange which the Company's Common Shares may be listed, and as may be determined by the administrator of the Stock Option Plan, or in the absence of such body, the Board;
- (e) the minimum exercise price of any stock options issued under the Stock Option Plan will be determined by the Board at the time of grant, subject to the requirements of the CSE or such other stock exchange which the Company's Common Shares may be listed;
- (f) stock options granted will expire 90 days after an optionee ceases to be involved with the Company, or for any options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Company;
- (i) the Company cannot grant options to any one consultant in any 12 month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding Common Shares of the Company;
- (j) the Company cannot grant options in any 12 month period to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding shares of the Company and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vested in any three month period;
- (k) in connection with the exercise of an option, as a condition to such exercise the Company may require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and
- (l) if a change of control, as described in the Stock Option Plan, occurs, all unvested options shall immediately become vested and may thereon be exercised in whole or in part by the option holder, subject to any required approval by the CSE, or such other stock exchange which the Company's Common Shares may be listed.

<b>Position of Holder with the Company</b>	<b>Number of Options <sup>(1)</sup></b>	<b>Exercise Price <sup>(1)</sup></b>	<b>Expiry Date</b>
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Current and Past Executive Officers (3 persons)	56,681	\$0.36	June 8, 2026
	50,000	\$1.53	October 20, 2026
Current and Past Directors (4 persons)	246,667	\$1.53	October 20, 2026
Consultants (7 persons)	116,697	\$0.36	June 8, 2026
	203,334	\$1.53	October 20, 2026
<b>Total</b>	<b>637,379</b>		

Note:

- (1) Represents post-Consolidation amounts.

## 10. DESCRIPTION OF THE SECURITIES

### Description of the Company's Securities

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at the date of this Listing Statement, 90,672,321 Common Shares are issued and outstanding (on a post-Consolidation basis).

#### **Common Shares**

Each holder of Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company and at all such meetings shall be entitled to one vote in respect of each Common Share held by such holder.

The holders of Common Shares shall be entitled to receive dividends if and when declared by the Board.

In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of Common Shares shall be entitled, subject to the rights of holders of shares of any class ranking prior to the common shares, to receive the remaining property or assets of the Company.

### Miscellaneous Securities Provisions

The Company has no debt securities outstanding as of the date of this Listing Statement and the Company is not intending to list any debt securities.

Except for the Common Shares, the Company is not proposing to list any securities on the CSE.

The rights of holders of common shares may not be modified otherwise than in accordance with the BCBCA and the articles of the Company.

As of the date of this Listing Statement, the rights attaching to the Common Shares are not materially limited or qualified by the rights of any other class of securities and no other class of securities ranks ahead of or equally with the Common Shares.

## **Prior Sales**

The following table summarizes details of the Common Shares issued by the Company during the 12 month period prior to the date of this Listing Statement.

<b>Date</b>	<b>Number and Type of Securities</b>	<b>Issue/Exercise Price Per Security</b>	<b>Nature of Consideration Received</b>
November 18, 2022	4,545,455 Common Shares <sup>(1)</sup>	\$0.66	Cash
November 18, 2022	4,243,334 Common Shares <sup>(2)</sup>	\$0.75	Cash
November 18, 2022	2,898,550 Common Shares <sup>(3)</sup>	\$1.38	Cash
November 18, 2022	66,211,929 Common Shares	\$0.81	Consideration Shares issued pursuant to the Asset Purchase Agreement
November 18, 2022	1,655,298 Common Shares	\$0.81	Common shares issued pursuant to a finder's fee agreement

Notes:

- (1) Represents the Common Share which formed part of the NFT Unit.
- (2) Represents the Common Share which formed part of the FT Unit.
- (3) Represents the Common Share which formed part of the Charity FT Unit.

## **Stock Exchange Price**

The Company's Shares were listed on the CSE effective February 11, 2022 under the symbol "RCHR". Trading of the Company's Shares was halted July 13, 2022 upon announcing the Transaction.

The following summarizes the trading of the Company's Shares on the CSE during the 12 months preceding the date of this Listing Statement:

<b>Period</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume<sup>(1)</sup></b>
July 1 - 12, 2022	0.30	0.25	44,700
June 2022	0.205	0.13	464,047
May 2022	0.29	0.15	141,621
April 2022	0.35	0.245	63,235
March 2022	0.45	0.27	142,466



February 2022	0.42	0.30	21,000
January 2022	0.75	0.34	30,130
December 2021	0.85	0.75	3,250
November 2021	1.25	0.85	7,904
October 2021	1.00	0.275	39,566
September 2021	0.50	0.275	7,166
August 2021	0.75	0.50	1,000
July 2021	0.75	0.75	Nil

Note:

- (1) Represents pre-Consolidation amounts.

## 11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS

### Escrowed Securities

In connection with the proposed requalification for listing of the Common Shares on the CSE following the completion of the Transaction, all securities held by “principals” are required to be subject to an escrow agreement pursuant to National Policy 46-201 (the “**Escrow Agreement**”). For the purposes of this section, “principal” means, with respect to the Company:

- (a) a person or company who acted as a promoter of the Company within two years before the date of the Listing Statement;
- (b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of the Listing Statement;
- (c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Listing Statement; or
- (d) a person or company that:
  - i. holds securities carrying more than 10% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Listing Statement; and
  - ii. has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries.

The following table sets out, as of completion of the Transaction, the number of and type securities of each class of securities of the Company held, to the knowledge of the directors and executive officers of the Company, in escrow (the “**Escrowed Securities**”) and the percentage that number represents of the outstanding securities of that class:

Category of Related Person	Number and Type of Securities Currently Held in Escrow	Percentage of Class
A person or company who acted as a promoter of the Company	Nil	N/A
A director or senior officer of the Company or any of its material operating subsidiaries	1,971,648 Common Shares	2.2%
20% Holder	Nil	N/A
10% Holder	18,043,758 Common Shares <sup>(1)</sup>	19.9%
<b>Total</b>	<b>20,015,406 Common Shares</b>	<b>22.1%</b>

Note:

1. Comprises the Wallbridge Retained Shares. The Wallbridge Spinout Shares will not be subject to the Escrow Agreement.

Pursuant to the Escrow Agreement, the Escrowed Securities are subject to the following release schedule: (a) 10% on the Listing Date; (b) 15% on the date that is six months from the Listing Date; (c) 15% on the date that is 12 months from the Listing Date; (d) 15% on the date that is 18 months from the Listing Date; (e) 15% on the date that is 24 months from the Listing Date; (f) 15% on the date that is 30 months from the Listing Date; and (g) 15% on the date that is 36 months from the Listing Date.

Odyssey Trust Company is the escrow agent under the Escrow Agreement for the Escrowed Securities.

### Securities Subject to Resale Restrictions

A total of 11,687,339 Common Shares, 11,687,339 Warrants and 385,031 Broker Warrants issued pursuant to the Offering are subject to a statutory hold period of four months and a day from the Closing Date.

The Wallbridge Retained Shares and the Wallbridge Spinout Shares are subject to a statutory hold period of four months and a day from the Closing Date. The Wallbridge Retained Shares will be subject to the Escrow Agreement and the Investor Rights Agreement.

One-half of the Common Shares issuable to the Finders will be subject to the Escrow Agreement as such shares will be issued to a proposed director of the Company. In addition, all of the Common Shares issuable to the Finders will be subject to resale restrictions and released to the Finders as follows: (a) 25% on the date that is six months following the closing date of the Transaction; (b) 25% on the date that is 12 months following the closing date of the Transaction; (c) 25% on the date that is 18 months following the closing date of the Transaction; and (d) 25% on the date that is 24 months following the closing date of the Transaction.

## 12. PRINCIPAL SHAREHOLDERS

Other than as disclosed below, to the knowledge of our directors and officers no person will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of our Shares.

On the Closing Date, the Company issued Consideration Shares to Wallbridge. Wallbridge has agreed to complete the Distribution of the Wallbridge Spinout Shares on or before the date that is 60 days after the Closing Date (the “**Distribution Deadline**”). Wallbridge will retain the Wallbridge Retained Shares

following completion of the Distribution of the Wallbridge Spinout Shares.

Pursuant to the Asset Purchase Agreement, Wallbridge further acknowledged, declared and agreed that:

- On the Closing Date, it will be the registered owner of a 100% interest in the Wallbridge Spinout Shares;
- During the period between the Closing Date and the Distribution Deadline (the “**Distribution Wait Period**”), it will hold a 100% beneficial interest in the Wallbridge Spinout Shares (the “**Beneficial Interest**”) in trust for the Wallbridge shareholders; and
- It holds the Beneficial Interest as a bare trustee for the Wallbridge shareholders.

The Company has been advised by Wallbridge that, following completion of the Distribution, no former shareholder of Wallbridge will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares. Wallbridge will retain the Wallbridge Retained Shares following completion of the Distribution of the Wallbridge Spinout Shares.

See “Escrowed Securities and Securities Subject to Resale Restrictions”.

### 13. DIRECTORS AND OFFICERS

#### 13.1-13.5 Name, Address, Occupation and Security Holding

The name, province or state and country of residence, and position with the Company, of each of our directors and executive officers are set out in the table below. Details of their principal business or occupation in which they have been engaged during the immediately preceding five years are as set out under “Management of the Company” following the table.

Name and Municipality of Residence and Position with the Company	Principal Occupation or Employment for the Past Five Years	Dated Elected or Appointed	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly <sup>(1)</sup>
Tom Meyer Victoria, British Columbia  <i>President, Chief Executive Officer and Director</i>	Vice President, Corporate Development Trevali Mining Corporation; consultant to the mining industry specializing in corporate development, capital markets and commodity research	September 14, 2022	568,182 0.63%
Dilshan Anthony Vancouver, British Columbia  <i>Chief Financial Officer</i>	Chief Financial Officer of Rainy Mountain Royalty Corp, Corporate accountant of Inventa Capital, Heliostar Metals Ltd, Tarachi Gold Corp, Gold Bull Resources Corp, Vizsla Silver Corp, and Outback Goldfields Corp.	May 6, 2021	Nil

Jacquelin (Jack) Gauthier Montreal, Quebec  <i>Vice-President, Exploration</i>	Vice-President Geology Niobay Metals inc.; Senior Technical Advisor Trans-Siberian Gold plc; Exploration Geologist Consultant for the Mining Industry	October 24, 2022	Nil
Wes Short Vancouver, British Columbia  <i>Corporate Secretary</i>	Chief Financial Officer and Director of Cosa Resources Corp., Former President of TinOne Resources Inc., Former Manager of Corporate Affairs of IsoEnergy Ltd.	February 25, 2022	105,045 0.12%
David Cobbold <sup>(2)(3)</sup> Toronto, Ontario  <i>Director</i>	Vice Chairman, Metals & Mining, Macquarie Group, Former Managing Director and Head of Mining, Macquarie Capital Markets Canada	November 18, 2022	601,515 0.66%
Michael Konnert <sup>(2)(3)</sup> North Vancouver, British Columbia  <i>Director</i>	CEO, President and Director of Vizsla Silver Corp.	January 12, 2022	505,769 0.56%
Christian Kargl-Simard Toronto, Ontario  <i>Director</i>	President and CEO of Adventus Mining Corp., Director of Surge Copper Corp.	November 18, 2022	1,185,830 <sup>(4)</sup> 1.31%
Marz Kord <sup>(3)</sup> Sudbury, Ontario  <i>Director</i>	CEO, President and Director of Wallbridge Mining Company Limited	November 18, 2022	141,386 <sup>(5)</sup>
Brian Penny <sup>(2)</sup> Markham, Ontario  <i>Director</i>	CFO of Wallbridge Mining Company Limited. Previous Executive Vice President and CFO of New Gold Inc. Current director of Maverix Metals Inc.	November 18, 2022	38,230 <sup>(6)</sup>

Notes:

1. Based on 90,672,321 Common Shares outstanding upon completion of the Transaction.
2. Member of the audit committee.
3. Member of the compensation committee.
4. Includes 827,649 Common Shares issued on the Closing Date pursuant to a finder's fee agreement with the Company.
5. In connection with the Distribution to be completed by Wallbridge in connection with the Transaction, it is expected that Marz Kord will receive approximately 141,386 Common Shares.
6. In connection with the Distribution to be completed by Wallbridge in connection with the Transaction, it is expected that Brian Penny will receive approximately 38,230 Common Shares.

The term of office for our directors and members of our committees expires at each annual general meeting. The Board, after each such meeting, appoints our committees for the ensuing year. The Company has two Board committees: the audit committee, which consists of David Cobbold, Michael Konnert and Brian Penny, and the compensation committee, which consists of Michael Konnert, David Cobbold and Marz Kord.

The directors and executive officers, including spouses and associates, as a group beneficially own, directly

or indirectly, or exercise control or direction over 3,145,957 Common Shares representing 3.47% of the Company's 90,672,321 issued and outstanding Common Shares.

### **13.6 Cease Trade Orders**

None of the directors or executive officers or a shareholder holding sufficient securities of the Company to materially affect the control of the Company are, as at the date of this Listing Statement, or have been within 10 years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

### **13.7 Penalties and Sanctions**

None of the directors, executive officers or any shareholder holding a sufficient number of our securities to materially affect control of the Company:

- (a) is, as at the date of this Listing Statement, or has been within the 10 years before the date of this Listing Statement, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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;
- (b) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **13.8 Bankruptcies**

No director or officer of the Company, or a shareholder holding sufficient securities of the Company to materially affect the control of the Company, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, 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, receiver manager or trustee appointed to hold the assets of the director or officer.

### **13.9 Conflicts of Interest**

Our directors are required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, our directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which we may participate, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflicts of interest arise at a meeting of our directors, such conflicts of interest must be declared, and the declaring parties must abstain from voting for or against the approval of such participation. The remaining directors will determine whether or not we will participate in any such project or opportunity.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the *Business Corporations Act* (BC) will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

### **13.10 Management**

Further information on the business experience and professional qualifications of proposed directors, officers and promoters is set forth below:

#### ***Tom Meyer, President, Chief Executive Officer and Director – Age 54***

Mr. Meyer is a professional engineer with over 23 years in the mining industry. Most recently he held the position of Vice President Corporate Development at Trevali Mining Corporation. Prior to providing consulting services to the mining sector, Mr. Meyer worked for 16 years in Canadian and international capital markets as a highly ranked and respected mining equity research and commodity analyst. The early part of Mr. Meyer's technical training and experience was spent with Falconbridge Limited, Inco Limited, Hemlo Gold Mines and Minnovex Technologies. Mr. Meyer holds B.A.Sc. and M.A.Sc degrees from the University of Toronto and a Master of Business Administration (Finance) from McMaster University. He is a Chartered Financial Analyst and a Registered Professional Engineer in the Province of Ontario.

Mr. Meyer will dedicate approximately 100% of his time to the affairs of the Company. Mr. Meyer is subject to written non-competition obligations with the Company.

#### ***Dilshan Anthony, Chief Financial Officer – Age 52***

Mr. Anthony is a thorough, distinguished, and highly organized Chartered Professional Accountant with over 15 years of experience spread throughout various sectors of accounting. He has extensive history with the hotel industry and is currently involved in the mining industry. His experience has led him to become accustomed with forensic accounting, bringing forth new technological solutions, engineering efficient accounting procedures, and updating his skillset with modern innovations in the field of accounting.

Mr. Anthony will dedicate approximately 50% of his time to the affairs of the Company. Mr. Anthony is not currently subject to any written non-competition agreement with the Company.

***Jacquelin (Jack) Gauthier, Vice-President of Exploration – Age 71***

Mr. Gauthier is a professional geologist with over 40 years of diversified experience in the mining sector, having held senior positions with Trans-Siberian Gold Plc, Kinross Gold Corp., Bema Gold Corp., Cambior Inc., Azimut Exploration Inc., Geomega Resources Inc., and Noranda Inc. Most recently, Mr. Gauthier held the position of VP Geology at NioBay Metals Inc., where he identified in the archives, helped acquire and subsequently led the team that revitalized the James Bay Niobium Project, a 60-million-ton niobium deposit in Northern Ontario that had laid dormant for over 40 years. He was also directly responsible for four profitable gold discoveries with four different teams: two discoveries in Canada and two in Russia. Mr. Gauthier holds a Geological Engineer B.A.Sc from Université du Québec à Chicoutimi and is a member of the Ordre des Géologues du Québec.

Mr. Gauthier will dedicate approximately 100% of his time to the affairs of the Company. Mr. Gauthier is subject to written non-competition obligations with the Company.

***Wes Short, Corporate Secretary – Age 32***

Mr. Short has worked in the junior mining sector for the past seven years and was a founding member of the IsoEnergy (TSXV: ISO) team as Manager of Corporate Affairs and Corporate Secretary until his departure in June 2021. Previously, Mr. Short was Corporate Secretary for NxGold Ltd. (TSXV: NXN) and was a part of that company's transition to, and the formation of, Consolidated Uranium Inc. (TSXV: CUR) as the Corporate Secretary until March 2021. Mr. Short holds a Bachelor of Commerce in Finance from the University of Northern British Columbia.

Mr. Short will dedicate approximately 50% of his time to the affairs of the Company. Mr. Short is not currently subject to any written non-competition agreement with the Company.

***David Cobbold, Director – Age 56***

Mr. Cobbold is a veteran mining investment banker with 25 years of financial services experience. Currently, he is a Vice Chairman, Metals & Mining at Macquarie Group where he is responsible for sourcing and leading merger, acquisition, sale and defense transactions for clients ranging from exploration and development companies to global metals & mining companies. Mr. Cobbold's clients are based in Canada, US, U.K, South African and Australia. In addition, Mr. Cobbold has extensive experience in global commodity and securities markets. Mr. Cobbold joined Macquarie in 2011 as Managing Director, Head of Mining, Macquarie Capital Markets Canada. Prior to joining Macquarie, Mr. Cobbold worked at CIBC World Markets and CIBC Capital Partners for 13 years in various capacities, including as a Managing Director, Global Mining Investment Banking and Managing Director, Equity Capital Markets. Mr. Cobbold holds a Bachelor of Arts in Economics, University of Western Ontario and Master of Business Administration (MBA), Harvard Business School.

Mr. Cobbold will dedicate approximately 10% of his time to the affairs of the Company. Mr. Cobbold is not currently subject to any written non-competition agreement with the Company.

***Michael Konnert, Director – Age 34***

Mr. Konnert is a mining entrepreneur experienced in deal-making, financing, and corporate strategy. He is the founder and CEO of Vizsla Silver Corp. (NYSE-A: VZLA; TSXV: VZLA) which is developing the newly consolidated Panuco-Copala district, one of Mexico's highest-grade silver and gold districts. He is co-founder and Managing Director of Inventa Capital, a leading natural resource investor and incubator with companies worldwide, focusing on the global shift in energy systems. Previously, Mr. Konnert co-founded

CobaltOne Energy Corp, a cobalt exploration company he led as CEO and sold to Blackstone Minerals (ASX: BSX) in 2017. Mr. Konnert is also a director of multiple reporting issuers.

Mr. Konnert will dedicate approximately 10% of his time to the affairs of the Company. Mr. Konnert is not currently subject to any written non-competition agreement with the Company.

***Christian Kargl-Simard, Director – Age 38***

Mr. Kargl-Simard is a professional engineer with over 19 years of experience in the mining industry, having worked both in technical and finance roles. Prior to founding Adventus, he worked for 10 years in investment banking roles at Raymond James Ltd. and Haywood Securities Inc. During his tenure in investment banking, Mr. Kargl-Simard was involved in financings raising more than \$7 billion, and he assisted in completing over 35 M&A transactions. Mr. Kargl-Simard also worked for Dynatec Corporation in Fort Saskatchewan, Alberta up to its sale to Sherritt International Corp. in 2007, both in metallurgical engineering and corporate development roles. Mr. Kargl-Simard is a professional engineer (Alberta) and holds a B.A.Sc. degree in Metals and Materials Engineering from the University of British Columbia. He is also Non-Executive Chairman of Surge Copper Corporation.

Mr. Kargl-Simard will dedicate approximately 10% of his time to the affairs of the Company. Mr. Kargl-Simard is not currently subject to any written non-competition agreement with the Company.

***Marz Kord, Director – Age 60***

Mr. Kord is currently the President, Chief Executive Officer and a Director of Wallbridge Mining Company Limited. Mr. Kord is a professional mining engineer with over 30 years of progressive experience in mining operations and project management. Prior to joining Wallbridge in 2011, he held the position of Executive Vice President, Global Mining for Genivar Inc., a large Canadian firm, (now WSP Global), where he led the development and growth of the company's domestic and international mining profile. During the early part of his career with Falconbridge Limited, Mr. Kord was involved in mining operations in both Sudbury and Timmins. Mr. Kord's expertise includes managing large, multidisciplinary teams of engineers and operators as well as extensive experience in developing strategic growth plans and in mergers and acquisitions.

Mr. Kord will dedicate will dedicate approximately 10% of his time to the affairs of the Company. Mr. Kord is not currently subject to any written non-competition agreement with the Company.

***Brian Penny, Director – Age 60***

Mr. Penny is a CPA, CMA and is currently the Chief Financial Officer of Wallbridge Mining Company Limited. He has over 30 years of experience in financial management, financing, risk management, strategic planning and financial reporting. Formerly, Mr. Penny held positions as the Executive Vice President and CFO of New Gold Inc., a multinational mining company, and as the Vice President of Finance and CFO of Kinross Gold Corporation. He serves on the Board of Directors of Maverix Metals Inc. He's also previously served as a member of the Board of Directors of Equinox Minerals Limited, Alamos Gold Inc. and Baffinland Iron Mines Limited.

Mr. Penny will dedicate approximately 10% of his time to the affairs of the Company. Mr. Penny is not currently subject to any written non-competition agreement with the Company.

**Audit Committee**

Pursuant to Exchange Policies and National Instrument 52-110 - *Audit Committees* ("NI 52-110"), we are



required to have an audit committee comprised of at least three directors. Our audit committee is comprised of David Cobbold, Michael Konnert and Brian Penny. Each of Messrs. Cobbold, Konnert and Penny are independent members. Each member of the audit committee has considerable experience participating in the management of private and/or publicly traded companies and has the ability to read and understand financial statements that present the breadth and level of complexity of accounting issues that would generally be expected to be raised by the Company's financial statements. Each audit committee member has had extensive experience reviewing financial statements. Each member has an understanding of the Company's business and has an appreciation for the relevant accounting principles for that business. For a summary of the relevant education and experience of each audit committee member, please refer to their biographies in Section 13.10 of this Listing Statement.

## **AUDIT COMMITTEE CHARTER**

The Company's audit committee must operate pursuant to the provisions of a written charter, which sets out its duties and responsibilities. The following is a summary of such charter:

The primary function of the audit committee is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The committee is to serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements. The committee reviews and appraises the performance of the Company's external auditors and provides an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

The committee is comprised of a minimum of three directors as determined by the Board of Directors. The committee shall meet at least twice annually or more frequently as circumstances dictate and will meet at least annually with the Chief Financial Officer.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with day-to-day management of the Company. National Instrument 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") our corporate governance practices are summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

### **Board of Directors**

The Company's Board of Directors (the "**Board**") is composed of six directors – Tom Meyer, David Cobbold, Michael Konnert, Christian Kargl-Simard, Marz Kord and Brian Penny.

NI 58-101 suggests, but does not mandate, that the board of directors of a public company should be

constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary. At present, the majority of the Company’s directors are independent. Messrs. Cobbold, Konnert, Kord and Penny can be considered to be “independent” within the meaning of NI 58-101. Mr. Meyer, by reason of being President and CEO, and Mr. Kargl-Simard, by reason of having accepted a compensatory fee, cannot be considered to be “independent” within the meaning of NI 58-101.

The independent directors will meet separately from the non-independent directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent directors. No separate meetings of the independent directors have been held to date. David Cobbold, an independent director, acts as the chairman with respect to the conduct of Board meetings. Given the Company’s relatively small size and start-up nature, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

### **Board Mandate**

The Board adopted a Board Mandate on February 25, 2022. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors have regular and full access to management. Further supervision is performed through the Company’s audit committee which is composed of a majority of independent directors who meet with the Company’s auditors without management being in attendance.

### **Position Descriptions**

The Board has not developed written position descriptions for the chairman with respect to the conduct of Board meetings, or for the chair of any committees. The chairman’s role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The CEO’s general roles and responsibilities are commensurate with the position of CEO of a resource company comparable in size to the Company. They include overseeing all operations of the Company and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

### *Directorships*

The following directors of the Company also serve as directors of other reporting issuers:

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Dates</b>
David Cobbold	Angus Gold Inc. (TSXV)	June 2021 – Present

Michael Konnert	Vizsla Silver Corp. (TSXV, NYSE)	October 2018 – Present
	Vizsla Copper Corp. (TSXV)	May 2021 - Present
	Tarachi Gold Corp. (CSE)	October 2018 – April 2020 December 2020 - Present
	TinOne Resources Inc. (TSXV)	December 2021 - Present
	GK Resources Ltd. (TSXV)	June 2021 - Present
	Summa Silver Corp. (TSXV)	August 2020 - Present
Christian Kargl-Simard	Adventus Mining Corporation (TSXV)	December 2016 - Present
	Surge Copper Corp. (TSXV)	October 2020 - Present
Marz Kord	Wallbridge Mining Company Limited (TSX)	April 2012 – Present
Brian Penny	Maverix Metals Inc. (TSX, NYSE AMEX)	July 2019 – Present

### **Orientation and Continuing Education**

Each new director is given an outline of the nature of the Company’s business, its corporate strategy, and current issues within the Company. New directors are encouraged to review the Company’s public disclosure records and are also required to meet with management of the Company to discuss and better understand the Company’s business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company will take steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company’s legal counsel continually reviews the latest securities rules and policies and is on the mailing list of the Exchange to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company’s directors and management.

### **Ethical Business Conduct**

The Board has not established a Corporate Governance Committee but plans to do so in the future. As some of our directors also serve as directors and officers of other companies engaged in similar business activities, our directors must comply with the conflict of interest provisions of applicable corporate law, as well as the relevant securities regulatory instruments, in order to ensure that they exercise independent judgment in considering transactions and agreements in respect of which they may have a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

The Board plans to establish a code of ethical conduct policy pursuant to the requirements of National Policy 58-201. The full text of this policy will be posted for review under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) on or soon after the Listing Date and may be obtained free of charge upon request to the Company by mail to 1090 W. Georgia Street, Suite 700, Vancouver, British Columbia, V6E 3V7 (telephone: 604-499-4493).

## Nomination of Directors

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

## Other Board Committees

Archer does not have any other board committees.

## Assessments

Neither the Company nor the Board of Directors has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

## 14. CAPITALIZATION

### 14.1 Issued Capital

#### Public Float

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Total outstanding (A)	90,672,321	105,849,736	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) (B)	21,189,715	22,627,741	23.4%	21.4%
Total Public Float (A-B)	69,482,606	83,221,995	76.6%	78.6%
<b>Freely-Tradeable Float</b>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	80,698,565	92,385,904	89.0%	87.3%
Total Tradeable Float (A-C)	9,973,756	13,463,832	11.0%	12.7%

Class of Security: Common Shares

Public Securityholders (Registered & Beneficial)

<i>Class of Security</i> <b>Size of Holding</b>	<b>Number of holders</b>	<b>Total number of securities</b>
1 – 1,499 securities	128	53,785
1,500 – 1,999 securities	5	7,799
2,000 – 2,999 securities	10	21,793
3,000 – 3,999 securities	3	10,499
4,000 – 4,999 securities	0	0
5,000 or more securities	171	69,388,730
<b>TOTAL:</b>	<b>317</b>	<b>69,482,606</b>

#### Non-Public Securityholders (Registered & Beneficial)

<i>Class of Security</i> <b>Size of Holding</b>	<b>Number of holders</b>	<b>Total number of securities</b>
1 – 1,499 securities	0	0
1,500 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	7	21,189,715
<b>TOTAL:</b>	<b>7</b>	<b>21,189,715</b>

## 14.2 Convertible Securities

The following table details securities convertible or exchangeable into Common Shares (on a Post-Consolidation basis).

<b>Description of Security</b>	<b>Date of Expiry</b>	<b>Exercise Price</b>	<b>Number of convertible/ exchangeable securities outstanding</b>	<b>Number of listed securities issuable upon conversion/exercise</b>
Options	January 4, 2023	\$0.36	40,015	40,015
	June 8, 2026	\$0.36	133,364	133,364
	October 20, 2026	\$1.53	500,000	500,000
Warrants	February 3, 2023	\$0.45	400,000	400,000
	July 20, 2023	\$1.50	1,031,666	1,031,666
	October 1, 2023	\$1.50	1,000,000	1,000,000
	November 18, 2024	\$1.02	11,687,339	11,687,339
Broker Warrants	May 18, 2024	\$0.66	385,031	385,031

## 14.3 Listed securities reserved for issuance not included in item 14.2

There are no other Common Shares reserved for issuance that are not included in section 14.2.

## **15. EXECUTIVE COMPENSATION**

For purposes hereof, “Named Executive Officer” or “NEO” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

During the financial year ended September 30, 2021, the Company had four Named Executive Officers being, Michael Brown, the former Chief Executive Officer of the Company, Dilshan Anthony, the Chief Financial Officer of the Company, Jeffrey Wilson, the former Chief Executive Officer of the Company and Nelson Lamb, the former Chief Financial Officer of the Company. Michael Brown resigned as President, CEO and Director on January 12, 2022 and the Company appointed Keith Bodnarchuk as Chief Executive Officer and President. Keith Bodnarchuk resigned as CEO and Director on September 14, 2022 and the Company appointed Tom Meyer as President, CEO and Director.

### **Table of compensation excluding compensation securities**

Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Brown <sup>(1)</sup> <i>Former Chief Executive Officer and Director</i>	2021 2020	96,895 N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	96,895 N/A
Dilshan Anthony <sup>(2)</sup> <i>Chief Financial Officer</i>	2021 2020	10,375 N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	10,375 N/A
Jeffrey Wilson <sup>(3)</sup> <i>Director and Former Chief Executive Officer</i>	2021 2020	5,437 N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	5,437 N/A
Nelson Lamb <sup>(4)</sup> <i>Former Chief Financial Officer</i>	2021 2020	5,512 N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	5,512 N/A

Notes:

- (1) Mr. Brown was appointed as CEO of the Company on June 1, 2021 and as a director of the Company on July 30, 2021. Mr. Brown resigned as President, CEO and Director on January 12, 2022.
- (2) Mr. Anthony was appointed as CFO of the Company on May 6, 2021.
- (3) Mr. Wilson resigned as CEO of the Company on June 1, 2021.
- (4) Mr. Lamb resigned as CFO of the Company on May 6, 2021.

### Securities Authorized for Issuance under Equity Compensation Plans

The only equity compensation plan which the Company has in place is the Company's share incentive stock option plan the material terms of which are set forth above.

The following table sets out equity compensation plan information as at September 30, 2021.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants and rights (b) <sup>(1)</sup>	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) <sup>(1)</sup>
Equity compensation plans as approved by security holders	1,045,313	\$0.12	907,512
Equity compensation plans not approved by securityholders	N/A	N/A	N/A

<b>Total</b>	<b>1,045,313</b>		<b>907,512</b>
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Notes:

- (1) Represents pre-Consolidation amounts.

### **Executive Consulting Agreements**

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

The Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs or directors responsibilities.

## **16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No officer, director, employee or former officer, director or employee of the Issuer (i) has been indebted to the Company at any time during the most recently completed financial year or is currently indebted to the Company for any purpose, or (ii) is the subject of a guarantee, support agreement (including, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower), letter of credit or other similar arrangement or understanding.

## **17. RISK FACTORS**

*Investing in the Common Shares is speculative and involves a high degree of risk due to the nature of the Company's business. An investment in the Common Shares should only be made by persons who can afford the total loss of their investment. The following risks, as well as risks currently unknown to the Company, could adversely affect the Company's current or future business, properties, operations, results, cash flows, financial condition and prospects and could cause future results, cash flows, financial condition, prospects, events or circumstances to differ materially from those currently expected, including the estimates contained in this Listing Statement. Investors should carefully consider the risks described below and elsewhere in this Listing Statement. The risks described below and elsewhere in this Listing Statement do not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the Company or not currently perceived as being material may have an adverse effect on the Company.*

The following are certain risk factors relating to the Company that prospective investors should carefully consider. The risks and uncertainties below are not the only risks facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business and operations of the Company. If any of the following risks actually occur, the Company's business may be harmed and the financial condition and results of the operation may suffer significantly. Prospective investors should review the risks with their legal and financial advisors and should consider, in addition to the matters set forth elsewhere in this Listing Statement, the following risks:

### **Early Stage Status and Nature of Exploration**

Except for the mineral resource estimates described in above this Listing Statement, any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral



resource. Any information, including quantities and/or grade, described in this Listing Statement should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the viability or profitability of future operations.

Few properties that are explored are ultimately developed into producing mines. 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.

The economics of exploring and developing 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 mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current planned exploration and development programs of the Company will result in economically viable or profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a mineral resource, or that any such mineral resource will ever qualify as a commercially viable (or mineable) deposit which can be legally and economically exploited. Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

### **The Company will incur losses and experience negative operating cash flow for the foreseeable future**

For the financial year ended September 30, 2021, the Company had a net loss of approximately \$734,797. The Company has incurred various expenses in recent periods and plans to incur further expenses as cash flows allow. The planned increases in expenses may result in larger losses in future periods.

The exploration, development and operation of the Nickel Projects will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the Company's control. The Company's business strategies may not be successful, and it may not be profitable in any future period. The Company's operating results have varied in the past and they may continue to fluctuate in the future. In addition, the Company's operating results may not follow any past trends.

The Company currently has no source of operating cash flow and will continue to remain cash flow negative for the foreseeable future. The Company's failure to achieve future profitability and positive operating cash flows would 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 its business. Further exploration, development and maintenance of claims for the Nickel Projects 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.

## **The Company may not be able to obtain sufficient financing to pursue all of its intended exploration activities or continue on a going concern basis**

The Company's primary source of capital is the issuance of securities. The Company will continuously monitor its capital structure and, based on changes in operations and economic conditions, may adjust the structure by issuing new securities as necessary. In the long term, the Company's ability to continue as a going concern is dependent upon continued access to capital markets. The recoverability of the carrying values of the Company's assets is dependent upon the ability of the Company to obtain the necessary financing to complete its exploration activities, achieve mineral discoveries, and advance their development toward potential production.

## **Public Health Crises**

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including any outbreak of additional strains of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in a number of countries including Canada, the United States, Europe and Asia. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While a number of jurisdictions, including in Canada, have started to lift certain COVID-19 related restrictions, the duration of the various disruptions to businesses locally and internationally and the related financial and other impacts cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for silver and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation.

Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. Any of these could affect the Company's ability to advance exploration and development with such risks to include challenges in recruiting and retaining staff and personnel, restricted access for employees and contractors to the Property, equipment and materials not being delivered to site on schedule or at all, and further inefficiencies required to be put in place to health and safety resulting in less productivity.

## **Military Conflict in Ukraine**

The military conflict in Ukraine could lead to heightened volatility in the global financial markets, increased inflation, and turbulence in carbon markets. More recently, in response to Russian military actions in Ukraine, several countries (including Canada, the United States and certain allies) have imposed economic sanctions and export control measures, and may impose additional sanctions or export control measures in the future, which have and could in the future result in, among other things, severe or complete restrictions on exports and other commerce and business dealings involving Russia, certain regions of Ukraine, and/or particular entities and individuals. While the Company does not have any direct exposure or connection to Russia or Ukraine, as the military conflict is a rapidly developing situation, it is uncertain as to how such events and any related economic sanctions could impact the global economy. Any negative developments in respect thereof could have an adverse effect on the Company's business, operations, financial condition, and the value of the Company's securities.

### **Limited operating history**

Most mining exploration does not have positive results. The Company is an early stage company and the Nickel Projects are exploration stage properties. 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 early stage exploration stage of the Nickel Projects means it will require significant additional expenditures before any cash flow may, if ever, be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is little probability of dividends ever being paid on the Common Shares.

### **The successful exploration and development of the Nickel Projects depends on the skills of the Company's management and teams**

The Company's business is dependent on retaining the services of its key management personnel with a variety of skills and experience, including in relation to the exploration and development of mineral projects. The success of the Company is, and will continue to be, dependent to a significant extent on the expertise and experience of its directors and senior management. Failure to retain, or loss of, one or more of these people could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. The Company's success will also depend to a significant degree upon the contributions of qualified technical personnel and the Company's ability to attract and retain highly skilled personnel. Competition for such personnel is intense, and the Company may not be successful in attracting and retaining qualified personnel, or in obtaining the necessary work permits to hire qualified expatriates. The Company's inability to attract and retain these people could have a material adverse effect on its business, financial condition, results of operations, cash flows or prospects.

### **Resource exploration and development is a speculative business**

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineralized zones which, though present, are insufficient in size, grade or other factors to return a profit from production. The economic viability of any mineralization discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, and government regulations, including regulations relating to prices, taxes, royalties, 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. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

### **Base metal prices are volatile and may be lower than expected**

The Company's business and its ability to sustain operations are dependent on, amongst other things, the market price of various base metals, particularly nickel. Metal prices realized by the Company will affect future development decisions, production levels, earnings, cash flows, the financial condition and prospects of the Company. If the world market prices of base metals were to drop and the prices realized by the Company on metal sales were to decrease significantly and remain at such level for any substantial period, the Company's business, financial condition, results of operations, cash flows and prospects would be negatively affected.

Some factors that affect the price of base metals, particularly nickel, include: industrial demand; forward or short sales by producers and speculators; future levels of production; and rapid short term changes in supply and demand due to speculative or hedging activities by producers, individuals or funds. Metal prices are also affected by macroeconomic factors including: confidence in the global economy; expectations of the future rate of inflation; the availability and attractiveness of alternative investment vehicles; the strength of, and confidence in, the US dollar, the currency in which the price of metals is generally quoted, and other major currencies; global political or economic events; and costs of production of other metal producing companies. All of the above factors can, through their interaction, affect the price of metals by increasing or decreasing demand or supply.

The prices of metals have fluctuated widely in recent years, and future material price declines could cause commercial production from the Nickel Projects or the development of, and commercial production from, the Nickel Projects to be less profitable than expected and could render such the property uneconomic. Conducting mining in a low metal price environment would have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects. Depending on the current and expected price of metals, projected cash flows from future mining operations may not be sufficient to warrant commencing mining, and the Company could be forced to discontinue exploration or development. The Company may be forced to sell one or more portions of the Nickel Projects to generate cash. Future production from the Nickel Projects will be dependent upon metal prices that are adequate to make a deposit economically viable. Furthermore, future mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in the Nickel Projects, and in reductions in mineral reserve and mineral resource estimates. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

A declining or sustained low price of metals could negatively impact the profitability of the Nickel Projects and could affect the Company's ability to finance the exploration and development of other properties in the future. In addition, a declining or sustained low price of metals could require a reassessment of the feasibility of the Nickel Projects. Although the price of metals is only one of the several factors that the Company will consider in making a development and production decision on the Nickel Projects, if the Company determines from a reassessment that the Nickel Projects is not economically viable in whole or in part, then operations may cease or be curtailed and the Nickel Projects may never be fully developed or developed at all. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

### **The future price of the Common Shares will vary depending on factors unrelated to the Company's performance or intrinsic fair value**

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the Exchange in the future cannot be predicted.

### **Uninsured and Uninsurable Risk**

The Company's business is subject to a wide array of risks and hazards (as further described in this Listing Statement). The Company does not carry insurance against such risks as it is either not possible to obtain, or the cost of doing so would be prohibitive. The Company may therefore become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition,

results of operations, cash flows or prospects.

### **Uncertainty of mineral reserve and mineral resource estimates**

There are numerous uncertainties inherent in estimating quantities of mineral resources and reserves and grades of mineralization, including many factors beyond the Company's control. In making determinations about whether to advance any projects to development, the Company must rely upon estimates as to the mineral resources, reserves and grades of mineralization on the Company's properties. Until ore is actually mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. There is no assurance that mineral reserves, resources or other mineralization estimates will be accurate, or that mineralization can be mined or processed profitably. Any material changes in mineral reserves estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. The estimates of mineral reserves and mineral resources are determined and valued based on various assumptions including future prices, cut-off grades and operating costs and various geological and lithographical interpretations that may prove to be inaccurate.

### **Reliance on a Limited Number of Properties**

After the Closing Date, the Company will only have an interest in the Nickel Projects. As a result, unless the Company acquires additional property interests, any adverse developments affecting the Nickel Projects is likely have an adverse effect upon the Company and would adversely affect the potential mineral resource development, profitability, financial performance and condition and results of the Company and its strategies and plans. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

### **Potential exposure to foreign currency exchange rate fluctuations**

Revenues and operating expenses outside of Canada are often denominated in local currencies. If the Company acquires assets outside of Canada, it will need to repost its financial results in Canadian dollars. Therefore, fluctuations in the value of the Canadian dollar and foreign currencies may affect our results of operations when translated into Canadian dollars. We do not currently engage in currency hedging activities to limit the risk of exchange rate fluctuations. In the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

### **Operations during mining cycle peaks are more expensive**

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration, development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost

increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs.

### **Title to the Nickel Projects may be disputed**

There is no guarantee that title to the Nickel Projects will not be challenged or impugned. The Company's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Company has conducted an investigation on the title of properties that it has acquired and is yet to acquire to confirm that there are no claims or agreements that could affect its title to its mineral tenure or surface rights. There is no guarantee that such title will not be challenged or impaired. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company. Title insurance generally is not available for mineral tenure or surface rights and the Company's ability to ensure that it has obtained secure claim to title may be constrained.

### **First Nations and Indigenous Heritage**

First Nations title claims, and Indigenous heritage issues may affect the ability of the Company to pursue exploration, development and mining on its properties. The resolution of First Nations and Indigenous heritage issues is an integral part of exploration and mining operations in Canada and the Company is committed to managing any issues that may arise effectively. However, in view of the inherent legal and factual uncertainties relating to such issues, no assurance can be given that material adverse consequences will not arise.

### **The Company may fail to comply with the law or may fail to obtain or renew necessary permits and licences**

The Company's operations are subject to extensive laws and regulations governing, among other things, such matters as environmental protection, management and use of toxic substances and explosives, health, exploration and development of mines, commercial production and sale of byproducts, ongoing and post-closure reclamation, construction and operation of tailings dams, safety and labour, taxation and royalties, maintenance of mineral tenure, and expropriation of property. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations and of obtaining licenses and permits are substantial, and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. There is no assurance that future changes in such laws and regulations, if any, will not adversely affect the Company's operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even the actions of former property owners, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company may fail to comply with current or future laws and regulations. Such non-compliance can lead to financial restatements, civil or criminal fines, penalties, and other material negative impacts on the Company.

The Company is required to obtain or renew further government permits and licenses for its current and contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving a number of regulatory agencies, involving public

hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain, amend and renew permits and licenses are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. The Company may not be able to obtain, amend or renew permits or licenses that are necessary to its operations, or the cost to obtain, amend or renew permits or licenses may exceed what the Company believes it can ultimately recover from a given property once in production. Any unexpected delays or costs associated with the permitting and licensing process could impede ongoing operations at the Nickel Projects. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with planned development, commercialization, operation and exploration activities. Such curtailment or prohibition may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Compliance with environmental regulations can be costly**

The Company's exploration operations at the Nickel Projects are subject to environmental regulation. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, the construction and operation of tailings dams, and general health and safety matters. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. The potential costs and delays associated with compliance with such laws, regulations, approvals and permits could prevent the Company from economically operating or proceeding with the further exploration of the Nickel Projects, and any non-compliance with such laws, regulations, approvals and permits could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Company's current and planned operations. To the extent such environmental approvals and permits are required and not obtained, the Company's plans and the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, 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.

There is no assurance that any future changes in environmental regulations will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties and for which the Company may be liable for remediation. Parties engaged in mining operations, including the Company, 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 environmental laws or regulations, regardless of whether the Company actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

In addition, certain of the Company's properties are located within a priority sector for the creation of a protected area for woodland caribou. The relevant governmental authorities are currently completing an analysis on protective measures and the Company will continue discussions to regarding possible mitigation

measures. There is no assurance that any future changes in protective measures will not adversely affect the Company's operations.

### **Social and environmental activism can negatively impact exploration, development and mining activities**

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **The mining industry is intensely competitive**

The mining industry is intensely competitive. The Company competes with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate such properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Many competitors not only explore for and mine minerals, but conduct refining and marketing operations on a worldwide basis. In the future, the Company may also compete with such mining companies in refining and marketing its products to international markets. Any inability to compete with established competitors could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **The directors and officers may have conflicts of interest with the Company**

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse



effect on the Company's business, financial condition, results of operations, cash flows or prospects.

**Failures of information systems or information security threats can be costly**

The Company utilizes hardware, software, telecommunications and other information technology ("IT") hardware and services in connection with its operations. Such operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation, results of operations, cash flows and financial condition.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. Any of these factors could have a material adverse effect on the Company's results of operations, cash flows and financial position.

**The Company may be subject to costly legal proceedings**

The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

**The Company incurs increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers**

As a public issuer, the Company is subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Company's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Company's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

**The Company's ability to develop commercially marketable ore depends on variables that are unknown at this time**

The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that mineral recoveries achieved in small scale laboratory tests will be replicated under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

### **Changes in climate conditions may affect the Company's operations**

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs for the Company's operations.

In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include the following:

- extreme weather events (such as prolonged drought) have the potential to disrupt operations at the Nickel Projects and may require the Company to make additional expenditures to mitigate the impact of such events; and
- the Company's facilities depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, productivity at the Company's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Regulatory requirements**

Even if the Nickel Projects prove to host economic reserves of precious or base 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 Nickel Projects, environmental legislation and mine safety.

### **Contractual Risk**

The Company's exploration activities are carried out by contractors who may not perform their work in a timely, cost-effective and efficient manner, resulting in program delays or negative program outcomes. Any delays or cost-overruns related to the Company's work program, or a negative program outcome, could have

a materially adverse consequence on the economic viability of placing a property into production and a property's return on capital.

### **Infrastructure**

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies 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 could prevent or delay exploration or development of the Nickel Projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Nickel Projects 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.

### **Risks associated with acquisitions**

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. 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 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.

### **Management**

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.

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

### **The Company is subject to legal and political risks**

Mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, and changes in government regulations such as investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Company's business. Government limitations, restrictions or requirements may be implemented. There can be no assurance that other countries' or

provinces' political and economic policies will not have adverse economic effects on the exploration, and potentially, the development of the Company's assets, including with respect to ability to access power, transportation, access construction labour, supplies and materials, and market conditions more generally.

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 metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

### **Influence of Third-Party Stakeholders**

Some of the lands in which the Company holds an interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business activities, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims or do not consent to the Company carrying on activities on lands subject to their interests or claims, the Company's work programs may be delayed or prevented, even if such claims are not meritorious. Such claims or delays may result in significant financial loss and loss of opportunity for the Company.

The Company may need to enter into negotiations with landowners and other groups in local communities in Ontario in order to conduct further exploration and development work on its properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in Ontario or if such agreements will be on terms acceptable to the Company so that the Company may continue to conduct exploration and development activities on these properties.

### **Management of Growth**

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, plans, operations and prospects.

### **Dilution**

Financing the development of a mineral property through to production, should feasibility studies show it is recommended, would be expensive and the Company would require additional monies to fund development and exploration programs and potential acquisitions. The Company cannot predict the size of future issuances of the Company Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. Likewise, the Company cannot predict the effect, if any, that future issuances and sales of the Company's securities will have on the market and market price of the Common Shares. If the Company

raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of the Company securities, or the availability of such the Company securities for sale, could adversely affect the market, liquidity and any prevailing market prices for the Company's securities.

### **Dividend Policy**

No dividends on Common Shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs. At this time, the Company has no source of cash flow and anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business activities.

### **Risk of Litigation**

The Company may become involved in disputes with other parties in the future which may result in litigation or other legal proceedings. The results of legal proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

### **Internal Controls**

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

## **18. PROMOTERS**

Jeffrey Wilson took the initiative in founding and organizing the business of the Company and, accordingly, may be considered a promoter of the Company within the meaning of applicable securities legislation in British Columbia. Mr. Wilson beneficially owns or controls, directly or indirectly, an aggregate of 11,250 Common Shares on a pre-Consolidation basis.

Other than as disclosed above, no person who was a Promoter of the Company:

- (a) received anything of value directly or indirectly from the Company;
- (b) sold or otherwise transferred any asset to the Company within the last 2 years;
- (c) is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
- (d) is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or

CFO;

- (e) is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, 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 or receiver manager or trustee appointed to hold its assets;
- (f) has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person;
- (g) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- (h) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
- (i) has within the past 10 years become bankrupt, 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 its assets.

## **19. LEGAL PROCEEDINGS**

As of the date of this Listing Statement, Archer is not a party to any legal proceedings or any regulatory actions. No legal proceedings are contemplated by Archer, and Archer is not aware of any material legal proceedings being contemplated against it.

The Company has not been subject to any penalties or sanctions imposed against it by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

## **20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

For purposes of this Listing Statement, “informed person” means:

- (a) any director or executive officer of the Company;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company’s outstanding Shares; and
- (c) any associate or affiliate of any of the foregoing persons.

No informed person has had any material interest, direct or indirect, in any material transaction with the Company since its incorporation that has materially affected or is reasonably expected to materially affect the Company.

## **21. AUDITORS, TRANSFER AGENTS AND REGISTRARS**

### **Auditor**

Our auditor is DeVisser Gray LLP, with offices at 401 - 905 West Pender, Vancouver, BC V6C 1L6.

### **Transfer Agent and Registrar**

Our registrar and transfer agent is Odyssey Trust Company with offices at 350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2.

## **22. MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the Asset Purchase Agency is the only material contract entered into by us, or which affect us, since our incorporation.

The material contract described above may be inspected without further charge at the offices of the Company, located at Suite 700 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, by appointment during ordinary business hours for a period of 30 days after the date of this Listing Statement, and are available on SEDAR.

## **23. INTEREST OF EXPERTS**

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described in the Listing Statement:

- (a) has received or will receive any direct or indirect interest in the property of the Company or of an associate, affiliate or Related Person of the Company;
- (b) has beneficial ownership, direct or indirect, in any securities or property of the Company or of an associate, affiliate or Related Person of the Company; or
- (c) is expected to elected, appointed or employed as a director, officer or employee of the Company or of any associate, affiliate or Related Person of the Company, nor is a director, officer or employee of a person or company referred to in this item, expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate, affiliate or Related Person of the Company.

## **24. OTHER MATERIAL FACTS**

There are no other material facts that are not disclosed under the preceding items and that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

## **25. FINANCIAL STATEMENTS**

The audited financial statements of the Company for the fiscal years ended September 30, 2021, 2020 and 2019 and the unaudited financial statements for the interim period ended June 30, 2022 are attached as Schedule A.

The audited carve-out financial statements of the Nickel Projects for the fiscal years ended December 31, 2021, 2020 and 2019 and the unaudited financial statements for the interim period ended June 30, 2022 are attached as Schedule B

The pro forma financial statements are attached as Schedule C.



## CERTIFICATE OF THE COMPANY

Pursuant to a resolution duly passed by its Board of Directors, Archer Exploration Corp. (the “Company”) hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to the Company. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, B.C., this 25<sup>th</sup> day of November, 2022.

Signed: “Tom Meyer”  
Tom Meyer  
Chief Executive Officer

Signed: “Dilshan Anthony”  
Dilshan Anthony  
Chief Financial Officer

Signed: “Michael Konnert”  
Michael Konnert  
Director

Signed: “David Cobbold”  
David Cobbold  
Director

**SCHEDULE A**

**Archer Financial Statements and MD&A**

See Attached.

**Archer Exploration Corp.  
(formerly Lift Capital Corp.)**

**Condensed Interim Financial Statements**

For the three and nine months ended June 30, 2021 and 2020

(Expressed in Canadian dollars) - Unaudited

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Financial Statements for the three and nine months ended June 30, 2021 and 2020.**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities administrators, if an auditor has not performed a review of the interim 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 financial statements of Archer Exploration Corp. (formerly Lift Capital Corp.) (“the Company” or “Archer”) for the interim period ended June 30, 2021, have been prepared in accordance with the International Accounting Standard 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company’s management.

The Company’s independent auditors, DeVisser Gray LLP, have not performed a review of these interim financial statements

August 30, 2021

**Archer Exploration Corp. (formerly Lift Capital Corp.)**  
**Condensed Interim Statements of Financial Position**  
As at June 30, 2021 and September 30, 2020  
(Expressed in Canadian dollars) - Unaudited

	Note	June 30, 2021	September 30, 2020
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		174,130	217,486
Prepaid expenses		29,709	-
		<b>203,839</b>	217,486
Exploration and evaluation assets	5	66,832	-
<b>Total assets</b>		<b>270,671</b>	217,486
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	6	88,453	8,392
		<b>88,453</b>	8,392
<b>Total liabilities</b>		<b>88,453</b>	8,392
<b>Shareholders' equity</b>			
Share capital	7	460,941	217,500
Warrants reserve	7	40,972	-
Share-based payments reserve	7	15,050	-
Deficit		(334,745)	(8,406)
<b>Total shareholders' equity</b>		<b>182,218</b>	209,094
<b>Total liabilities and shareholders' equity</b>		<b>270,671</b>	217,486

Approved on behalf of the Board of Directors on August 30, 2021:

*"Jeff Wilson"*

Jeff Wilson,  
Director

*"Faizaan Lalani"*

Faizaan Lalani,  
Director

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

**Archer Exploration Corp. (formerly Lift Capital Corp.)**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
For the three and nine months ended June 30, 2021 and 2020  
(Expressed in Canadian dollars, except number of shares outstanding) - Unaudited

	Note	Three months ended June 30,		Nine months ended June 30,	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Operating expenses</b>					
Exploration and evaluation		40,701	-	40,701	-
General and administrative		959	-	1,097	-
Professional fees	6	55,214	-	105,093	-
Share-based payments	7	12,749	-	15,050	-
		<b>109,623</b>	-	<b>161,941</b>	-
<b>Other expenses (income)</b>					
Interest income		-	-	(15)	-
Impairment of option agreement rights	4	-	-	164,413	-
<b>Loss and comprehensive loss for the period</b>		<b>(109,623)</b>	-	<b>(326,339)</b>	-
<b>Loss per share</b>					
Basic and diluted		(0.01)	-	(0.02)	-
<b>Weighted average number of shares</b>					
Basic and diluted		13,788,250	1	13,094,261	1

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

**Archer Exploration Corp. (formerly Lift Capital Corp.)**  
**Condensed Interim Statements of Cash Flows**  
For the nine months ended June 30, 2021 and 2020  
(Expressed in Canadian dollars) - Unaudited

	Note	2021	2020
		\$	\$
<b>Operating activities</b>			
Net loss for the period		(326,339)	-
Items not affecting cash:			
Share-based payments	7	15,050	-
Impairment of option agreement rights	4	164,413	-
Changes in non-cash working capital:			
Prepaid expenses		(29,709)	-
Trade and other payables		80,061	-
<b>Net cash used in operating activities</b>		<b>(96,524)</b>	<b>-</b>
<b>Investing activities</b>			
Payment for exploration and evaluation property	5	(66,832)	-
<b>Net cash used in investing activities</b>		<b>(66,832)</b>	<b>-</b>
<b>Financing activities</b>			
Proceeds from the issuance of special warrants	7	120,000	-
<b>Net cash provided by financing activities</b>		<b>120,000</b>	<b>-</b>
Net decrease in cash		(43,356)	-
Cash, beginning of the period		217,486	1
<b>Cash, end of the period</b>		<b>174,130</b>	<b>1</b>
Supplemental disclosure of non-cash transactions:			
Amounts paid for interest		Nil	Nil
Amounts paid for taxes		Nil	Nil
Issuance of common shares for amalgamation	4, 7	164,413	Nil

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

**Archer Exploration Corp. (formerly Lift Capital Corp.)**  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
For the nine months ended June 30, 2021 and 2020  
(Expressed in Canadian dollars, except number of shares outstanding) - Unaudited

	Number of shares	Share capital	Warrants reserve	Share-based payments reserve	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$
<b>Balance at September 30, 2019</b>	1	1	-	-	-	1
Net loss for the period	-	-	-	-	-	-
<b>Balance at June 30, 2020</b>	1	1	-	-	-	1
Repurchase of incorporation share	(1)	(1)	-	-	-	(1)
Issuance of common shares	9,300,000	217,500	-	-	-	217,500
Net loss for the period	-	-	-	-	(8,406)	(8,406)
<b>Balance at September 30, 2020</b>	9,300,000	217,500	-	-	(8,406)	209,094
Issuance of common shares for amalgamation	3,288,250	164,413	-	-	-	164,413
Issuance of special warrants for cash	-	-	120,000	-	-	120,000
Issuance of common shares upon special warrant conversion	1,200,000	79,028	(79,028)	-	-	-
Share-based payments	-	-	-	15,050	-	15,050
Net loss for the period	-	-	-	-	(326,339)	(326,339)
<b>Balance at June 30, 2021</b>	<b>13,788,250</b>	<b>460,941</b>	<b>40,972</b>	<b>15,050</b>	<b>(334,745)</b>	<b>182,218</b>

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



## **1) NATURE OF OPERATIONS**

Archer Exploration Corp. (formerly Lift Capital Corp.) (the “Company”) was incorporated under the laws of the Province of British Columbia on October 26, 2018. The Company is focusing on the exploration of mineral claims located in Quebec, Canada. The Company’s registered and records office is 400 Burrard Street - Suite 1050, Vancouver BC, V6C 3A6, Canada.

These unaudited condensed interim financial statements (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company is in the development stage and has not generated any revenues. As at June 30, 2021, the Company has a deficit of \$334,745 (September 30, 2020 - \$8,406) and for the nine months then ended, incurred a net loss of \$326,339 (2020 - \$nil). The Company’s continuing operations as intended are dependent upon the ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. Should the Company fail to commercialize its mineral claims, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

In 2020, the global outbreak of coronavirus (COVID-19) resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a potential material impact to the Company’s project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company’s projects may also impact the Company’s ability to perform exploration activities at the projects.

## **2) BASIS OF PRESENTATION**

### **a) Statement of Compliance and Basis of Presentation**

These interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) applicable to the preparation of interim financial statements including International Accounting Standard 34 - Interim Financial Reporting. These interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited financial statements for the years ended September 30, 2020 and 2019 (the “annual financial statements”), which include the information necessary or useful to understanding the Company’s business and financial statement presentation.

These interim financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These interim financial statements were prepared using accounting policies consistent with those in the audited financial statements as at and for the year ended September 30, 2020.

These financial statements were approved by the Company’s Board of Directors on August 30, 2021.

### **3) SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS**

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of the interim financial statements. In addition, the preparation of the financial data requires that the Company's management to make assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

In preparing the interim financial statements for the three and nine months ended June 30, 2021, the Company applied the critical judgments and estimates disclosed in Note 3 of its audited financial statements for the year ended September 30, 2020.

### **4) AMALGAMATION**

On October 13, 2020, the Company entered into an Amalgamation Agreement between the Company, Altair Capital Corp. and 1269569 B.C. Ltd., a wholly owned subsidiary of the Company, whereby the entities will continue operations as one company. The Company issued to the shareholders of Altair 248 common shares per Class A common share of Altair, and one common share per Class B common share of Altair. The Company issued 3,288,250 common shares at a fair value of \$0.05 per share, which was the share price of the most recent private placement prior to the Amalgamation Agreement for gross proceeds of \$164,413.

Included in the Amalgamation Agreement was the acquisition of a right held by Altair to an option agreement for mining properties. The valuation of the right to option was calculated based on the issuance of 3,288,250 common shares at a fair value of \$0.05 per share (see above) for aggregate consideration of \$164,413 and was recorded an intangible asset. On January 4, 2021, the Company decided not to pursue the Altair property outlined in the agreement. Accordingly, the right to option agreement asset that was acquired through the Altair transaction was analyzed by management and will be fully written off during the interim period ended June 30, 2021.

### **5) EXPLORATION AND EVALUATION ASSETS**

On August 1, 2020, the Company entered into an option agreement with Geomap Exploration Inc. ("Geomap") whereby the Company was granted an exclusive option to acquire a 100% interest in a mineral property located in Lac Paul, Quebec.

Under the terms of the option agreement, the Company is required to make the following payments:

- \$37,500 within 90 days of the agreement date (paid);
- \$50,000 on or before the 12-month anniversary of the date upon which the Company is listed on a recognized stock exchange in North America (the "Listing Date"); and
- \$75,000 on or before the 24-month anniversary of the Listing Date.

In addition, the Company is required to issue 750,000 common shares, as follows:

- 250,000 common shares on or before the 12-month anniversary of the Listing Date; and
- 500,000 common shares on or before the 24-month anniversary of the Listing Date.

The Company is also required to incur expenditures on the property of not less than \$420,000, as follows:

- \$120,000 on or before the 12-month anniversary of the Listing Date; and
- an additional \$300,000 on or before the 24-month anniversary of the Listing Date.

Geomap will retain a 3.0% net smelter royalty on the property, of which 1/3 (or 1.0%) can be repurchased by the Company at any time for \$1,000,000.

## 6) RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

During the three and nine months ended June 30, 2021, and 2020, the Company entered into the following transactions in the ordinary course of business with a related party that is not a subsidiary of the Company.

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Professional fees	32,600	-	46,113	-
Share-based payments	8,287	-	10,588	-

As at June 30, 2021, the Company had \$32,600 (September 30, 2020 - \$1,500) due to related parties included in accounts payable and accrued liabilities. Interest is not charged on outstanding balances and there are no specific terms of repayment.

## 7) SHARE CAPITAL

### a) Authorized Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

### b) Share Issuances

During the nine months ended June 30, 2021, the Company had the following share transactions:

- On November 6, 2020, the Company issued 3,288,250 common shares with a fair value of \$164,413 to enter into an amalgamation agreement which included the acquisition of the right to option agreement (Note 4).
- On February 3, 2021, the 1,200,000 special warrants were automatically converted into units, following the final receipt and listing of the Company on the Canadian Stock Exchange. The units consisted of 1,200,000 common shares and 1,200,000 share purchase warrants exercisable at \$0.15 and expiring two years.

During the year ended September 30, 2020, the Company had the following share transactions:

- On January 15, 2020, the Company issued 1,500,000 shares of common stock at \$0.005 per share for gross proceeds of \$7,500. At the same time, the Company re-purchased the incorporation share for \$1.
- On March 15, 2020, the Company issued 6,000,000 units at \$0.02 per unit for gross proceeds of \$120,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.10 per common share and expires two years from the grant date.
- On July 1, 2020, the Company issued 1,800,000 units at \$0.05 per unit for gross proceeds of \$90,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.10 per common share and expires two years from the grant date.

### c) Special Warrants

On November 20, 2020, the Company issued 1,200,000 special warrants at a price of \$0.10 for proceeds of \$120,000. In February 2021, the 1,200,000 special warrants were automatically converted into units, following the final receipt and listing of the Company on the Canadian Stock Exchange. The units consisted of 1,200,000 common shares and 1,200,000 share purchase warrants exercisable at \$0.15 and expiring two years from the grant date. The total fair value of the common shares was \$79,028. The share purchase warrants were valued at \$40,972 using the Black-Scholes pricing model with the following assumptions: a two-year expected average life, share price of \$0.10; 119% volatility; risk-free interest rate of 0.21%; and an expected dividend yield of 0%.

**Archer Exploration Corp. (formerly Lift Capital Corp.)**  
**Notes to the Condensed Interim Financial Statements**  
June 30, 2021 and 2020  
(In Canadian dollars, except where noted) - Unaudited

**7) SHARE CAPITAL (continued)**

**d) Warrants**

	Number of warrants	Weighted average exercise price
	#	\$
Balance at September 30, 2019	-	-
Granted	7,800,000	0.10
Balance at September 30, 2020	7,800,000	0.10
Granted	1,200,000	0.15
<b>Balance at June 30, 2021</b>	<b>9,000,000</b>	<b>0.11</b>

The weighted average remaining life for the outstanding warrants at June 30, 2021 is 0.88 years.

**e) Stock Options**

The Company has a Stock Option Plan (the "Plan") under which directors, employees and consultants are eligible to receive stock option grants. Under the Plan, granted options are exercisable over periods up to 10 years as determined by the Board of Directors. The maximum number of outstanding options under the plan is limited to 10% of the number of issued and outstanding common shares.

The exercise price of each option is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by the Exchange. Currently, the Exchange requires that the exercise price of options must be equal to or greater than the discounted market price (as defined in the policies of the Exchange). The exercise price of options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any options granted under the Plan at the time of grant subject to the policies of the Exchange.

A summary of the Company's stock option activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance at September 30, 2019 and 2020	-	-
Granted	1,045,313	0.12
<b>Balance at June 30, 2021</b>	<b>1,045,313</b>	<b>0.12</b>

A summary of the Company's stock options outstanding and exercisable at June 30, 2021 is presented below:

Expiry date	Exercise prices	Options	
		outstanding	Options exercisable
	\$	#	#
October 15, 2022	0.10	40,000	40,000
January 4, 2023	0.10	5,000	5,000
June 8, 2026	0.12	1,000,313	200,063
		<b>1,045,313</b>	<b>245,063</b>

The weighted average remaining contractual life of options outstanding is 4.79 years.

**Archer Exploration Corp. (formerly Lift Capital Corp.)**  
**Notes to the Condensed Interim Financial Statements**  
June 30, 2021 and 2020  
(In Canadian dollars, except where noted) - Unaudited

**7) SHARE CAPITAL (continued)**

During the nine months ended June 30, 2021, the Company granted a total of 1,045,313 stock options (2020 - nil) with a total fair value of \$66,046 (2020 - \$nil), of which \$15,050 was expensed. The weighted average assumptions used in the Black-Scholes option pricing model were as follows:

	June 8, 2021	January 4, 2021
Expected life	5 years	2 years
Expected volatility	122.50%	119.00%
Risk-free rate	0.87%	0.20%
Dividend yield	Nil	Nil

**f) Loss per share**

All the outstanding share options at June 30, 2021 and 2020 were anti-dilutive for the periods then ended as the Company was in a loss position.

**8) FINANCIAL INSTRUMENT RISKS**

The Company's financial instruments are exposed to the following risks:

**a) Credit Risk**

The Company's primary exposure to credit risk is potential liquidity constraints on cash amounting to \$174,130 at June 30, 2021 (September 30, 2020 - \$217,486). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

**b) Interest Rate Risk**

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its financial institution. The Company is not currently exposed to any material interest rate risk.

**c) Liquidity Risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. As at June 30, 2021, the Company has sufficient funds to meet its current obligations of \$88,453 (September 30, 2020 - \$8,392). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

**d) Market and Currency Risk**

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. It is not exposed to a material degree of currency risk because it has few transactions in foreign currencies and does not have foreign mineral properties. The Company is not exposed to market risk because it does not own publicly traded marketable securities and does not have investments in other companies.

**e) Fair Value of Financial Instruments**

The fair values of the Company's financial assets and liabilities approximates their carrying amounts unless otherwise noted. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

**Archer Exploration Corp. (formerly Lift Capital Corp.)**  
**Notes to the Condensed Interim Financial Statements**  
June 30, 2021 and 2020  
(In Canadian dollars, except where noted) - Unaudited

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**8) FINANCIAL INSTRUMENT RISKS (continued)**

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

At June 30, 2021, the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the statement of financial position at fair value on a recurring basis are categorized as follows:

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	<b>Category</b>	<b>At June 30, 2021</b>
Cash	Level 1	\$ <b>174,130</b>

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During the nine months ended June 30, 2021 and 2020, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

**9) SUBSEQUENT EVENTS**

On July 20, 2021, pursuant to a non-brokered private placement, the Company issued 5,740,000 units of the Company at \$0.20 per share for gross proceeds of \$1,148,000. Each unit consists of one common share and one-half common share purchase warrant to acquire an additional common share for \$0.50 for a period of twenty-four months from the date of closing. The Company also paid out finders' fees totalling \$45,000 cash and issuing 225,000 broker warrants with the same terms as the warrants noted above.

**Archer Exploration Corp.  
(formerly Lift Capital Corp.)**

**Management's Discussion and Analysis**

**For the three and nine months ended June 30, 2021**

**Dated: August 30, 2021**

## **ARCHER EXPLORATION CORP.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the unaudited condensed interim financial statements of Archer Exploration Corp. ("Archer" or the "Company") and the notes thereto for the three months and nine months ended June 30, 2021 and 2020 (collectively referred to hereafter as the "financial statements"). The following MD&A of the financial condition and results of operations of the Company has been prepared by management and should be read in conjunction with the Company's financial statements for the three and nine months ended June 30, 2021. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date of and for the periods presented in the filings.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the financial statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

**The effective date of this MD&A is August 30, 2021** (the "MD&A Date").

#### **Forward-Looking Statements**

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.



Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits, ability to physically access and work the Company's property assets due to poor weather, a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans, and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

### **Description of the Business**

The Company was incorporated on October 26, 2018 and focuses on the exploration of mineral claims located in Quebec, Canada. The Company has selected September 30 as its fiscal year end. The Company trades on the Canadian Stock Exchange (the "Exchange") under the symbol "RCHR". The Company's registered and records office is 400 Burrard Street - Suite 1050, Vancouver BC, V6C 3A6, Canada.

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

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized.

The Company has no operating cash flow and its level of expenditures is dependent on the sale of debt and equity capital to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

### **Liquidity and Capital Resources**

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the sale of common shares and special warrants. From the date of incorporation on October 26, 2018 to June 30, 2021, it has raised \$217,500 from the sale of shares and units that consist of common shares and warrants and \$120,000 from the sale of special warrants that consist of common shares and warrants.

As at June 30, 2021, current assets were \$203,839 and current liabilities were \$88,453, resulting in working capital of \$115,386. As at September 30, 2020, current assets were \$217,486 and current liabilities were \$8,392, resulting in working capital of \$209,094. The decrease in working capital during the nine months ended June 30, 2021 was primarily attributed to a decrease in cash. As at June 30, 2021, the Company had total assets of \$270,671 which is comprised of \$174,130 of cash, \$29,709 of prepaid expenses, and exploration and evaluation property of \$66,832.

The Company is in the process of exploring mineral claims. The Company has not yet determined whether or when the claims could be economically viable.

While the information in the financial statements has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

### Results of Operations

The net loss for the three months ended June 30, 2021 was \$109,623 (2020 - \$nil), attributable to exploration and evaluation costs of \$40,701, general and administrative costs of \$959, share-based payments of \$12,749 and professional fees of \$55,214, all of which have increased over the prior year comparable period due to the Company completing its Amalgamation Agreement and having increased activity. Professional fees consist of legal, audit, accounting and filing fees.

The net loss for the nine months ended June 30, 2021, was \$326,339 (2020 - \$nil), attributable to exploration and evaluation costs of \$40,701, general and administrative costs of \$1,097, share-based payments of \$15,050 and professional fees of \$105,093, all of which have increased over the prior year comparable period due to the Company completing its Amalgamation Agreement and having increased activity. Professional fees consist of legal, audit, accounting and filing fees.

### Selected Quarterly Financial Information

Three Months Ended	Net Loss	Weighted Average Number of Shares	Basic and Diluted Loss Per Share
	\$	#	\$
<b>June 30, 2021</b>	<b>109,623</b>	<b>13,788,250</b>	<b>0.01</b>
March 31, 2021	185,406	13,348,250	0.01
December 31, 2020	31,311	12,159,348	0.00
September 30, 2020	8,406	4,796,721	0.00
June 30, 2020	-	-	-
March 31, 2020	-	-	-
December 31, 2019	-	-	-
September 30, 2019	-	-	-

### Disclosure of Outstanding Security Data

As of June 30, 2021, the Company had: 13,788,250 common shares issued and outstanding, 9,000,000 warrants outstanding, of which 7,800,000 are exercisable at \$0.10 and 1,200,000 are exercisable at \$0.15, 40,000 stock options to acquire 40,000 common shares exercisable at \$0.10 with an expected remaining life of 1.29 years, 5,000 stock options to acquire 5,000 common shares exercisable at \$0.10 with an expected remaining life of 1.52 years and 200,063 stock options to acquire 200,063 common shares exercisable at \$0.12 with an expected remaining life of 4.94 years.

As of the date of this financial statements, the Company has: 13,788,250 common shares issued and outstanding, 9,000,000 warrants outstanding, of which 7,800,000 are exercisable at \$0.10 and 1,200,000 are exercisable at \$0.15, 40,000 stock options to acquire 40,000 common shares exercisable at \$0.10 with an expected remaining life of 1.15 years, 5,000 stock options to acquire 5,000 common shares exercisable at \$0.10 with an expected remaining life of 1.38 years and 200,063 stock options to acquire 200,063 common shares exercisable at \$0.12 with an expected remaining life of 4.80 years.

### Financial Instruments and Other Instruments

The carrying values of cash and accounts payable approximate their fair values because of the short-term maturity of these financial instruments.

### Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

### Proposed Transactions

The Company has no undisclosed proposed transactions as at June 30, 2021 or at the date of this MD&A.

### Use of Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the annual audited financial statements for the year ended September 30, 2020.

### Transactions between Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

During the three and nine months ended June 30, 2021 and 2020, the Company entered into the following transactions in the ordinary course of business with a related party that is not a subsidiary of the Company.

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Professional fees	32,600	-	46,113	-
Share-based payments	8,287	-	10,588	-

As at June 30, 2021, the Company had \$32,600 (September 30, 2020 - \$1,500) due to related parties included in accounts payable and accrued liabilities. Interest is not charged on outstanding balances and there are no specific terms of repayment.

### Accounting Policies

A detailed summary of all of the Company's significant accounting policies are disclosed in the annual audited financial statements for the year ended September 30, 2020.

## **Risks and Uncertainties**

A thorough description of the risks associated with the Company's exploration and other business activities can be found in the Form 2A - Listing Statement dated February 5, 2021 and posted under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) as of that date.

An investment in the Company's common shares is highly speculative and subject to very real risks and uncertainties, the occurrence of any one or more of which could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position or operating results of the Company. The risk factor listing noted below is in no particular order and is not an exhaustive list of all risk factors associated with an investment in the Company's common shares or in connection with the operations of the Company.

- Geological risk and the highly uncertain and speculative nature of mineral exploration
- Early-stage nature of the Company: i.e. a limited operating history and financial resources, no earnings, limited cash assets
- Lack of insurance against operating risks in the field and elsewhere
- Changes to government regulations, including environmental regulations
- Ability to secure and comply with government permits
- Reliance on a small number of key managers and experts and a lack of immediate backup or replacements
- Competition for key personnel and mineral properties
- Potential conflicts of interest among the Company's directors and/or officers
- Potential cost overruns and delays
- Timely availability of labour, contractors and key services
- Weather risks
- Property title disputes
- Metal price fluctuations
- Receptivity of capital markets to junior exploration projects
- Stock price volatility and lack of liquidity
- Litigation

### ***Global Pandemic***

In 2020, the global outbreak of coronavirus (COVID-19) resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a potential material impact to the Company's project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company's project may also impact the Company's ability to perform exploration activities at the project.

### **Additional Information**

Additional information relating to the Company is available at [www.sedar.com](http://www.sedar.com).

### **Subsequent Events**

On July 20, 2021, pursuant to a non-brokered private placement, the Company issued 5,740,000 units of the Company at \$0.20 per share for gross proceeds of \$1,148,000. Each unit consists of one common share and one-half common share purchase warrant to acquire an additional common share for \$0.50 for a period of twenty-four months from the date of closing. The Company also paid out finders' fees totalling \$45,000 cash and issuing 225,000 broker warrants with the same terms as the warrants noted above.

On July 30, 2021, Mr. Mike Brown, the CEO of the Company, agreed to join the Board of Directors. Adding Mr. Brown to the Board of Directors, will increase the number of seats from three to four.

**ARCHER EXPLORATION CORP.  
(formerly Lift Capital Corp.)**

**Financial Statements**

For the years ended September 30, 2021 and 2020

(Expressed in Canadian dollars)

## Independent Auditor's Report

To the Shareholders of Archer Exploration Corp. (formerly Lift Capital Corp.)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Archer Exploration Corp. (formerly Lift Capital Corp.) (the "Company"), which comprise the statements of financial position as at September 30, 2021 and 2020, and the statements of loss and comprehensive loss, changes in shareholders equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

#### 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 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

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's ability to continue as a going concern will be dependent upon its ability to develop profitable cash inflows from its products or to continue raising equity financing from external sources. As at September 30, 2021, the Company has a cumulative deficit of \$743,203 and a current year net loss of \$734,797. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 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 IFRS, 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 consolidated 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.
- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

## **CHARTERED PROFESSIONAL ACCOUNTANTS**



Vancouver, BC, Canada  
January 28, 2022



**Archer Exploration Corp. (formerly Lift Capital Corp.)****Statements of Financial Position**

As at September 30, 2021 and 2020

(Expressed in Canadian dollars)

	Note	2021	2020
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		731,346	217,486
Prepaid expenses	5	761,334	-
GST/HST receivable		5,597	-
		<b>1,498,277</b>	217,486
Exploration and evaluation assets	6	<b>37,500</b>	-
<b>Total assets</b>		<b>1,535,777</b>	217,486
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Trade and other payables	8	224,611	8,392
		<b>224,611</b>	8,392
<b>Total liabilities</b>		<b>224,611</b>	8,392
<b>Shareholders' Equity</b>			
Share capital	4, 7	1,174,961	217,500
Warrants reserve	7	429,952	-
Share-based payments reserve	7	21,956	-
Shares to be issued	7	427,500	-
Deficit		(743,203)	(8,406)
<b>Total shareholders' equity</b>		<b>1,311,166</b>	209,094
<b>Total liabilities and shareholders' equity</b>		<b>1,535,777</b>	217,486

**Nature of operations** (Note 1)**Subsequent events** (Note 11)

These financial statements are approved and authorized for issuance on behalf of the Board of Directors on January 27, 2022.

*"Jeff Wilson"*Jeff Wilson,  
Director*"Faizaan Lalani"*Faizaan Lalani,  
Director*The accompanying notes are an integral part of these financial statements.*

**Archer Exploration Corp. (formerly Lift Capital Corp.)****Statements of Loss and Comprehensive Loss**

For the years ended September 30, 2021 and 2020

(Expressed in Canadian dollars, except number of shares outstanding)

	Note	2021	2020
		\$	\$
<b>Operating expenses</b>			
Exploration and evaluation		182,807	-
Filing and legal fees		35,761	-
General and administrative		36,751	706
Marketing		525	-
Professional fees	8	279,999	7,700
Rent		12,600	-
Share-based payments	7, 8	21,956	-
		<b>570,399</b>	<b>8,406</b>
<b>Other expenses (income)</b>			
Impairment of option agreement rights	4	164,413	-
Interest income		(15)	-
<b>Net loss and comprehensive loss for the year</b>		<b>(734,797)</b>	<b>(8,406)</b>
<b>Loss per share</b>			
Basic and diluted		(0.05)	(0.00)
<b>Weighted average number of shares</b>			
Basic and diluted		14,417,184	4,796,721

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

**Archer Exploration Corp. (formerly Lift Capital Corp.)****Statements of Cash Flows**

For the years ended September 30, 2021 and 2020

(Expressed in Canadian dollars)

	Note	2021	2020
		\$	\$
<b>Operating activities</b>			
Net loss for the year		(734,797)	(8,406)
Items not affecting cash:			
Share-based payments	7, 8	21,956	-
Impairment of option agreement rights	4	164,413	-
Changes in non-cash working capital:			
Prepaid expenses		(761,334)	-
GST/HST receivable		(5,597)	-
Trade and other payables	8	216,219	8,392
<b>Net cash used in operating activities</b>		<b>(1,099,140)</b>	<b>(14)</b>
<b>Investing activities</b>			
Payment for exploration and evaluation assets	6	(37,500)	-
<b>Net cash used in investing activities</b>		<b>(37,500)</b>	<b>-</b>
<b>Financing activities</b>			
Proceeds from the issuance of special warrants	7	120,000	-
Proceeds from private placement	7	1,148,000	217,500
Share issuance costs	7	(45,000)	-
Share subscriptions received	7, 11	427,500	-
<b>Net cash provided by financing activities</b>		<b>1,650,500</b>	<b>217,500</b>
Net change in cash		513,860	217,486
Cash, beginning of the year		217,486	-
<b>Cash, end of the year</b>		<b>731,346</b>	<b>217,486</b>
<b>Supplemental disclosure of non-cash transactions:</b>			
Amounts paid for interest		-	-
Amounts paid for taxes	10	-	-
Issuance of common shares for amalgamation	4, 7	164,413	-

*The accompanying notes are an integral part of these financial statements.*

**Archer Exploration Corp. (formerly Lift Capital Corp.)**

**Statements of Changes in Shareholders' Equity**

For the years ended September 30, 2021 and 2020

(Expressed in Canadian dollars, except number of shares outstanding)

	Note	Number of shares	Share capital	Warrants reserve	Share-based payments reserve	Shares to be issued	Deficit	Total shareholders' equity
		#	\$	\$	\$	\$	\$	\$
<b>Balance, September 30, 2019</b>		1	1	-	-	-	-	1
Repurchase of incorporation share		(1)	(1)	-	-	-	-	(1)
Issuance of common shares for cash		9,300,000	217,500	-	-	-	-	217,500
Net loss for the year		-	-	-	-	-	(8,406)	(8,406)
<b>Balance, September 30, 2020</b>		9,300,000	217,500	-	-	-	(8,406)	209,094
Issuance of common shares for amalgamation	7	3,288,250	164,413	-	-	-	-	164,413
Issuance of special warrants for cash	7	-	-	120,000	-	-	-	120,000
Issuance of common shares upon special warrant conversion	7	1,200,000	79,028	(79,028)	-	-	-	-
Private placement issuance for cash	7	5,740,000	867,928	280,072	-	-	-	1,148,000
Share issuance costs	7	-	(153,908)	108,908	-	-	-	(45,000)
Share subscriptions received	7	-	-	-	-	427,500	-	427,500
Share-based payments	7, 8	-	-	-	21,956	-	-	21,956
Net loss for the year		-	-	-	-	-	(734,797)	(734,797)
<b>Balance, September 30, 2021</b>		<b>19,528,250</b>	<b>1,174,961</b>	<b>429,952</b>	<b>21,956</b>	<b>427,500</b>	<b>(743,203)</b>	<b>1,311,166</b>

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

**Archer Exploration Corp. (formerly Lift Capital Corp.)**

**Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

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**1. NATURE OF OPERATIONS**

Archer Exploration Corp. (formerly Lift Capital Corp.) (the “Company”) was incorporated under the laws of the Province of British Columbia on October 26, 2018. The Company is focusing on the exploration of mineral claims located in Quebec, Canada. The Company’s registered and records office is 400 Burrard Street - Suite 1050, Vancouver BC, V6C 3A6, Canada.

These financial statements for the years ended September 30, 2021 and 2020 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company is in the development stage and has not generated any revenues. As at September 30, 2021, the Company has a deficit of \$743,203 (September 30, 2020 - \$8,406) and for the year then ended, incurred a net loss of \$734,797 (2020 - \$8,406). The Company’s continuing operations as intended are dependent upon the ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. Should the Company fail to commercialize its mineral claims, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

In 2020, the global outbreak of coronavirus (COVID-19) resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a potential material impact to the Company’s project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company’s projects may also impact the Company’s ability to perform exploration activities at the projects.

**2. BASIS OF PRESENTATION**

**a) Statement of compliance**

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements present the business of the Company, representing the activities, assets and liabilities of the Company that relate to or have been assigned to the Company.

**b) Basis of presentation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

**c) Approval of the consolidated financial statements**

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

**Archer Exploration Corp. (formerly Lift Capital Corp.)**

**Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

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**3. SIGNIFICANT ACCOUNTING POLICIES**

**a) Financial instruments**

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets at fair value through profit or loss*

Financial assets measured at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value therein, recognized in profit or loss. The Company classifies cash as fair value through profit or loss.

*Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

There are no financial assets classified as measured at FVTOCI.

*Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest method, net of any impairment allowance.

There are no financial assets classified as measured at amortized cost.

(ii) Derecognition

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of operations.

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include trade and other payables.

**Archer Exploration Corp. (formerly Lift Capital Corp.)**

**Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and accounts payable. Their carrying values approximate the fair values due to short-term maturity of these instruments.

**b) Common shares**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**c) Share purchase warrants**

Share purchase warrants are classified as a component of equity. The proceeds from the issue of units are allocated between common shares and share purchase warrants on a prorated basis on relative fair values as follows: the fair value of common shares is based on the market close on the date the units are issued and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

Share purchase warrants are initially recorded as a part of warrant reserves in equity at the recognized fair value. Upon exercise of the share purchase warrants the previously recognized fair value of the warrants exercised is reallocated to share capital from warrant reserves. The proceeds generated from the payment of the exercise price are also allocated to share capital.

Where modification to warrant agreements occur, such as an extension of the expiry date, the fair value is reassessed based on the modified terms. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. This incremental fair value is recognized within equity.

**d) Earnings (loss) per share**

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**e) Share issuance costs**

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as share issue costs.

**f) Exploration and evaluation assets**

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation assets are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors. Costs not directly attributable to exploration and evaluation assets activities, including general administrative costs, are expensed in the period in which they occur.

**Archer Exploration Corp. (formerly Lift Capital Corp.)**

**Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Company may occasionally enter into farm-out arrangements whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain mineral property expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets expenditures in respect of that project are deemed to be impaired. As a result, those mineral property expenditures, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

**g) Income taxes**

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

**h) Share-based payment transactions**

The Company records all share-based payments at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized through profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

Options and warrants issued as consideration in connection with common share placements are recorded at their fair value on the date of issuance as share issuance costs. Upon exercise of stock options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to share-based payments reserve. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

**i) Use of estimates and judgments**

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.



**Archer Exploration Corp. (formerly Lift Capital Corp.)**

**Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

*Going concern*

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

*Recovery of deferred tax assets*

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement

**j) Future accounting changes**

The Company has not yet adopted the following revised or new IFRS that are not yet effective on July 31, 2021. All of the new and revised standards described below may be early-adopted. The Company is currently assessing the impact that these standards may have on the Company's consolidated financial statements.

*Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

IAS 1, *Presentation of Financial Statements* has been revised to incorporate amendments issued by the IASB in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

**4. AMALGAMATION**

On October 13, 2020, the Company entered into an Amalgamation Agreement between the Company, Altair Capital Corp. ("Altair") and 1269569 B.C. Ltd., a wholly owned subsidiary of the Company, whereby the entities will continue operations as one company. The Company acquired all the shares of Altair by issuing 248 common shares for each Class A common share of Altair and one common share for each Class B common share of Altair. In total, the Company issued 3,288,250 common shares at a fair value of \$0.05 per share, (the share price of the most recent private placement) for gross proceeds of \$164,413.

Included in the Amalgamation Agreement was the acquisition of a right held by Altair to an option agreement for mining properties. The valuation of the right to option was calculated based on the issuance of 3,288,250 common shares at a fair value of \$0.05 per share for aggregate consideration of \$164,413 and was recorded as an intangible asset. On January 4, 2021, the Company decided not to pursue the Altair property outlined in the agreement. Accordingly, the right to option agreement asset was fully written off during the year ended September 30, 2021.

**5. PREPAID EXPENSES**

As at September 30, 2021, the Company has a refundable deposit of \$761,334 (US\$600,000) related to a non-binding letter of intent with Echelon Minerals Ltd. ("Echelon"), pursuant to which the Company may acquire all of the issued and outstanding ordinary shares of Echelon.

**Archer Exploration Corp. (formerly Lift Capital Corp.)**

**Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

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**6. EXPLORATION AND EVALUATION ASSETS**

On August 1, 2020, and as amended on October 19, 2021, the Company entered into an option agreement with Geomap Exploration Inc. ("Geomap") whereby the Company was granted an exclusive option to acquire a 100% interest in a mineral property located in Lac Paul, Quebec.

Under the terms of the option agreement, the Company is required to make the following payments:

- \$37,500 within 90 days of the agreement date (paid);
- \$50,000 on or before May 31, 2022; and
- \$75,000 on or before the 24-month anniversary of the Listing Date.

In addition, the Company is required to issue 750,000 common shares, as follows:

- 250,000 common shares on or before May 31, 2022; and
- 500,000 common shares on or before the 24-month anniversary of the Listing Date.

The Company is also required to incur expenditures on the property, as follows:

- \$110,000 on or before the 12-month anniversary of the Listing Date; and
- an additional \$300,000 on or before the 24-month anniversary of the Listing Date.

Geomap will retain a 3.0% net smelter royalty on the property, of which 1/3 (or 1.0%) can be repurchased by the Company at any time for \$1,000,000.

The Company's Listing Date was February 11, 2021.

**7. SHARE CAPITAL**

**a) Authorized share capital**

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

**b) Share issuances**

During the year ended September 30, 2021, the Company had the following share transactions:

- On November 6, 2020, the Company issued 3,288,250 common shares with a fair value of \$164,413 to enter into an amalgamation agreement which included the acquisition of the right to option agreement (see Note 4).
- On February 3, 2021, the 1,200,000 special warrants were automatically converted into units, following the final receipt and listing of the Company on the Canadian Stock Exchange. The units consisted of 1,200,000 common shares and 1,200,000 share purchase warrants exercisable at \$0.15 and expiring two years.
- On July 20, 2021, pursuant to a private placement, the Company issued 5,740,000 units of the Company at \$0.20 per share for gross proceeds of \$1,148,000. Each unit consists of one common share and one-half common share purchase warrant to acquire an additional common share for \$0.50 for a period of twenty-four months from the date of closing. The Company also paid out finders' fees totalling \$45,000 cash and issuing 225,000 broker warrants with the same terms as the warrants noted above. The broker warrants were valued at \$108,908 using the Black-Scholes pricing model with the following assumptions: a two-year expected average life, share price of \$0.75; 108% volatility; risk-free interest rate of 0.46%; and an expected dividend yield of 0%.

During the year ended September 30, 2020, the Company had the following share transactions:

- On January 15, 2020, the Company issued 1,500,000 shares of common stock at \$0.005 per share for gross proceeds of \$7,500. At the same time, the Company re-purchased the incorporation share for \$1.
- On March 15, 2020, the Company issued 6,000,000 units at \$0.02 per unit for gross proceeds of \$120,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.10 per common share and expires two years from the grant date.
- On July 1, 2020, the Company issued 1,800,000 units at \$0.05 per unit for gross proceeds of \$90,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.10 per common share and expires two years from the grant date.

**Archer Exploration Corp. (formerly Lift Capital Corp.)****Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

**7. SHARE CAPITAL (continued)****c) Special warrants**

On November 20, 2020, the Company issued 1,200,000 special warrants at a price of \$0.10 for proceeds of \$120,000. In February 2021, the 1,200,000 special warrants were automatically converted into units, following the final receipt and listing of the Company on the Canadian Stock Exchange. The units consisted of 1,200,000 common shares and 1,200,000 share purchase warrants exercisable at \$0.15 and expiring two years from the grant date. The total fair value of the common shares was \$79,028. The share purchase warrants were valued at \$40,972 using the Black-Scholes pricing model with the following assumptions: a two-year expected average life, share price of \$0.10; 119% volatility; risk-free interest rate of 0.21%; and an expected dividend yield of 0%.

**d) Warrants**

The following is a summary of the Company's warrants for the years ended September 30, 2021 and 2020:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, September 30, 2019	-	-
Issued	7,800,000	0.10
Balance, September 30, 2020	7,800,000	0.10
Issued	4,295,000	0.40
<b>Balance, September 30, 2021</b>	<b>12,095,000</b>	<b>0.21</b>

Expiry date	Warrants	Weighted average exercise price	Weighted average remaining life
		#	\$ years
March 15, 2022	6,000,000	0.10	0.45
July 1, 2022	1,800,000	0.10	0.75
February 3, 2023	1,200,000	0.15	1.35
July 20, 2023	3,095,000	0.50	1.80
<b>Balance, September 30, 2021</b>	<b>12,095,000</b>	<b>0.21</b>	<b>0.93</b>

**e) Stock options**

The Company has a Stock Option Plan (the "Plan") under which directors, employees and consultants are eligible to receive stock option grants. Under the Plan, granted options are exercisable over periods up to 10 years as determined by the Board of Directors. The maximum number of outstanding options under the plan is limited to 10% of the number of issued and outstanding common shares.

The exercise price of each option is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by the Exchange. Currently, the Exchange requires that the exercise price of options must be equal to or greater than the discounted market price (as defined in the policies of the Exchange). The exercise price of options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any options granted under the Plan at the time of grant subject to the policies of the Exchange.

A summary of the Company's stock option activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance, September 30, 2019 and 2020	-	-
Granted	1,045,313	0.12
<b>Balance, September 30, 2021</b>	<b>1,045,313</b>	<b>0.12</b>

**Archer Exploration Corp. (formerly Lift Capital Corp.)****Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

**7. SHARE CAPITAL (continued)**

A summary of the Company's stock options outstanding and exercisable at September 30, 2021 is presented below:

<b>Expiry date</b>	<b>Weighted average exercise price</b>	<b>Options outstanding</b>	<b>Options exercisable</b>
	\$	#	#
October 15, 2022	0.10	40,000	40,000
January 4, 2023	0.10	5,000	5,000
June 8, 2026	0.12	1,000,313	200,063
<b>Balance, September 30, 2021</b>		<b>1,045,313</b>	<b>245,063</b>

The weighted average remaining contractual life of options outstanding is 4.53 years.

During the year ended September 30, 2021, the Company granted a total of 1,045,313 stock options (2020 - nil) with a total fair value of \$66,046 (2020 - \$nil), of which \$21,956 was expensed. The weighted average assumptions used in the Black-Scholes option pricing model were as follows:

	June 8, 2021	Oct 15 – Jan 4, 2021
Expected life	5 years	2 years
Expected volatility	115%	113%
Risk-free rate	0.87%	0.20%
Dividend yield	Nil	Nil

**f) Loss per share**

At September 30, 2021 and 2020, all the outstanding share options were anti-dilutive for the periods then ended as the Company was in a loss position.

**g) Shares to be issued**

During the year ended September 30, 2021, the Company received \$427,500 in proceeds for a non-brokered private placement which closed on October 1, 2021 (see Note 11).

**8. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

During the years ended September 30, 2021 and 2020, the Company incurred the following expenses in the ordinary course of business with a related party that is not a subsidiary of the Company.

	<b>2021</b>	<b>2020</b>
	\$	\$
Professional fees	<b>126,321</b>	1,500
Share-based payments	<b>15,077</b>	-

As at September 30, 2021, the Company had \$46,916 (September 30, 2020 - \$1,500) due to related parties included in trade and other payables. Interest is not charged on outstanding balances and there are no specific terms of repayment.

**Archer Exploration Corp. (formerly Lift Capital Corp.)**

**Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

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**9. FINANCIAL INSTRUMENT RISKS**

The Company's financial instruments are exposed to the following risks:

**a) Credit risk**

The Company's primary exposure to credit risk is potential liquidity constraints on cash amounting to \$731,345 at September 30, 2021 (September 30, 2020 - \$217,486). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

**b) Interest rate risk**

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its financial institution. The Company is not currently exposed to any material interest rate risk.

**c) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. As at September 30, 2021, the Company has sufficient funds to meet its current obligations of \$224,611 (September 30, 2020 - \$8,392). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

**d) Market and currency risk**

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. It is not exposed to a material degree of currency risk because it has few transactions in foreign currencies and does not have foreign mineral properties. The Company is not exposed to market risk because it does not own publicly traded marketable securities and does not have investments in other companies.

**e) Fair value of financial instruments**

The fair values of the Company's financial assets and liabilities approximates their carrying amounts unless otherwise noted. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

Cash is measured at fair value using level 1 inputs. As at September 30, 2021, the Company has the cash balance of \$731,345 (September 30, 2020 - \$217,486).

The carrying value of accounts payable approximates its fair values due to its short-term to maturity. Assets and liabilities are classified on the lowest level of input that is significant to the fair value measurement.

During the years ended September 30, 2021 and 2020, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities.

**Archer Exploration Corp. (formerly Lift Capital Corp.)****Notes to the Financial Statements**

For the years ended September 30, 2021 and 2020

(In Canadian dollars, except where noted)

**10. DEFERRED INCOME TAX**

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
	\$	\$
Loss for the year	<b>(734,797)</b>	(8,406)
Expected income recovery	<b>(198,000)</b>	(2,000)
Non-deductible expenditures and non-taxable revenues	<b>50,000</b>	-
Share issuance costs	<b>(12,000)</b>	-
Change in unrecognized deferred tax assets	<b>160,000</b>	2,000
<b>Provision for income tax recovery</b>	<b>-</b>	<b>-</b>

The significant components of the Company's deferred tax assets and liabilities are as follows:

Deferred tax assets (liabilities)	2021	2020
	\$	\$
Share issuance costs and financing fees (20(1)(e))	<b>10,000</b>	-
Non-capital losses	<b>103,000</b>	2,000
Exploration and evaluation assets	<b>49,000</b>	-
Net deferred tax asset	<b>162,000</b>	2,000

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2021	Expiry date range	2020	Expiry date range
Temporary differences	\$		\$	
Share issuance costs and financing fees (20(1)(e))	<b>36,000</b>	<b>2021 to 2045</b>	-	No expiry date
Non-capital losses	<b>383,000</b>	<b>2021 to 2041</b>	8,000	2021 to 2040
Exploration and evaluation assets	<b>183,000</b>	<b>No expiry date</b>	-	No expiry date
	<b>602,000</b>		8,000	
Canada	<b>602,000</b>		8,000	

**11. SUBSEQUENT EVENTS**

On October 1, 2021, the Company closed its non-brokered private placement, previously announced on September 10, 2021. The private placement raised gross proceeds of \$1,500,000 issuing 5,999,998 units (the "Units") at a price of \$0.25 per Unit (the "Private Placement"). Each Unit consists of one common share and one-half common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire an additional common share for \$0.50 for a period of twenty-four months from the date of closing of the Private Placement.

On October 20, 2021, the Company granted an aggregate of 1,500,000 stock options to a director and officers of the Company. These stock options have an exercise price of \$0.51, a five-year life, and vest over a period of 18 months with 20% vested upon the date of grant, 20% will vest on October 20, 2022, 20% will vest on October 20, 2023, and 40% will vest on October 20, 2024.

On December 13, 2021, the Company entered into a securities exchange agreement with Echelon Minerals Ltd. ("Echelon") and the shareholders of Echelon, pursuant to which it will acquire all of the issued and outstanding shares of Echelon. Subject to customary closing conditions and regulatory approvals, Archer will acquire 100% of the issued and outstanding shares of Echelon in consideration for an aggregate 2,524,772 common shares of the Company at a deemed price of \$0.50 per share.

**ARCHER EXPLORATION CORP.**  
**(formerly Lift Capital Corp.)**

**Management's Discussion and Analysis**

For the years ended September 30, 2021 and 2020

**Dated: January 28, 2022**

**ARCHER EXPLORATION CORP.**  
**Management's Discussion and Analysis**  
For the years ended September 30, 2021 and 2020

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This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the financial statements of Archer Exploration Corp. ("Archer" or the "Company") and the notes thereto for the years ended September 30, 2021 and 2020 (collectively referred to hereafter as the "financial statements"). The following MD&A of the financial condition and results of operations of the Company has been prepared by management and should be read in conjunction with the Company's financial statements for the years ended September 30, 2021 and 2020. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the financial statements.

The Company's certifying officers are responsible for ensuring that the financial statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date of and for the periods presented in the filings.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the financial statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

**The effective date of this MD&A is January 28, 2022 (the "MD&A Date").**

#### **Forward-looking statements**

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits, ability to physically access and work the Company's property assets due to poor weather, a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans, and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.



### Description of the business

The Company was incorporated on October 26, 2018 and focuses on the exploration of mineral claims located in Quebec, Canada. The Company has selected September 30 as its fiscal year end. The Company trades on the Canadian Stock Exchange (the "Exchange") under the symbol "RCHR". The Company's registered and records office is 400 Burrard Street - Suite 1050, Vancouver BC, V6C 3A6, Canada.

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

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized.

The Company has no operating cash flow and its level of expenditures is dependent on the sale of debt and equity capital to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

### Liquidity and capital resources

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the sale of common shares, special warrants, and units. During the year ended September 30, 2021, it has raised \$1,148,000 from the sale of shares and units that consist of common shares and warrants and \$120,000 from the sale of special warrants that consist of common shares and warrants.

As at September 30, 2021, current assets were \$1,498,277 and current liabilities were \$224,611, resulting in working capital of \$1,273,666. As at September 30, 2020, current assets were \$217,486 and current liabilities were \$8,392, resulting in working capital of \$209,094. The increase in working capital during the year ended September 30, 2021 is a result of the increase in cash, prepaid expenses and exploration and evaluation assets. As at September 30, 2021, the Company had total assets of \$1,535,777 which is comprised of \$731,346 of cash, \$761,334 of prepaid expenses, GST/HST receivable of \$5,597, and exploration and evaluation property of \$37,500.

The Company is in the process of exploring mineral claims. The Company has not yet determined whether or when the claims could be economically viable.

While the information in the financial statements has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

### Results of operations

The net loss for the year ended September 30, 2021 was \$734,797 (2020 - \$8,406), attributable to exploration and evaluation costs of \$182,807 (2020 - \$nil), filing and legal fees of \$35,761 (2020 - \$nil), general and administrative costs of \$36,751 (2020 - \$706), marketing costs of \$525 (2020 - \$nil), professional fees of \$279,999 (2020 - \$7,700), rent of \$12,600 (2020 - \$nil), share-based payments of \$21,956 (2020 - \$nil), and other expenses (income) of \$164,398 (2020 - \$nil), all of which have increased over the prior year comparable period due to the Company having increased activity. Professional fees consist of audit, accounting, and consulting fees.

### Selected quarterly financial information

Three months ended	Net loss	Weighted average number of shares	Basic and diluted loss per share
	\$	#	\$
<b>September 30, 2021</b>	<b>408,457</b>	<b>18,342,815</b>	<b>0.02</b>
June 30, 2021	109,623	13,788,250	0.01
March 31, 2021	185,406	13,348,250	0.01
December 31, 2020	31,311	12,159,348	0.00
September 30, 2020	8,406	4,796,721	0.00
June 30, 2020	-	-	-
March 31, 2020	-	-	-
December 31, 2019	-	-	-

### Disclosure of outstanding security data

As of September 30, 2021, the Company had:

- 19,528,250 common shares issued and outstanding.
- 12,095,000 warrants outstanding, of which 7,800,000 are exercisable at \$0.10, 1,200,000 are exercisable at \$0.15, and 3,095,000 are exercisable at \$0.50. The weighted average remaining contractual life of warrants outstanding is 0.93 years.
- 1,045,313 options outstanding, of which 45,000 are exercisable at \$0.10, and 200,063 are exercisable at \$0.12. The weighted average remaining contractual life of options outstanding is 4.53 years.

As of the date of this MD&A, the Company has:

- 25,528,248 common shares issued and outstanding.
- 15,094,999 warrants outstanding, of which 7,800,000 are exercisable at \$0.10, 1,200,000 are exercisable at \$0.15, and 6,094,999 are exercisable at \$0.50.
- 2,545,313 options outstanding, of which 45,000 are exercisable at \$0.10, and 200,063 are exercisable at \$0.12, and 300,000 are exercisable at \$0.51.

### Financial instruments and other instruments

The carrying values of cash, trade and other payables approximate their fair values because of the short-term maturity of these financial instruments.

### Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

### Proposed transactions

Additional information relating to the proposed transactions is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company has no undisclosed proposed transactions as at September 30, 2021 or at the date of this MD&A.

### Use of estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the annual audited financial statements for the years ended September 30, 2021 and 2020.

### Transactions between related parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

During the years ended September 30, 2021 and 2020, the Company incurred the following expenses in the ordinary course of business with related parties that are not a subsidiary of the Company.

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	Years ended September 30,	
	2021	2020
Professional fees	\$ 126,321	\$ 1,500
Share-based payments	15,077	-

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As at September 30, 2021, the Company had \$46,916 (September 30, 2020 - \$1,500) due to related parties included in trade and other payables. Interest is not charged on outstanding balances and there are no specific terms of repayment.

### **Accounting policies**

A detailed summary of all of the Company's significant accounting policies are disclosed in the annual financial statements for the years ended September 30, 2021 and 2020.

### **Risks and uncertainties**

A thorough description of the risks associated with the Company's exploration and other business activities can be found in the Form 2A - Listing Statement dated February 5, 2021 and posted under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) as of that date.

An investment in the Company's common shares is highly speculative and subject to very real risks and uncertainties, the occurrence of any one or more of which could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position or operating results of the Company. The risk factor listing noted below is in no particular order and is not an exhaustive list of all risk factors associated with an investment in the Company's common shares or in connection with the operations of the Company.

- Geological risk and the highly uncertain and speculative nature of mineral exploration
- Early-stage nature of the Company: i.e. a limited operating history and financial resources, no earnings, limited cash assets
- Lack of insurance against operating risks in the field and elsewhere
- Changes to government regulations, including environmental regulations
- Ability to secure and comply with government permits
- Reliance on a small number of key managers and experts and a lack of immediate backup or replacements
- Competition for key personnel and mineral properties
- Potential conflicts of interest among the Company's directors and/or officers
- Potential cost overruns and delays
- Timely availability of labour, contractors and key services
- Weather risks
- Property title disputes
- Metal price fluctuations
- Receptivity of capital markets to junior exploration projects
- Stock price volatility and lack of liquidity
- Litigation

### **Global pandemic**

In 2020, the global outbreak of coronavirus (COVID-19) resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a potential material impact to the Company's project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company's project may also impact the Company's ability to perform exploration activities at the project.

### **Additional information**

Additional information relating to the Company is available at [www.sedar.com](http://www.sedar.com).

### **Subsequent events**

On October 1, 2021, the Company closed its non-brokered private placement, previously announced on September 10, 2021. The private placement raised gross proceeds of \$1,500,000 issuing 5,999,998 units (the "Units") at a price of \$0.25 per Unit (the "Private Placement"). Each Unit consists of one common share and one-half common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire an additional common share for \$0.50 for a period of twenty-four months from the date of closing of the Private Placement.

On October 20, 2021, the Company granted an aggregate of 1,500,000 stock options to a director and officers of the Company. These stock options have an exercise price of \$0.51, a five-year life, and vest over a period of 36 months with 20% vested upon the date of grant, 20% will vest on October 20, 2022, 20% will vest on October 20, 2023, and 40% will vest on October 20, 2024.

**Subsequent events (continued)**

On December 13, 2021, the Company entered into a securities exchange agreement with Echelon Minerals Ltd. ("Echelon") and the shareholders of Echelon, pursuant to which it will acquire all of the issued and outstanding shares of Echelon. Subject to customary closing conditions and regulatory approvals, Archer will acquire 100% of the issued and outstanding shares of Echelon in consideration for an aggregate 2,524,772 common shares of the Company at a deemed price of \$0.50 per share.

**ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)**

**Financial Statements**

**For the year ended September 30, 2020 and for the Period from Incorporation on October 26,  
2018 to September 30, 2019  
(Expressed in Canadian Dollars)**

## Independent Auditor's Report

To the Directors of Archer Exploration Corp. (formerly Lift Capital Corp.)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Archer Exploration Corp. (formerly Lift Capital Corp.) (the "Company"), which comprise the statements of financial position as at September 30, 2020 and 2019, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the year ended September 30, 2020 and for the period from incorporation on October 26, 2018 to September 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and 2019 and its financial performance and its cash flows for the year ended September 30, 2020 and for the period from incorporation on October 26, 2018 to September 30, 2019 in accordance with International Financial Reporting Standards (IFRS).

#### 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 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

We draw attention to Note 1 in the financial statements, which indicates that the Company's continuing operations as intended are dependent upon the Company's ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required

#### 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 IFRS, 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.
- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.



**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC, Canada  
January 29, 2021

**ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)**  
**Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

<b>As at</b>	<b>September 30, 2020</b>	<b>September 30, 2019</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	\$ 217,486	\$ 1
	217,486	1
<b>Total Assets</b>	<b>217,486</b>	<b>1</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 8,392	\$ -
	8,392	-
<b>Total Liabilities</b>	<b>8,392</b>	<b>-</b>
<b>Shareholders' Deficit</b>		
Share Capital (Note 5)	217,500	1
Deficit	(8,406)	-
<b>Total Shareholders' Equity</b>	<b>209,094</b>	<b>1</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 217,486</b>	<b>\$ 1</b>

Commitments and Contingencies (Note 4)

Subsequent events (Note 10)

Approved by on behalf of the Board:

Jeffrey Wilson (signed)  
Jeffrey Wilson, Director

Faizaan Lalani (signed)  
Faizaan Lalani, Director

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



**ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)**  
**Statements of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

	Year Ended September 30, 2020	Period from Incorporation on October 26, 2018 to September 30, 2019
<b>Operating Expenses</b>		
General and administrative	\$ 706	\$ -
Professional fees (Note 6)	7,700	-
<b>Net Loss and Comprehensive Loss</b>	<b>\$ (8,406)</b>	<b>\$ -</b>
<b>Basic Loss per Share</b>	<b>\$ (0.00)</b>	<b>\$ -</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>4,796,721</b>	<b>-</b>

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

**ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)**

**Statements of Changes in Shareholders' Equity**

(Expressed in Canadian Dollars)

	Number of Outstanding Shares	Share Capital	Deficit	Total Shareholders' Equity
		\$	\$	\$
<b>Balance, October 26, 2018 - date of incorporation</b>	-	-	-	-
Issuance of incorporation share	1	1	-	1
<b>Balance, September 30, 2019</b>	1	1	-	1
Re-purchase of incorporation share	(1)	(1)	-	(1)
Issuance of share capital	9,300,000	217,500	-	217,500
Net loss for the year	-	-	(8,406)	(8,406)
<b>Balance, September 30, 2020</b>	9,300,000	217,500	(8,406)	209,094

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

**ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)**  
**Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

	Year Ended September 30, 2020	Period from Incorporation on October 26, 2018 to September 30, 2019
<b>Cash Provided by (Used in)</b>		
<b>Operating Activities</b>		
Net loss	\$ (8,406)	\$ -
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	8,392	-
	(14)	-
<b>Financing Activities</b>		
Proceeds from issuance of share capital	217,500	1
Re-purchase of incorporation share	(1)	-
	217,499	1
<b>Inflow of Cash and Cash Equivalents</b>	217,485	1
<b>Cash and cash equivalents - Beginning of period</b>	1	-
<b>Cash and cash equivalents - End of period</b>	\$ 217,486	\$ 1

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

# **ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)**

## **Notes to the Financial Statements**

**For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019**

**(Expressed in Canadian Dollars)**

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Archer Exploration Corp. (formerly Lift Capital Corp.) (the “Company”) was incorporated under the laws of the Province of British Columbia on October 26, 2018. The Company is focusing on the exploration of mineral claims located in Quebec, Canada. The Company’s registered and records office is 400 Burrard Street -Suite 1050, Vancouver BC, V6C 3A6, Canada.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company is in the development stage and has not generated any revenues. As at September 30, 2020, the Company has a deficit of \$8,406 (September 30, 2019 - \$NIL) and for the year then ended, incurred a net loss of \$8,406 (year ended September 30, 2019 –\$NIL). The Company’s continuing operations as intended are dependent upon the Company’s ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. Should the Company fail to commercialize its mineral claims, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

In early 2020, there was a global outbreak of COVID-19, which continues to rapidly evolve. The extent to which the COVID-19 coronavirus may impact the Company’s operations will be dependent on future developments, which as of this time are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, and social distancing in Canada and other countries, business closures or business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease.

### **2. BASIS OF PRESENTATION**

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Approval of the financial statements

These financial statements were authorized for issue by the Board of Directors on January 29, 2021.

## ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)

### Notes to the Financial Statements

For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value.

As of September 30, 2020, and 2019, the Company had cash and cash equivalents of \$217,486 and \$1, respectively.

(b) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through profit or loss or measured at fair value through other comprehensive income.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets at fair value through profit or loss*

Financial assets measured at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company classifies cash and cash equivalents as fair value through profit and loss.

## ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)

### Notes to the Financial Statements

For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Financial instruments (Continued)

##### (i) Financial assets (Continued)

###### *Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

There are no financial assets classified as measured as amortized cost.

###### *Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value less transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income remain within accumulated other comprehensive income when the financial instrument is derecognized or its fair value substantially decreases.

There are no financial assets classified as measured as FVTOCI.

###### Derecognition

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)

### Notes to the Financial Statements

For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Financial instruments (Continued)

##### (ii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities, which are classified as measured at amortized cost.

##### (iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The carrying value of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair value due to the short-term maturity of these instruments.

#### (c) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Common shares issued for consideration other than cash are valued at the fair value of the assets received or the services rendered. If the fair value of the assets received or services rendered cannot be reliably measured, common shares issued for consideration will be valued at their fair value on the date of issuance.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The Company follows the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component. The fair value of the common shares issued in a private placement are determined to be the more easily measurable component and are valued at their fair value on the announcement date and the balance, if any, is allocated to the attached warrants.

## ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)

### Notes to the Financial Statements

For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

As of September 30, 2020, 7,800,000 warrants were excluded from the computation of diluted net loss per share as the result of the computation was anti-dilutive.

#### (e) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.



## ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)

### Notes to the Financial Statements

For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### (g) Exploration and evaluation assets

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

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized. In evaluating if expenditures meet this criterion to be capitalized, management considers the following:

- The extent to which reserves or resources, as defined in National Instrument 43-101, have been identified in relation to the property in question;
- The conclusions of National Instrument 43-101 compliant preliminary economic assessment studies, preliminary feasibility studies and/or feasibility studies regarding the property in question;
- The status of environmental permits; and
- The status of mining leases or permits.

Once the Company considers that a future economic benefit is more likely than not of being realized, all subsequent costs directly relating to the advancement of the related area of interest are capitalized.

## ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)

### Notes to the Financial Statements

For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Exploration and evaluation assets (Continued)

Exploration and evaluation assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset's recoverable amount is calculated and compared to the carrying amount. For the purpose of measuring recoverable amounts, assets are grouped into CGUs. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

#### (h) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

#### *Going concern*

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

#### *Recoverability of deferred tax assets*

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

#### (i) New accounting standards effective in the current year

IFRS 16, Leases ("IFRS 16") replaced IAS 17, Leases effective for annual periods commencing on or after January 1, 2019. The new model requires the recognition of lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

The Company has determined that the adoption of IFRS 16 has had no impact on its financial statements.

## **ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)**

### **Notes to the Financial Statements**

**For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019**

**(Expressed in Canadian Dollars)**

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### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(j) Recent accounting pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2020, and have not been applied in preparing these financial statements.

The Company has determined that these new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or will not have a significant impact on the Company's financial statements.

### **4. EXPLORATION AND EVALUATION ASSETS**

On August 1, 2020, the Company entered into an option agreement with Geomap Exploration Inc. ("Geomap") whereby the Company was granted an exclusive option to acquire a 100% interest in a mineral property located in Lac Paul, Quebec.

Under the terms of the option agreement, the Company is required to make the following payments:

- \$37,500 within 90 days of the agreement date (paid subsequent to year-end) (Note 10);
- \$50,000 on or before the 12 month anniversary of the date upon which the Company is listed on a recognized stock exchange in North America (the "Listing Date"); and
- \$75,000 on or before the 24 month anniversary of the Listing Date.

In addition, the Company is required to issue 750,000 common shares, as follows:

- 250,000 common shares on or before the 12 month anniversary of the Listing Date; and
- 500,000 common shares on or before the 24 month anniversary of the Listing Date.

The Company is also required to incur expenditures on the property of not less than \$420,000, as follows:

- \$120,000 on or before the 12 month anniversary of the Listing Date; and
- an additional \$300,000 on or before the 24 month anniversary of the Listing Date.

Geomap will retain a 3.0% net smelter royalty on the property, of which 1/3 (or 1.0%) can be re-purchased by the Company at any time for \$1,000,000.

### **5. SHARE CAPITAL**

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

As at September 30, 2020 and 2019, the total issued and outstanding share capital consists of 9,300,000 and 1 common shares, respectively.

On October 26, 2018, the Company issued 1 incorporation share of common stock for total proceeds of \$1.

On January 15, 2020, the Company issued 1,500,000 shares of common stock at \$0.005 per share for gross proceeds of \$7,500. At the same time, the Company re-purchased the incorporation share for \$1.

## ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)

### Notes to the Financial Statements

For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019

(Expressed in Canadian Dollars)

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#### 5. SHARE CAPITAL (Continued)

On March 15, 2020, the Company issued 6,000,000 units at \$0.02 per unit for gross proceeds of \$120,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.10 per common share and expires two years from the grant date.

On July 1, 2020, the Company issued 1,800,000 units at \$0.05 per unit for gross proceeds of \$90,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.10 per common share and expires two years from the grant date.

##### (c) Warrants

The below table summarizes the activity of warrants exercisable for common shares during the year ended September 30, 2020:

	Number of Shares	Weighted-Average Exercise Price
Balance as of September 30, 2019	-	\$ -
Granted	7,800,000	0.10
Balance as of September 30, 2020	7,800,000	\$ 0.10

The weighted average remaining life for the outstanding warrants at September 30, 2020 is 1.52 years

#### 6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

The remuneration of the key management for the periods ended September 30, 2020 and 2019 are as follows:

	Year ended September 30, 2020	Period from Incorporation on October 26, 2018 to September 30, 2019
Consulting	\$ 1,500	\$ -

As at September 30, 2020, the Company had \$1,500 (September 30, 2019 - \$NIL) due to related parties included in accounts payable and accrued liabilities. Interest is not charged on outstanding balances and there are no specific terms of repayment.

## **ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)**

### **Notes to the Financial Statements**

**For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019**

**(Expressed in Canadian Dollars)**

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#### **7. RISK MANAGEMENT**

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and cash equivalents. The Company limited exposure to credit risk by maintaining its cash and cash equivalents in trust with large financial institutions in Canada. The Company is not exposed to significant credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at September 30, 2020, the Company has sufficient funds to meet its current obligations of \$8,392 (September 30, 2019 - \$NIL). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

#### **8. CAPITAL MANAGEMENT**

The Company's primary sources of funds comes from the issuance of common shares through private placement. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as cash and shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There have been no changes to the Company's approach to capital management during the year ended September 30, 2020.

## ARCHER EXPLORATION CORP. (FORMERLY LIFT CAPITAL CORP.)

### Notes to the Financial Statements

For the Year Ended September 30, 2020 and the Period from Incorporation on October 26, 2018 to September 30, 2019

(Expressed in Canadian Dollars)

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#### 9. INCOME TAXES

The following table reconciles the amount of income tax expense on application of the combined statutory Canadian federal and provincial income tax rates:

	Year Ended September 30,	
	2020	2019
Net loss	\$ (8,406)	\$ -
Statutory rates	27.00%	27.00%
Income tax recovery at statutory rate	(2,270)	-
Adjustment for non-deductible amount	30	-
Benefit of tax losses not recognized	2,240	-
Income tax expense	\$ -	\$ -

As at September 30, 2020, the Company has approximately \$8,000 (2019 - \$nil) in estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. The non-capital losses expire in 2040.

#### 10. SUBSEQUENT EVENTS

On October 13, 2020, the Company entered into an Amalgamation Agreement between the Company, Altair Capital Corp. ("Altair") and 1269569 B.C. Ltd, a wholly-owned subsidiary of the Company incorporated subsequent to year-end, whereby the entities will continue operations as one company. The Company issued to the shareholders of Altair 248 common shares per Class A common share of Altair, and one common share per Class B common share of Altair. The Company issued 3,288,250 common shares in relation to the Amalgamation Agreement.

On October 30, 2020, the Company completed the initial \$37,500 payment related to its option agreement with Geomap (Note 4).

On October 15, 2020, the Company granted stock options to the directors and officers of the Company to acquire an aggregate of 40,000 common shares at an exercise price of \$0.10 per common share for two years.

On November 20, 2020, the Company issued 1,200,000 special warrants at \$0.10 per special warrant for gross proceeds of \$120,000. Each special warrant, when exercised, will result in the holder receiving one Unit. Each Unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at \$0.15 per common share and expires two years from the grant date.

Subsequent to the closing of the Altair agreement, the Company decided not to pursue the Altair property outlined in the agreement. The intangible asset that was acquired through the Altair transaction during the interim period ended December 31, 2020 was analyzed by management and will be fully written off during the interim period ended March 31, 2021.

## **MD&A of the Company for the year ended September 30, 2020 and for the period from incorporation on October 26, 2018 to September 30, 2019**

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements of the Company and the related notes thereto included in this Prospectus. This discussion is current as of the date of this Prospectus. The audited financial statements of the Company and the financial information contained in this MD&A were prepared in accordance with IFRS.

The following MD&A contains forward-looking statements that involve numerous risks and uncertainties. Actual results of the Company could differ materially from those discussed in such forward-looking statements as a result of these risks and uncertainties, including those set forth in this Prospectus under "Risk Factors".

### **General**

The Company was incorporated on October 26, 2018 and focuses on the exploration of mineral claims located in Quebec, Canada. The Company has selected September 30 as its fiscal year end.

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

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized.

The Company has no operating cash flow and its level of expenditures is dependent on the sale of debt and equity capital to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

### **Liquidity and Capital Resources**

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the sale of common shares. From the date of incorporation on October 26, 2018 to September 30, 2020, it has raised \$217,500 from the sale of shares and units that consist of common shares and warrants.

As at September 30, 2020, current assets were \$217,486 and current liabilities were \$8,392, resulting in working capital of \$209,094 at that time. There are no known trends affecting liquidity or capital resources.

As at September 30, 2020, the Company had total assets of \$217,486 which is comprised of \$217,486 of cash. The net proceeds to be raised from the Offering are expected to fund the Company's operations for at least 12 months. See "Description of the Business" and "Use of Proceeds."

The Company is in the process of exploring mineral claims. The Company has not yet determined whether or when the claims could be economically viable.

While the information in this Prospectus has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

## **Results of Operations**

The loss for the year ended September 30, 2020, was \$8,406. Total expenses for the year ended September 30, 2020 were \$8,406, of which \$706 was general and administrative costs, and professional fees were \$7,700. Professional fees consist of legal, and accounting fees.

The loss for the period from October 26, 2018 to September 30, 2019, was \$0.

## **Disclosure of Outstanding Security Data**

As of September 30, 2020, the Company had: 9,300,000 common shares issued and outstanding, and 7,800,000 warrants, exercisable at \$0.10 with a weighted average remaining life of 1.52 years outstanding.

As of the date of this Prospectus, the Company has: 12,588,250 common shares issued and outstanding, and 9,000,000 warrants outstanding, of which 7,800,000 are exercisable at \$0.10 and 1,200,000 are exercisable at \$0.15.

## **Additional Disclosure for Junior Issuers**

The proceeds raised under this Prospectus are expected to fund the Company's operations for at least 12 months. Refer to the section 'Available Funds and Principal Uses' for a detailed summary of the use of funds.

## **Financial Instruments and Other Instruments**

The carrying values of cash and accounts payable approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to Asset Backed Commercial Paper.

## **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

## **Use of Estimates**

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the annual audited financial statements.

## **Transactions between Related Parties**

Refer to Note 6 of the audited financial statements included in this prospectus for an overview of all transactions between related parties for the year ended September 30, 2020, and the period from October 26, 2018 to September 30, 2019.

## **Accounting Policies**

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the audited financial statements for the year ended September 30, 2020, and the period from October 26, 2018 to September 30, 2019. The Company, in consultation with its Auditor, periodically reviews accounting policy changes implemented within its industry.



**SCHEDULE B**

**Carve-Out Financial Statements and MD&A**

See Attached.

Condensed Interim Carve-Out Financial Statements of the

# Nickel Assets

Three and six months ended June 30, 2022 and June 30, 2021

(Unaudited)

# Nickel Assets

Condensed Interim Carve-Out Statements of Financial Position  
(expressed in Canadian Dollars)

	Note	June 30, 2022	December 31, 2021
<b>Assets</b>			
Current assets:			
Amounts receivable	7	\$ 312,865	156,486
Restricted cash	8	386,245	386,245
Investment in associate	5	1,220,160	1,223,036
Exploration and evaluation assets	6	52,047,599	51,196,357
Property and equipment		103,786	131,032
		\$ 54,070,655	53,093,156
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 254,519	108,825
Current portion of provision for closure plan	8	998,308	575,843
Current portion of lease liability		11,575	34,296
		1,264,402	718,964
Provision for closure plan	8	739,208	1,428,416
Deferred tax liability		3,131,000	3,069,000
		5,134,610	5,216,380
Wallbridge's net investment		48,936,045	47,876,776
Commitments and contingencies	1,9		
Subsequent events	1,6,10		
		\$ 54,070,655	53,093,156

See accompanying notes to the condensed interim Carve-Out financial statements.

## Nickel Assets

Condensed Interim Carve-Out Statements of Loss and Comprehensive Loss  
(expressed in Canadian Dollars)

	Note	Three months ended		Six months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Other expenses and (income):					
General and administrative expenses	\$	6,178	5,920	13,997	12,433
Depreciation		13,624	14,244	27,247	28,489
Lease finance costs		240	797	622	1,728
Other income	7	(151,401)	(11,070)	(154,052)	(25,003)
Share of comprehensive loss in investment in associate	5	3,401	1,762	2,876	1,918
Reversal of impairment of exploration and evaluation assets	6	(670,156)	-	(670,156)	-
Loss (income) before income taxes		(798,114)	11,653	(779,466)	19,565
Deferred tax expense (recovery)		59,000	-	62,000	6,000
<b>Net loss (income) and comprehensive loss (income) for the period</b>	\$	<b>(739,114)</b>	<b>11,653</b>	<b>(717,466)</b>	<b>25,565</b>

See accompanying notes to the condensed interim Carve-Out financial statements.

# Nickel Assets

Condensed Interim Carve-Out Statements of Cash Flows  
(expressed in Canadian Dollars)

	Six months ended	
	June 30, 2022	June 30, 2021
<b>Cash flows from (used in) operating activities:</b>		
Net income (loss) for the period	\$ 717,466	(25,565)
Adjustments for:		
Deferred tax expense (recovery)	62,000	6,000
Depreciation of equipment	27,247	28,489
Share of comprehensive loss in investment in associate	2,876	1,918
Interest on lease liability	622	1,728
Reversal of impairment of exploration and evaluation assets	(670,156)	-
Closure plan obligations	(266,742)	(281,415)
Changes in non-cash working capital:		
Amounts receivable	(156,380)	(114,155)
Accounts payable and accrued liabilities	145,693	18,573
<b>Net cash used in operating activities</b>	<b>(137,374)</b>	<b>(364,427)</b>
<b>Cash flows from (used in) financing activities:</b>		
Lease payments	(23,343)	(23,343)
Wallbridge's contribution	341,803	430,513
<b>Net cash provided by financing activities</b>	<b>318,460</b>	<b>407,170</b>
<b>Cash flows from (used in) investing activities:</b>		
Exploration and evaluation assets expenditures	(221,401)	(192,152)
Recovery of exploration assets by Lonmin	40,315	149,409
<b>Net cash used in investing activities</b>	<b>(181,086)</b>	<b>(42,743)</b>
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash, beginning of the period</b>	<b>-</b>	<b>-</b>
<b>Cash, end of the period</b>	<b>\$ -</b>	<b>-</b>

See accompanying notes to the condensed interim Carve-Out financial statements.

## Nickel Assets

Condensed Interim Carve-Out Statements of Changes in Wallbridge's Net Investment  
(expressed in Canadian Dollars)

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	Six months ended	
	June 30, 2022	June 30, 2021
Balance, beginning of period	\$ 47,876,776	47,701,372
Contribution by Wallbridge	341,803	430,513
Net income (loss) for the period	<u>717,466</u>	<u>(25,565)</u>
Balance, end of period	<u>\$ 48,936,045</u>	<u>48,106,320</u>

See accompanying notes to the condensed interim Carve-Out financial statements.

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

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## 1. Nature of Operations and Going Concern:

Wallbridge Mining Company Limited (“Wallbridge”) is incorporated under the laws of Ontario and is engaged in the acquisition, discovery, development, and production of metals focusing on gold, copper, nickel, and platinum group metals. Wallbridge’s head office is located at 129 Fielding Road in Lively, Ontario, Canada

These carve-out financial statements of the Nickel Assets present the financial position, results of operations and cash flows of certain nickel properties (“Nickel Assets” or the “Carve-Out Business”) in Ontario and Quebec owned by Wallbridge which are proposed to be sold to Archer Exploration Corp. (“Archer”).

On July 12, 2022, Wallbridge and Archer entered into a Purchase Agreement pursuant to which Archer will acquire the Nickel Assets, including the liability associated with the Broken Hammer Project closure activities, owned by Wallbridge in consideration for 66,211,928 post-consolidation common shares of Archer (198,635,786 pre-consolidation common shares of Archer) valued at \$53.6 million using the closing price of Archer shares at July 12, 2022. Immediately prior to the closing date of transaction Archer will consolidate its common shares at a rate of three pre-consolidation shares of Archer for one post-consolidation shares of Archer. Archer will proceed with a private placement to raise gross proceeds not less than \$10,000,000 to be completed on or before the closing of the transaction. Wallbridge has agreed to make a distribution of Archer shares to its shareholders within 60 days of closing such that following the distribution, Wallbridge will maintain 19.9% basic ownership in Archer. In addition, Archer will grant Wallbridge a royalty of 2% of net smelter returns, less any pre-existing royalties on the Grasset property, Wallbridge will have the right to nominate two directors to Archer’s board of directors, and will enter into an exploration agreement on the Grasset property (excluding the portion that includes the mineral resource) such that Wallbridge can explore for gold in certain circumstances.

These carve-out financial statements have been prepared on the going concern basis, which contemplates that the Carve-Out Business will be able to realize its assets and discharge liabilities in the normal course of business.

The continuation of the Carve-Out Business as a going concern is dependent on its ability to successfully fund its cash obligations through financing. The Carve-Out Business has not generated operating profit and is dependent on financing to fund its operations, which was provided by Wallbridge for the year ended December 31, 2021, and which Wallbridge has committed to provide for the period it controls the Carve-Out Business. In the event Wallbridge is no longer providing financing, the Carve-Out Business will need to reduce or curtail its operations or seek alternative financing. There can be no assurance that adequate or sufficient financing will be available in the future, or available under terms acceptable to the Carve-Out Business, or the Carve-Out Business will be able to generate sufficient positive cash flow from operations. These circumstances indicate the existence of a material uncertainty which casts significant doubt as to the ability of the Carve-Out Business to meet its obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

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## 1. Nature of Operations and Going Concern (continued):

These carve-out financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the Carve-Out Business be unable to generate sufficient cash flow from operations or financing activities, the carrying value of the Carve-Out Business' assets could be subject to material adjustments and other adjustments may be necessary to these carve-out financial statements should such adverse events impair the Carve-Out Business' ability to continue as a going concern.

These carve-out financial statements were authorized for issuance by the Board of Directors of Wallbridge on November 9, 2022.

## 2. Basis of presentation:

These carve-out financial statements include the operations of the Carve-Out Business and present the historical financial position, financial performance, changes in Wallbridge's contribution and cash flows of the Carve-Out Business on a carve-out basis. Assets, liabilities, income and expenses of Wallbridge that are not related to the Carve-Out Business have been excluded from these statements.

These carve-out financial statements present the net contribution by Wallbridge in the Carve-Out Business. Wallbridge's contributions comprise the accumulated earnings (losses) of the Carve-Out Business and contributions by Wallbridge.

Due to the inherent limitations of carving out the assets, liabilities, operations and cash flows from larger entities, these carve-out financial statements may not necessarily reflect the financial position, results of operations and cash flow that would have been realized had the Carve-Out Business been a stand-alone entity during the periods presented. Expenses have been allocated to the Carve-Out Business on the basis of direct usage when identifiable. Management believes the assumptions underlying the carve-out financial statements are reasonable. The financial information in these carve-out financial statements does not include all the expenses that would have been incurred had the Carve-Out Business been a stand-alone entity during the periods presented.

The carve-out financial statements as of June 30, 2022 and 2021 and for the three and six months ended June 30, 2022 and 2021 have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as issued by the IASB. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRSs as issued by the IASB have been condensed or omitted.



# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

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## 2. Basis of presentation (continued):

The accounting policies applied in the preparation of these carve-out financial statements are consistent with those applied and disclosed in the Carve-Out Business' audited financial statements for the years ended December 31, 2021, 2020 and 2019 with the exception of the following policy:

### *Property and equipment*

Effective January 1, 2022, the Company has adopted the IAS 16 amendment to Property, Plant and Equipment. Under the amendments, proceeds from selling items before the related item of property and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs. The Company has updated its policy to recognize proceeds from selling items before the related item of property and equipment is available for use in profit or loss, together with the costs of producing those items. The Company does not have proceeds from selling items before the related property and equipment is available for use in the current period. There is no impact to the financial statements as a result of this amendment in the current period.

The Carve-Out Business' interim results are not necessarily indicative of its results for a full year.

As historically managed under Wallbridge, the Carve-Out Business' functional currency is Canadian dollars. All amounts are presented in Canadian dollars, unless otherwise indicated.

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

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### 3. Recent Accounting Pronouncements:

#### (a) *IAS 12, Income Taxes*

In September 2021, IAS 12 was amended to narrow the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as deferred taxes on leases and decommissioning obligations. The amendment is effective for annual periods beginning on or after January 1, 2023 and applied retrospectively. The Carve-Out Business has not yet performed an assessment of the amendment on its financial statements prior to the effective date of January 1, 2023.

#### (b) *IAS 1, Presentation of Financial Statements*

The IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Carve-Out Business anticipates no impact to the financial statements as a result of this amendment. The amendment is effective for annual periods beginning on or after January 1, 2023.

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

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## 4. Fair value of financial instruments:

Financial assets and liabilities are grouped into three levels based on significant inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Carrying values for amounts receivable, and accounts payable and accrued liabilities approximate fair value due to their short term maturities.

The Carve-Out Business' leases payable are classified as level 2. The fair values of leases payable using discounted cash flows based on the cost of borrowing.

## 5. Investment in associate:

	Number of shares	Amount
Balance, December 31, 2020	4,096,680	\$1,228,719
Share of comprehensive loss of Loncan for the year ended December 31, 2021		(5,683)
Balance, December 31, 2021	4,096,680	\$1,223,036
Share of comprehensive loss of Lonmin Canada Inc. ("Loncan") for the six months ended June 30, 2022		(2,876)
Balance, June 30, 2022	4,096,680	\$1,220,160

On August 16, 2022, the sale of Loncan was announced (note 10).

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

## 6. Exploration and evaluation assets:

Total exploration and evaluation expenditures for the year ended June 30, 2022 are detailed as follows:

	Balance, December 31, 2021	Expenditures	Reversal of Impairment	Recovery	Balance, June 30, 2022
Grasset Nickel (a)	\$27,627,000	-		-	\$27,627,000
Jeremie (b)	2,304,305	63,187		-	2,367,492
Rum (c)	5,427,925	3,683		-	5,431,608
Sudbury Properties subject to Loncan agreements (d)	12,432,259	151,072		(40,315)	12,543,016
Sudbury and Other Ontario Properties (d)	3,404,868	1,186		-	3,406,054
Gargoyle (e)	-	2,273	670,156	-	672,429
	\$51,196,357	221,401	670,156	(40,315)	\$52,047,599

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

## 6. Exploration and evaluation assets (continued):

Total exploration and evaluation expenditures for the year ended December 31, 2021 are detailed as follows:

	Balance, December 31, 2020	Expenditures	Impairment	Recovery	Balance, December 31, 2021
Grasset Nickel (a)	\$27,627,000	-	-	-	\$27,627,000
Jeremie (b)	2,291,306	12,999	-	-	2,304,305
Rum (c)	5,421,064	6,861	-	-	5,427,925
Sudbury Properties subject to Loncan agreements (d)	12,146,396	468,754	-	(182,891)	12,432,259
Sudbury and Other Ontario Properties (d)	3,390,871	13,997	-	-	3,404,868
Gargoyle, Ghost, and Goblin (e)	628,785	90,491	(719,276)	-	-
	\$51,505,422	593,102	(719,276)	(182,891)	\$51,196,357

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

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## 6. Exploration and evaluation assets (continued):

### (a) Grasset Nickel, Quebec:

The Carve-Out Business owns a 100% interest in the Grasset Nickel Property located approximately 50 km west-northwest of Matagami, Québec. Some of the claims and leases are subject to NSRs from 1% to 2%.

### (b) Jeremie, Quebec:

The Carve-Out Business owns a 100% interest in the Jeremie property, which is subject to three NSRs at 1%.

### (c) Rum, Quebec:

The Carve-Out Business own a 100% interest in six properties in the Lac Rocher Nickel District in Quebec (the "Rum" properties).

### (d) Sudbury and other Ontario Properties:

The Carve-Out Business has an interest in 38 exploration properties in the Sudbury, Ontario area of which 33 of the exploration properties are subject to joint venture arrangements with other parties. In order to retain its right to the properties, the Carve-Out Business must incur exploration expenditures required for provincial assessment purposes as well as make various payments to maintain ownership of these properties. These properties are subject to various NSRs with various buy back provisions.

In April 2022, the Carve-Out Business and Impala Platinum Holdings Limited ("Impala") agreed to extend the final option payment to acquire Impala's interest in the Parkin Properties to June 30, 2023 by paying \$100,000 before June 30, 2022. The payment was made in June 2022.

In July 2022, the Carve-Out Business and Impala agreed to an addendum to the Impala option agreement such that the deferral payments made from 2019 to 2022 of \$500,000 be applied to reduce the final option payment to \$1,000,000 payable before June 30, 2023.

### (e) Gargoyle:

In August 2022, the Carve-out Business made the final option payment of \$50,000 to exercise the option to purchase the Gargoyle property. The Carve-Out Business will grant a 2% NSR royalty to the vendor upon the final option payment, half of which the Carve-Out Business may repurchase at any time for \$1,000,000. The Carve-Out Business also has a right of first refusal on the sale of the remaining NSR interest. The Carve-Out Business recorded a reversal of the impairment of the Gargoyle property of \$670,156 as the Carve-Out Business has decided to maintain the property as part of the Purchase Agreement between Wallbridge and Archer (note 1).

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

## 7. Related party transactions:

The Carve-Out Business had the following transactions with a related party:

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Loncan:				
Income related to milestone reached	\$(150,000)	-	\$(150,000)	-
Recovery of costs billed to Loncan plus 10% fee	(15,409)	(121,764)	(44,575)	(174,412)

At June 30, 2022, the Carve-Out Business owns 17.8% (December 31, 2021 – 17.8%) of Loncan (note 5).

At June 30, 2022, the Carve-Out Business has a receivable from Loncan of \$312,865 (December 31, 2021 - \$156,486). Prior to the sale of the shares of Loncan, the receivable was settled with 1,042,950 shares of Loncan, increasing the share ownership to 20.4% (note 10).

These transactions were in the normal course of operations and measured at the exchange amount of consideration established and agreed to by the related parties. Effective October 28, 2019, the Carve-Out Business had an operatorship agreement with Loncan and received a 10% fee on exploration expenditures incurred in Loncan.

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

## 8. Provision for Closure Plan

	June 30, 2022	December 31, 2021
Provision for closure plan, beginning of year	\$2,004,258	\$ 2,554,129
Closure plan expenditures during the period	(266,742)	(549,870)
Total Provision payable for closure plan	\$1,737,516	\$2,004,258
Current portion	(998,308)	(575,842)
Provision for closure plan, long term	\$739,208	\$ 1,428,416

The Carve-Out Business determined that the impact of discounting the future closure expenditures as at June 30, 2022 and December 31, 2021 is immaterial and as such, no discount rate has been applied in determining the closure provision. The Broken Hammer Project has been in a state of inactivity since 2015 and closure plan activities have been ongoing. The long term balance of \$739,208 for the Broken Hammer Project is expected to be incurred between 2023 and 2033.

At June 30, 2022 and December 31, 2021, the Carve-Out Business has a one-year renewable letter of credit, secured by cash, of \$361,245 supporting the closure plan at Broken Hammer Project. The Carve-Out Business also has a one-year renewable letter of credit, secured by cash of \$25,000 in support of an exploration agreement at Windy Lake (note 6 (d)).



# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

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## 9. Commitments and contingencies:

- (a) The Carve-Out Business' activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Carve-Out Business may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors, and employees.

The Carve-Out Business is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

- (b) From time to time the Carve-Out Business may be subject to legal claims, with and without merit. These claims may commence informally and reach a commercial settlement or may progress to a more formal dispute resolution process. The causes of potential future claims cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure to comply with disclosure obligations. Defense and settlement costs may be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Carve-Out Business future cash flows, results of operations or financial condition.

Management determines when the Carve-Out Business has a present obligation (legal or constructive) that has arisen as a result of a past event and is probable that a future outflow of resources will be required to settle the obligation, provided that a reasonable estimate of the amount of the obligation can be made. Provisions for legal claims, onerous contracts and commitments are recognized at the best estimates of the expenditures required to settle the Carve-Out Business' liability. Provisions are measured at the present value of the expenditures required to settle the obligation.

# Nickel Assets

Notes to Condensed Interim Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Three and six months ended June 30, 2022  
(Unaudited)

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## 10. Subsequent event:

On August 16, 2022, Magna Mining Inc. ("Magna") announced that it had entered into a definitive share purchase agreement to acquire 100% of Loncan. The acquisition was completed on November 7, 2022 pursuant to the terms of the purchase agreement entered into with Loncan and the current shareholders of Loncan, being Sibanye UK Limited (formerly Lonmin Limited, and a subsidiary of Sibanye Stillwater Limited), the Carve-Out Business and certain other minority shareholders of Loncan. The aggregate purchase price for the outstanding shares of Loncan is equal to \$16,000,000, comprised of a closing payment of \$13,000,000 in cash and a deferred payment of \$3,000,000, payable pro rata to the Loncan shareholders. The deferred payment is payable on or before the 12-month anniversary of the closing of the acquisition. Magna will use commercially reasonable efforts to settle the deferred payment also in cash, but may, at its option, settle the deferred payment in common shares priced at the time of issue in accordance with the rules of the TSX Venture Exchange (the "TSXV"). As ongoing security pending the settlement of the deferred payment, Magna has agreed to grant a pledge of the shares of Loncan in favour of the Loncan shareholders. Loncan's joint venture arrangements with the Carve-Out Business terminated concurrently with closing. Prior to closing of the agreement, the Carve-Out Business owned 20.4% of the outstanding shares of Loncan. The Carve-out received cash proceeds of \$2,652,997 and will receive a payment of \$612,230 to be settled with Magna shares or cash on or before the 12 month anniversary of closing.

## Management's Discussion & Analysis for Nickel Assets

The following is management's discussion and analysis ("**MD&A**") of the business activities including the financial condition and results of operations of the Nickel Assets ("Nickel Assets" or the "Carve-Out Business") for the three and six months ended June 30, 2022, prepared as at November 9, 2022. This discussion and analysis should be read in conjunction with the condensed unaudited interim financial statements for the three and six months ended June 30, 2022, and the notes thereto which were prepared in accordance with IAS 34 – Interim Financial Reporting and are reported in Canadian dollars. Certain dollar amounts in this MD&A have been rounded for ease of reading. Readers should also consult the audited financial statements for the years ended December 31, 2021, 2020 and 2019.

### Overview

On July 12, 2022, Wallbridge Mining Company Limited ("**Wallbridge**") and Archer Exploration Corp. ("**Archer**") entered into a Purchase Agreement pursuant to which Archer will acquire the Nickel Assets, including the liability associated with the Broken Hammer Project closure activities, owned by Wallbridge in consideration for 66,211,928 post-consolidation common shares of Archer (198,635,786 pre-consolidation common shares of Archer) valued at \$53.6 million using the closing price of Archer shares at July 12, 2022. Immediately prior to the closing date of the transaction Archer will consolidate its common shares at a rate of three pre-consolidation shares of Archer for one post-consolidation share of Archer. Archer will proceed with a private placement to raise gross proceeds not less than \$10,000,000 to be completed on or before the closing of the transaction. Wallbridge has agreed to make a distribution of Archer shares to its shareholders within 60 days of closing such that following the distribution, Wallbridge will maintain 19.9% basic ownership in Archer. In addition, Archer will grant Wallbridge a royalty of 2% of net smelter returns, less any pre-existing royalties on the Grasset property, Wallbridge will have the right to nominate two directors to Archer's board of directors and will enter into an exploration agreement on the Grasset property (excluding the portion that includes the mineral resource) such that Wallbridge can explore for gold in certain circumstances.

The Carve-Out Business explores for nickel on properties in Ontario and Quebec.

### Exploration Properties:

Total exploration and evaluation expenditures for the year ended June 30, 2022 are detailed as follows:

	Balance, December 31, 2021	Expenditures	Reversal of Impairment	Recovery	Balance, June 30, 2022
Grasset Nickel	\$27,627,000	-		-	\$27,627,000
Jeremie	2,304,305	63,187		-	2,367,492
Rum	5,427,925	3,683		-	5,431,608
Sudbury Properties subject to Loncan agreements	12,432,259	151,072		(40,315)	12,543,016
Sudbury and Other Ontario Properties	3,404,868	1,186		-	3,406,054
Gargoyle	-	2,273	670,156	-	672,429
	\$51,196,357	221,401	670,156	(40,315)	\$52,047,599

Total exploration and evaluation expenditures for the year ended December 31, 2021 are detailed as follows:

	Balance, December 31, 2020	Expenditures	Impairment	Recovery	Balance, December 31, 2021
Grasset Nickel	\$27,627,000	-	-	-	\$27,627,000
Jeremie	2,291,306	12,999	-	-	2,304,305
Rum	5,421,064	6,861	-	-	5,427,925
Sudbury Properties subject to Loncan agreements	12,146,396	468,754	-	(182,891)	12,432,259
Sudbury and Other Ontario Properties	3,390,871	13,997	-	-	3,404,868
Gargoyle, Ghost, and Goblin	628,785	90,491	(719,276)	-	-
	\$51,505,422	593,102	(719,276)	(182,891)	\$51,196,357

### **Grasset Nickel, Quebec:**

The Grasset Nickel project was acquired in 2020. It is located approximately 50 km west-northwest of Matagami, Québec.

The Grasset nickel sulphide deposit occurs at the southern end of the Grasset Ultramafic Complex (“GUC”), immediately north of the regional SLDZ. The deposit was discovered in 2012 and is comprised of two subparallel zones (H1 and H3 zones) of disseminated to locally semi-massive sulphide mineralization. It is one of the largest nickel sulphide deposits in Canada’s Abitibi region, and the only North American nickel sulphide deposit with >50,000 contained tonnes of nickel and an average nickel grade of over 1.5% not controlled by a major mining company.

On November 9, 2021, the Carve-Out Business announced an updated MRE for the Grasset Ni-Cu-PGM deposit containing indicated resources of 5.5 Mt of 1.53 % NiEq. (1.22 % Ni) and inferred resources of 0.2 Mt of 1.01 NiEq. (0.83 % Ni). The Grasset MRE includes the historic drilling results on the property.

### **Jeremie, Quebec:**

The Carve-Out Business owns a 100% interest in the Jeremie property, which is subject to three NSRs at 1%. The property was acquired in 2020.

### **Rum, Quebec:**

The Carve-Out Business own a 100% interest in six properties in the Lac Rocher Nickel District in Quebec (the “Rum” properties). The property was acquired in 2020.

### **Gargoyle, Ghost and Goblin, Ontario:**

These properties located in Ontario were acquired in 2020.

The Carve-Out Business had an option agreement to acquire a 100% interest in the Gargoyle Property in Ontario. The Carve-Out Business exercised the option by making a final cash payment of \$50,000 in August 2022. The Carve-out Business will grant a 2% NSR royalty to the vendor upon the final option payment, half of which the Carve-Out Business may repurchase at any time for \$1,000,000. The Carve-Out Business also has a right of first refusal on the sale of the remaining NSR interest.

The Goblin or Ghost properties are not subject to the terms and conditions of the Gargoyle Agreement and thus are 100% owned by the Company and free of royalty interests. The Carve-Out Business had recorded

an impairment of \$719,276 on these properties as at December 31, 2021 as a result of management's decision to not incur any further expenditures on these properties.

As a result of the Carve-Out Business exercising the option to acquire the Gargoyle property in August 2022, the Carve-Out Business reversed the impairment of \$670,156 on this property in the June 30, 2022 financial statements.

**Sudbury, Ontario, and other Ontario Properties:**

The Carve-Out Business has an interest in 38 exploration properties in the Sudbury, Ontario area of which 33 of the exploration properties are subject to joint venture arrangements with other parties. In order to retain its right to the properties, the Carve-Out Business must incur exploration expenditures required for provincial assessment purposes as well as make various payments to maintain ownership of these properties. These properties are subject to various NSRs with various buy back provisions.

Most of the exploration expenditures were on the Parkin Properties where a small drill program was completed during 2021 and option payments pursuant to an option agreement on the properties in 2021 and 2022.

The Broken Hammer Project has been in a state of inactivity since 2015 and closure plan activities have been ongoing. The current portion of the closure plan at June 30, 2022 is \$998,308 and the long-term portion is \$739,208. The Carve-Out Business has a one-year renewable letter of credit, secured by cash, of \$361,245 supporting the closure plan at Broken Hammer Project.

On August 16, 2022, Magna Mining Inc. ("Magna") announced that it had entered into a definitive share purchase agreement to acquire 100% of Loncan. The acquisition was completed on November 7, 2022 pursuant to the terms of the purchase agreement entered into with Loncan and the current shareholders of Loncan, being Sibanye UK Limited (formerly Lonmin Limited, and a subsidiary of Sibanye Stillwater Limited), the Carve-Out Business and certain other minority shareholders of Loncan. The aggregate purchase price for the outstanding shares of Loncan is equal to \$16,000,000, comprised of a closing payment of \$13,000,000 in cash and a deferred payment of \$3,000,000, payable pro rata to the Loncan shareholders. The deferred payment is payable on or before the 12-month anniversary of the closing of the acquisition. Magna will use commercially reasonable efforts to settle the deferred payment also in cash, but may, at its option, settle the deferred payment in common shares priced at the time of issue in accordance with the rules of the TSX Venture Exchange (the "TSXV"). As ongoing security pending the settlement of the deferred payment, Magna has agreed to grant a pledge of the shares of Loncan in favour of the Loncan shareholders. Loncan's joint venture arrangements with the Carve-Out Business terminated concurrently with closing. Prior to closing of the agreement, the Carve-Out Business owned 20.4% of the outstanding shares of Loncan. The Carve-out received cash proceeds of \$2,652,997 and will receive a payment of \$612,230 to be settled with Magna shares or cash on or before the 12 month anniversary of closing.

## Results of operations

Summary of operations for the three and six months ended June 30, 2022 and 2021:

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Other expenses and (income):				
General and administrative expenses	\$ 6,178	5,920	13,997	12,433
Depreciation	13,624	14,244	27,247	28,489
Lease finance costs	240	797	622	1,728
Other income	(151,401)	(11,070)	(154,052)	(25,003)
Share of comprehensive loss in investment in associate	3,401	1,762	2,876	1,918
Reversal of impairment of exploration and evaluation assets	(670,156)	-	(670,156)	-
Loss (income) before income taxes	(798,114)	11,653	(779,466)	19,565
Deferred tax expense (recovery)	59,000	-	62,000	6,000
<b>Net loss (income) and comprehensive loss (income) for the period</b>	<b>\$ (739,114)</b>	<b>11,653</b>	<b>(717,466)</b>	<b>25,565</b>

General and administrative expenses, depreciation, lease finance costs, other income, and share of comprehensive loss in investment in associates are comparable for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021.

In the three and six months ended June 30, 2022, the Carve-Out Business recorded \$150,000 in other income for reaching a milestone as it relates to the operatorship agreement with Loncan.

As a result of the Carve-Out Business exercising the option to acquire the Gargoyle property in August 2022, the Carve-Out Business reversed the impairment of \$670,156 on this property in the three and six months ended June 30, 2022.

## Liquidity and Capital Resources

The Carve-Out Business has relied on investments from Wallbridge to continue operations and exploration expenditures. The Carve-Out Business has current liabilities of \$1,264,402 and receivables of \$312,865 at June 30, 2022. As a business in the exploration industry, the Carve-Out Business does not have a source of revenue. The continuation of the Carve-Out Business as a going concern is dependent on its ability to successfully fund its cash obligations through financing. The Carve-Out Business has not generated operating profit and is dependent on financing to fund its operations, which was provided by Wallbridge for the year ended December 31, 2021, and which Wallbridge has committed to provide for the period it controls the Carve-Out Business. In the event Wallbridge is no longer providing financing, the Carve-Out Business will need to reduce or curtail its operations or seek alternative financing. There can be no assurance that adequate or sufficient financing will be available in the future, or available under terms acceptable to the Carve-Out Business, or the Carve-Out Business will be able to generate sufficient positive cash flow from operations in the future.

The Carve-Out Business will have to raise funds in the future to finance the advancement of exploration and development of its exploration properties and meet future expenditures and administrative costs.

## Contractual Obligations:

	Current and total
Accounts payable and accrued liabilities	\$245,519
Lease obligations	11,671
	<u>\$257,190</u>

The Carve-Out Business does not have any long-term contractual obligations. The Carve-Out Business has an option agreement on its Parkin Properties to buy-out Impala's interest for \$1 million by June 30, 2023. The option to exercise the option is at the discretion of the Carve-Out Business.

## Related Party Transactions

The Carve-Out Business had the following transactions with Loncan:

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Income related to milestone reached	\$(150,000)	-	\$(150,000)	-
Recovery of costs billed to Loncan plus 10% fee	(15,409)	(121,764)	(44,575)	(174,412)

At June 30, 2022, the Carve-Out Business owns 17.8% (December 31, 2021 – 17.8%) of Loncan.

At June 30, 2022, the Carve-Out Business has a receivable from Loncan of \$312,865 (December 31, 2021 -\$156,486). Prior to the sale of the shares of Loncan, the receivable was settled with 1,042,950 shares of Loncan, increasing the share ownership to 20.4% (see discussion on page 3).

These transactions were in the normal course of operations and measured at the exchange amount of consideration established and agreed to by the related parties. Effective October 28, 2019, the Carve-Out Business had an operatorship agreement with Loncan and received a 10% fee on exploration expenditures incurred in Loncan.

*Dated November 9, 2022*

Carve-Out Financial Statements of the

# **Nickel Assets**

Years ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)





KPMG LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5  
Canada  
Tel 416-777-8500  
Fax 416-777-8818

## INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors of Wallbridge Mining Company Limited

### *Opinion*

We have audited the carve-out financial statements of the Nickel Assets (the "Entity"), which comprise:

- the carve-out statements of financial position as at December 31, 2021, December 31, 2020, December 31, 2019, and January 1, 2019
- the carve-out statements of loss (income) and comprehensive loss (income) for the years then ended
- the carve-out statements of cash flows for the years then ended
- the carve-out statements of changes in Wallbridge's net investment for the years then ended
- and notes to the carve-out financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, December 31, 2020, December 31, 2019, and January 1, 2019 and its financial performance and its cash flows for the three years ended December 31, 2021 in accordance with International Financial Reporting Standards (IFRS).

### *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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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***

We draw attention to Note 1 in the financial statements which indicates that the Entity has prepared the financial statements on a going concern basis. The Entity has had recurring losses, and its continuation as a going concern is dependent on the Entity's ability to successfully fund its operations by obtaining additional financing and/or by generating sufficient cash flow from operations. These conditions, along with other matters as set forth in Note 1 in the financial statements, indicate the existence of material uncertainties that cast significant doubt about the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter

### ***Emphasis of Matter – Basis of Preparation***

We draw attention to Note 2 to the financial statements which describes the basis of preparation used in these financial statements and the purpose of the financial statements.

Our opinion is not modified in respect of this matter.

### ***Other Information***

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

### ***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 IFRS, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' 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 auditors' 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 the 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 Entity's internal control.
- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Canada  
November 9, 2022

# Nickel Assets

Carve-Out Statements of Financial Position  
(Expressed in Canadian Dollars)

	Note	December 31, 2021	December 31, 2020	December 31, 2019	January 1, 2019
<b>Assets</b>					
Current assets:					
Amounts receivable	10	\$ 156,486	196,276	215,154	34,964
Restricted cash	11	386,245	386,245	386,245	386,245
Investment in associate	8	1,223,036	1,228,719	1,121,900	-
Exploration and evaluation assets	9	51,196,357	51,505,421	15,511,410	15,476,023
Property and equipment		131,032	188,010	198,559	250,062
		\$ 53,093,156	53,504,671	17,433,268	16,147,294
<b>Liabilities and Shareholders' Equity</b>					
Current liabilities:					
Accounts payable and accrued liabilities		\$ 108,825	177,098	274,031	239,495
Current portion of provision for closure plan	11	575,843	787,277	976,586	155,223
Current portion of lease liability		34,296	43,776	41,645	39,618
		718,964	1,008,151	1,292,262	434,336
Lease liability		-	34,296	78,072	119,717
Provision for closure plan	11	1,428,416	1,766,852	622,313	183,880
Deferred tax liability	12	3,069,000	2,994,000	3,666,000	4,030,000
		5,216,380	5,803,299	5,658,647	4,767,933
Wallbridge's net investment		47,876,776	47,701,372	11,774,621	11,379,361
Commitments and contingencies	1, 9, 13				
Subsequent events	1,9 (d),(e),14				
		\$ 53,093,156	53,504,671	17,433,268	16,147,294

See accompanying notes to the Carve-Out financial statements.

## Nickel Assets

Carve-Out Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)

	Note	December 31, 2021	Year ended December 31, 2020	December 31, 2019
Other expenses and (income):				
General and administrative expenses		\$ 18,006	21,204	22,061
Depreciation of equipment		56,979	52,697	51,504
Lease finance costs		2,909	5,040	7,067
Other income	8,10	(23,511)	(84,834)	(1,706,998)
Share of comprehensive loss in investment in associate	8	5,683	285	-
Provision for closure plan		-	2,676,646	1,913,749
Impairment of exploration and evaluation assets		719,275	-	-
Loss before income taxes		779,341	2,671,038	287,383
Deferred tax expense (recovery)	12	75,000	(672,000)	(364,000)
<b>Net loss (income) and comprehensive loss (income) for the year</b>		<b>\$ 854,341</b>	<b>1,999,038</b>	<b>(76,617)</b>

See accompanying notes to the Carve-Out financial statements.

## Nickel Assets

Carve-Out Statements of Cash Flows  
(Expressed in Canadian Dollars)

		Year ended	
	December 31, 2021	December 31, 2020	December 31, 2019
<b>Cash flows from (used in) operating activities:</b>			
Net loss (income) for the period	\$ (854,341)	(1,999,038)	76,617
Adjustments for:			
Deferred tax expense	75,000	(672,000)	(364,000)
Depreciation of equipment	56,979	52,697	51,504
Impairment of exploration and evaluation assets	719,275	-	-
Share of comprehensive loss in investment in associate	5,683	285	-
Other revenue from Lonmin Canada Inc. received in shares	-	-	(1,121,900)
Interest on lease liability	2,909	5,040	7,067
Provision for closure plan	-	2,676,646	1,913,749
Closure plan obligations	(549,870)	(1,721,416)	(653,953)
Changes in non-cash working capital:			
Amounts receivable	39,790	(88,226)	(180,191)
Accounts payable and accrued liabilities	(68,274)	(96,933)	34,536
<b>Net cash used in operating activities</b>	<b>(572,849)</b>	<b>(1,842,945)</b>	<b>(236,571)</b>
<b>Cash flows from (used in) financing activities:</b>			
Lease payments	(46,685)	(46,685)	(46,685)
Wallbridge's contribution	961,585	2,002,420	318,643
<b>Net cash provided by financing activities</b>	<b>914,900</b>	<b>1,955,735</b>	<b>271,958</b>
<b>Cash flows from (used in) investing activities:</b>			
Purchase of capital assets	-	(42,147)	-
Exploration and evaluation assets expenditures	(524,942)	(332,532)	(280,488)
Recovery of exploration assets by Lonmin	182,891	261,889	245,101
<b>Net cash used in investing activities</b>	<b>(342,051)</b>	<b>(112,790)</b>	<b>(35,387)</b>
<b>Net decrease in cash</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash, beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash, end of the year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>
<b>Summary of non-cash transactions:</b>			
Settlement of accounts receivable in shares	\$ -	107,104	-
Acquisition of properties through issuance of shares	-	35,856,629	-
Option payment issued in shares- Gargoyle Property	68,160	66,740	-
	<b>\$ 68,160</b>	<b>36,030,473</b>	<b>-</b>

See accompanying notes to the Carve-Out financial statements.

## Nickel Assets

Carve-Out Statements of Changes in Wallbridge's Net Investment  
(Expressed in Canadian Dollars)

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		Year ended		
	December 31, 2021	December 31, 2020	December 31, 2019	
Balance, beginning of year	\$ 47,701,372	11,774,621	11,379,361	
Contribution by Wallbridge	961,585	2,002,420	318,643	
Property acquisition	68,160	35,923,369	-	
Net income (loss) for the year	(854,341)	(1,999,038)	76,617	
Balance, end of year	\$ 47,876,776	47,701,372	11,774,621	

See accompanying notes to the Carve-Out financial statements.



# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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## 1. Nature of Operations and Going Concern:

Wallbridge Mining Company Limited (“Wallbridge”) is incorporated under the laws of Ontario and is engaged in the acquisition, discovery, development and production of metals focusing on gold, copper, nickel and platinum group metals. Wallbridge’s head office is located at 129 Fielding Road in Lively, Ontario, Canada.

These carve-out financial statements of the Nickel Assets present the financial position, results of operations and cash flows of certain nickel properties (“Nickel Assets” or the “Carve-Out Business”) in Ontario and Quebec owned by Wallbridge which are proposed to be sold to Archer Exploration Corp. (“Archer”).

On July 12, 2022, Wallbridge and Archer entered into a Purchase Agreement pursuant to which Archer will acquire the Nickel Assets, including the liability associated with the Broken Hammer closure activities, owned by Wallbridge in consideration for 66,211,928 post-consolidation common shares of Archer (198,635,786 pre-consolidation common shares of Archer) valued at \$53.6 million using the closing price of Archer shares at July 12, 2022. Immediately prior to the closing date of the transaction Archer will consolidate its common shares at a rate of three pre-consolidation shares of Archer for one post-consolidation share of Archer. Archer will proceed with a private placement to raise gross proceeds not less than \$10,000,000 to be completed on or before the closing of the transaction. Wallbridge has agreed to make a distribution of Archer shares to its shareholders within 60 days of closing such that following the distribution, Wallbridge will maintain 19.9% basic ownership in Archer. In addition, Archer will grant Wallbridge a royalty of 2% of net smelter returns, less any pre-existing royalties on the Grasset property, Wallbridge will have the right to nominate two directors to Archer’s board of directors, and will enter into an exploration agreement on the Grasset property (excluding the portion that includes the mineral resource) such that Wallbridge can explore for gold in certain circumstances.

These carve-out financial statements have been prepared on the going concern basis, which contemplates that the Carve-Out Business will be able to realize its assets and discharge liabilities in the normal course of business. The continuation of the Carve-Out Business as a going concern is dependent on its ability to successfully fund its cash obligations through financing. There can be no assurance that adequate or sufficient financing will be available in the future, or available under terms acceptable to the Carve-Out Business, or the Carve-Out Business will be able to generate sufficient positive cash flow from operations. These circumstances indicate the existence of a material uncertainty which casts significant doubt as to the ability of the Carve-Out Business to meet its obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

These carve-out financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the Carve-Out Business be unable to generate sufficient cash flow from operations or financing activities, the carrying value of the Carve-Out Business’ assets could be subject to material adjustments and other adjustments may be necessary to these carve-out financial statements should such adverse events impair the Carve-Out Business’ ability to continue as a going concern.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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## **1. Nature of Operations and Going Concern (continued):**

These carve-out financial statements were authorized for issuance by the Board of Directors of Wallbridge on November 9, 2022.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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## 2. Basis of presentation:

The Carve-Out Business has not previously prepared separate financial statements, and therefore these carve-out financial statements for the year ended December 31, 2021, 2020, and 2019 are the first annual financial statements that comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). IFRS comprises IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs").

The Carve-Out Business's date of transition to IFRS is January 1, 2019, and management applied IFRS 1, First time adoption ("IFRS 1") to the preparation of its carve-out financial statements, using the carrying amounts included in the financial statements of Wallbridge whose transition date was January 1, 2010, in accordance with the regulations in effect for the adoption of IFRS at that date. Beginning January 1, 2019, the Carve-Out Business adopted IFRS, and elected the exemption under IFRS 1D.16 (a) since it became a first-time adopter later than its parent, Wallbridge.

These carve-out financial statements include the operations of the Carve-Out Business and present the historical financial position, financial performance, changes in Wallbridge's net investment and cash flows of the Carve-Out Business on a carve-out basis. Assets, liabilities, income and expenses of Wallbridge that are not related to the Carve-Out Business have been excluded from these statements.

These carve-out financial statements present the net investment by Wallbridge in the Carve-Out Business. Wallbridge's net investment comprises the accumulated earnings (losses) of the Carve-Out Business and contributions by Wallbridge.

Due to the inherent limitations of carving out the assets, liabilities, operations and cash flows from larger entities, these carve-out financial statements may not necessarily reflect the financial position, results of operations and cash flow that would have been realized had the Carve-Out Business been a stand-alone entity during the periods presented. Expenses have been allocated to the Carve-Out Business on the basis of direct usage when identifiable. Management believes the assumptions underlying the carve-out financial statements, are reasonable. The financial information in these carve-out financial statements does not include all the expenses that would have been incurred had the Carve-Out Business been a stand-alone entity during the periods presented.

As historically managed under Wallbridge, the Carve-Out Business' functional currency is Canadian dollars. All amounts are presented in Canadian dollars, unless otherwise indicated.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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### 3. Significant accounting policies:

#### *Carve-Out Financial Statements:*

The carve-out financial statements presented herein have been extracted from the books and records of Wallbridge. Certain financial statement items were maintained by Wallbridge on a basis, other than on a property-by-property basis and accordingly, it was necessary to make allocations of certain amounts of Wallbridge in order to prepare these carve-out financial statements. As the determination of certain assets, liabilities, and expenses is dependent upon future events, the preparation of these carve-out financial statements requires the use of estimates and assumptions which have been made using careful judgment. In the opinion of management, these carve-out financial statements have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies.

#### *Associates:*

Associates are those entities in which the Carve-Out Business have significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when holding between 20 and 50 percent of the voting power of another entity.

Associates are accounted for using the equity method and are recognized initially at cost. The investment includes goodwill and other purchase price adjustments identified on acquisition based on the fair value of the assets acquired, and the investment is net of any accumulated impairment losses. The financial statements include the share of the income and expenses and equity movements of the associate, after adjustments to align the accounting policies with those of the Carve-Out Business and other adjustments arising from the elimination of intercompany transactions, from the date that significant influence commences until the date that significant influence ceases. When the Carve-Out Business share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Carve-Out Business have an obligation or has made payments on behalf of the investee. Judgment is involved in the determination of the carrying amount of the investment in Lonmin Canada Inc. ("Loncan") while the Carve-Out Business has significant influence and whether impairment has occurred.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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### 3. Significant accounting policies (continued):

#### *Financial Instruments:*

##### (i) Classification:

The Carve-Out Business classifies its financial instruments in the following categories: fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (loss) (“FVTOCI”), or at amortized cost. The Carve-Out Business determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by Carve-Out Business’ business model for managing the financial assets and their contractual cash flow characteristics. The Carve-Out Business can make an irrevocable election to designate equity investments as FVTOCI at initial recognition. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (a derivative or financial liability that is held for trading) or the Carve-Out Business has opted to measure them at FVTPL. The following table shows the classification:

Financial assets/liabilities	Classification
Restricted cash	FVTPL
Amounts receivable	Amortized cost
Long-term investment	FVTOCI
Accounts payable	Amortized cost

##### (ii) Measurement:

Financial assets and liabilities at amortized cost – Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, less any impairment.

Financial assets and liabilities at FVTPL – Financial assets and liabilities at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of net loss and comprehensive loss. Realized and unrealized gains and losses arising from the change in fair value are included in the statement of net loss and comprehensive loss in the period in which they arise.

##### (iii) Impairment of financial assets at amortized cost

The Carve-Out Business recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Carve-Out Business measures the loss allowance for the financial asset at an amount equal to the lifetime of the expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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### 3. Significant accounting policies (continued):

#### *Exploration and evaluation assets:*

These assets relate to mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are in the exploration or pre-development stage.

Exploration and evaluation expenditures include costs which are directly attributable to acquisition, surveying, geological, geochemical, geophysical, exploratory drilling, land maintenance, sampling, and assessing technical feasibility and commercial viability. Interest cost on borrowing for the acquisition of exploration and evaluation assets are capitalized. These expenditures are capitalized until the technical feasibility and commercial viability of the extraction of mineral reserves in a project is demonstrated.

The Carve-Out Business assesses whether there is any indication of impairment. Indicators of impairment include, but are not limited to:

- i) The right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- ii) Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- iii) Exploration for and evaluation of mineral resources in the specific area have not led to the commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- iv) Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount. The estimated recoverable amount is the greater of fair value less costs of disposal ("FVLCD"), and value in use ("VIU"). If the exploration and evaluation asset is determined to be impaired, the exploration and evaluation asset is written down to the estimated recoverable amount.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

### 3. Significant accounting policies (continued):

#### *Property and equipment:*

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided using the following methods and annual rates:

Asset	Basis	Rate
Bridges	Declining-balance	5%
Equipment	Declining-balance	20%

Management reviews the estimated lives, residual values and depreciation methods of the Carve-Out Business' property and equipment at the end of each financial year and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Unless the Carve-Out Business is reasonably certain to obtain ownership of a leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are included in Property and equipment.

Once a mining project has been established as commercially viable, technically feasible, and a development decision has been made, costs are no longer capitalized to exploration and evaluation assets, an impairment test is completed on the asset, and the unimpaired costs are transferred from exploration and evaluation assets to property and equipment. Costs associated with development of the project are capitalized to property and equipment.

At each reporting date, the Carve-Out Business reviews the carrying amounts of its property and equipment to determine whether there is any indication of impairment. If any such impairment exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its VIU and its FVLCD. An impairment is recognized, if the carrying amount of an asset or CGU exceeds its recoverable amount, in the statement of loss and comprehensive loss.

#### *Restricted cash:*

Restricted cash, classified as long-term, consists of cash balances assigned to support one-year letters of credit in support of various agreements.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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### 3. Significant accounting policies (continued):

#### *Provision for restoration, rehabilitation and environmental obligations:*

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises.

Discount rates to reflect the time value of money are specific to the liability. These costs are charged against profit or loss over the economic life of the related asset, through amortization using a unit-of-production methodology. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate and amount or timing of the underlying cash flows needed to settle the obligation. The unwinding of the discount is recognized as a finance cost.

#### *Income taxes:*

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



# Nickel Assets

Notes to Carve-Out Financial Statements  
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Years ended December 31, 2021, 2020 and 2019

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### 3. Significant accounting policies (continued):

#### *Leases:*

The Carve-Out Business assesses whether a contract is, or contains, a lease at the inception of a contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Carve-Out Business assesses whether:

- the contract involves the use of an explicitly or implicitly identified asset;
- the Carve-Out Business has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract term;
- the Carve-Out Business has the right to direct the use of the asset.

The Carve-Out Business recognizes a right-of-use asset and a lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Carve-Out Business is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Carve-Out Business recognizes lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Carve-Out Business' incremental borrowing rate. The lease payments include fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees and the exercise price of a purchase option reasonably certain to be exercised by the Carve-Out Business.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

The Carve-Out Business has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and do not contain a purchase option or for leases related to low value assets. Lease payments on short-term leases and leases of low value assets are recognized as an expense in the statement of loss or are capitalized to Exploration and Evaluation properties.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued):

#### *Functional and presentation currency*

The national currency of Canada is the Canadian dollar. The presentation currency used in the preparation of these carve-out financial statements is Canadian dollars. Management has determined the functional currency to be Canadian dollars as it considers that the Canadian dollar reflects the economic substance of the underlying events and circumstances of the Carve-Out Business. Financing and capital transactions are completed in Canadian dollars.

#### *Significant accounting judgments and estimates:*

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

#### Significant Judgments in Applying Accounting Policies:

The areas which require management to make significant judgments in applying the Carve-Out Business' accounting policies in determining carrying values include, but are not limited to:

#### *Determination of development phase:*

The Carve-Out Business applies significant judgment when determining and assessing its criteria used to determine technical feasibility and commercial viability is demonstrable.

#### *Impairment of exploration and evaluation properties:*

The Carve-Out Business is required to make certain judgments in assessing indicators of impairment of exploration and evaluation properties. Judgment is required to determine if the right to explore will expire in the near future or is not expected to be renewed. Judgment is required to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted. Judgment is required to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable quantities of mineral resources and the Carve-Out Business will discontinue such activities. Judgment is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

# Nickel Assets

Notes to Carve-Out Financial Statements  
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### 3. Significant accounting policies (continued):

#### *Business combinations:*

On October 22, 2018, the IASB issued amendments to IFRS 3, Business Combinations ("IFRS3"), that seek to clarify whether a transaction is to be accounted for as an asset acquisition or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process.

#### Significant Accounting Estimates and Assumptions:

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

#### *Impairment of exploration and evaluation properties:*

Management's assumptions and estimates of future cash flows used in the Carve-Out Business' impairment assessment of exploration and evaluation properties are subject to risk and uncertainties, particularly in market conditions where higher volatility exists, and may be partially or totally outside of the Carve-Out Business' control. If an indication of impairment exists, or if an exploration and evaluation asset is determined to be technically feasible and commercially viable, an estimate of a CGU's recoverable amount is calculated. The recoverable amount is based on the higher of FVLCD and VIU using a discounted cash flow methodology taking into account assumptions that would be made by market participants, unless there is a market price available based on a recent purchase or sale of a mine. Cash flows are for periods up to the date that mining is expected to cease which depends on a number of variables including recoverable mineral reserves and resources, expansion plans and the forecasted selling prices for such production.

#### *Income taxes and recoverability of potential deferred tax assets:*

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Carve-Out Business considers whether relevant tax planning opportunities are within the Carve-Out Business' control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Carve-Out Business from realizing the tax

# Nickel Assets

Notes to Carve-Out Financial Statements  
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### 3. Significant accounting policies (continued):

benefits from the deferred tax assets. The Carve-Out Business reassesses unrecognized income tax assets at each reporting period.

#### *Provisions:*

From time to time the Carve-Out Business may be subject to legal claims, with and without merit. These claims may commence informally and reach a commercial settlement or may progress to a more formal dispute resolution process. The causes of potential future claims cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure to comply with disclosure obligations. Defense and settlement costs may be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Carve-Out Business' future cash flows, results of operations or financial condition.

Management determines when the Carve-Out Business has a present obligation (legal or constructive) that has arisen as a result of a past event and is probable that a future outflow of resources will be required to settle the obligation, provided that a reasonable estimate of the amount of the obligation can be made. Provisions for legal claims, onerous contracts and commitments are recognized at the best estimates of the expenditures required to settle the Carve-Out Business' liability. Provisions are measured at the present value of the expenditures required to settle the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

#### *Mineral Resources:*

The Carve-Out Business has measured, indicated and inferred mineral resources based on information compiled by appropriately qualified persons.

Changes in measured, indicated and inferred mineral resources estimates may impact the carrying value of exploration and evaluation assets, property and equipment, environmental provisions, recognition of deferred tax amounts and depreciation, depletion and amortization.

# Nickel Assets

Notes to Carve-Out Financial Statements  
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## 4. Recent Accounting Pronouncements:

### (a) *IAS 16, Property, Plant and Equipment*

The IASB issued an amendment to IAS 16, Property, Plant and Equipment, to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The Carve-Out Business anticipates no impact to the financial statements as a result of this amendment.

### (b) *IAS 12, Income Taxes*

In September 2021, IAS 12 was amended to narrow the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as deferred taxes on leases and decommissioning obligations. The amendment is effective for annual periods beginning on or after January 1, 2023 and applied retrospectively. The Carve-Out Business has not yet performed an assessment of the amendment on its financial statements prior to the effective date of January 1, 2023.

### (c) *IAS 1, Presentation of Financial Statements*

The IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Carve-Out Business anticipates no impact to the financial statements as a result of this amendment. The amendment is effective for annual periods beginning on or after January 1, 2023.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

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## 5. Capital Management:

The Carve-Out Business considers its capital structure to be Wallbridge's net investment of \$47,876,776 at December 31, 2021 (December 31, 2020 - \$47,701,372, December 31, 2019 - \$11,774,621).

The Carve-Out Business' objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities.

## 6. Financial risk factors:

A summary of The Carve-Out Business' risk exposures as it relates to financial instruments are reflected below:

### (a) Credit risk:

Credit risk refers to amounts receivable and restricted cash arises from the possibility that any party to the contracts fail to meet its contractual obligations.

The Carve-Out Business monitors the credit worthiness of its exploration joint venture partners.

The Carve-Out Business' exposure to credit risk is the carrying value of the amounts receivable and restricted cash.

### (b) Liquidity risk:

Liquidity risk is the risk that the Carve-Out Business will not be able to meet its financial obligations as they fall due. The Carve-Out Business's liquidity is dependent upon cash contributions by Wallbridge. At December 31, 2021, the Carve-out business has amounts receivable of \$156,486 (December 31, 2020 - \$196,276, December 31, 2019 - \$215,154) to settle current liabilities of \$718,964 (December 31, 2020 - \$1,008,151, December 31, 2019 - \$1,292,262). Additional funds will be required to meet its obligations in the next 12 months (note 1).

# Nickel Assets

Notes to Carve-Out Financial Statements  
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Years ended December 31, 2021, 2020 and 2019

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## 7. Fair value of financial instruments:

Financial assets and liabilities are grouped into three levels based on significant inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Carrying values for amounts receivable, and accounts payable and accrued liabilities approximate fair value due to their short term maturities.

The Carve-Out Business' leases payable are classified as level 2. The fair values of leases payable using discounted cash flows based on the cost of borrowing.

# Nickel Assets

Notes to Carve-Out Financial Statements  
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## 8. Investment in associate

	Number of shares	Amount
Balance, January 1, 2019	-	\$ -
Shares issued pursuant to the October 28, 2019 agreement and recorded in other income	3,739,667	1,121,900
Balance, December 31, 2019		\$1,121,900
Shares issued for finder's fee in 2020	357,013	107,110
Share of comprehensive loss of Loncan for the year ended December 31, 2020		(285)
Balance, December 31, 2020	4,096,680	\$1,228,719
Share of comprehensive loss of Loncan for the year ended December 31, 2021		(5,683)
Balance, December 31, 2021	4,096,680	\$1,223,036

On October 28, 2019, the Carve-Out Business signed a definitive letter agreement whereby Lonmin Limited (a wholly owned subsidiary of Sibanye-Stillwater ("Lonmin")), appointed Carve-Out Business as operator of Loncan (a wholly owned subsidiary of Lonmin Limited). Pursuant to the terms of the agreement, 3,739,667 shares were received at \$0.30 per share in Loncan representing 20% ownership in Loncan and a board seat on Loncan's board of directors. In December 2019, there was a private placement in Loncan that reduced the Carve-Out Business's share in Loncan to 16.5%. With the board representation, operatorship of Loncan by the Carve-Out Business, and 16.5% ownership, the Carve-Out Business has significant influence over Loncan and, thereby, Loncan is accounted for using the equity method.

The general terms of the agreement include:

- (i) Lonmin will engage the services of the Carve-Out Business to operate and manage all operations of Loncan in Canada as directed by Sibanye-Stillwater;
- (ii) The Carve-Out Business will receive compensation in the form of cash and/or shares of Loncan and additional compensation for milestones achieved in the development of projects as agreed upon by both parties at a later date;
- (iii) Termination of the agreement upon a change of control will result in Carve-Out Business with a 2.5x multiplier on the value of shares owned by Wallbridge at the time of termination; and
- (iv) While the operatorship agreement is in effect, the Carve-Out Business has agreed to suspend the earn-in requirements on exploration joint ventures and subsequent amendment agreements with Loncan.

On August 16, 2022, the sale of Loncan was announced (note 14).



# Nickel Assets

Notes to Carve-Out Financial Statements  
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## 9. Exploration and evaluation assets:

Total exploration and evaluation expenditures for the year ended December 31, 2021 are detailed as follows:

	Balance, December 31, 2020	Expenditures	Impairment	Recovery	Balance, December 31, 2021
Grasset Nickel (a)	\$27,627,000	-	-	-	\$27,627,000
Jeremie (b)	2,291,306	12,999	-	-	2,304,305
Rum (c)	5,421,064	6,861	-	-	5,427,925
Sudbury Properties subject to Loncan agreements (d)	12,146,396	468,754	-	(182,891)	12,432,259
Sudbury and Other Ontario Properties (d)	3,390,871	13,997	-	-	3,404,868
Gargoyle, Ghost and Goblin (e)	628,784	90,491	(719,275)	-	-
	\$51,505,421	593,102	(719,275)	(182,891)	\$51,196,357

Total exploration and evaluation expenditures for the year ended December 31, 2020 are detailed as follows:

	Balance, December 31, 2019	Acquisition (f)	Expenditures	Recovery	Balance, December 31, 2020
Grasset Nickel (a)	\$-	27,627,000	-	-	\$27,627,000
Jeremie (b)	-	2,289,000	2,306	-	2,291,306
Rum (c)	-	5,420,000	1,064	-	5,421,064
Sudbury Properties subject to Loncan agreements (d)	12,138,999	-	269,286	(261,889)	12,146,396
Sudbury and other Ontario Properties (d)	3,372,411	-	18,460	-	3,390,871
Gargoyle, Ghost and Goblin (e)	-	520,629	108,155	-	628,784
	\$15,511,410	35,856,629	399,271	(261,889)	\$51,505,421

# Nickel Assets

Notes to Carve-Out Financial Statements  
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## 9. Exploration and evaluation assets (continued):

Total exploration and evaluation expenditures for the year ended December 31, 2019 are detailed as follows:

	Balance, January 1, 2019	Expenditures	Recovery	Balance, December 31, 2019
Sudbury Properties subject to Loncan agreements (d)	\$12,126,412	257,688	(245,101)	\$12,138,999
Sudbury and other	3,349,611	22,800	-	3,372,411
Ontario Properties (d)				
	\$15,476,023	280,488	(245,101)	\$15,511,410

### (a) Grasset Nickel, Quebec:

The Carve-Out Business owns a 100% interest in the Grasset Nickel Property which was acquired in 2020 as part of Wallbridge's acquisition of Balmoral Resources Ltd. It is located approximately 50 km west-northwest of Matagami, Québec. Some of the claims and leases are subject to NSRs from 1% to 2%.

### (b) Jeremie, Quebec:

The Carve-Out Business owns a 100% interest in the Jeremie property, which is subject to three NSRs at 1%. The property was acquired in 2020 as part of Wallbridge's acquisition of Balmoral Resources Ltd.

### (c) Rum, Quebec:

The Carve-Out Business owns a 100% interest in six properties in the Lac Rocher Nickel District in Quebec (the "Rum" properties). The property was acquired in 2020 as part of Wallbridge's acquisition of Balmoral Resources Ltd.

# Nickel Assets

Notes to Carve-Out Financial Statements  
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## 9. Exploration and evaluation assets (continued):

### (d) Sudbury and other Ontario Properties:

The Carve-Out Business has an interest in 38 exploration properties in the Sudbury, Ontario area of which 33 of the exploration properties are subject to joint venture arrangements with other parties. In order to retain its right to the properties, the Carve-Out Business must incur exploration expenditures required for provincial assessment purposes as well as make various payments to maintain ownership of these properties. These properties are subject to various NSRs with various buy back provisions.

#### Loncan Exploration Joint Ventures

The Carve-Out Business has exploration joint ventures with Loncan on several properties in the Sudbury area: the Sudbury Camp Joint Venture ("SCJV") and the North Range Joint Venture ("NRJV") on the Parkin, North Range and Wisner Properties.

During the year ended December 31, 2019, the Carve-Out Business received \$188,115 to extend the funding requirements and defer the scope of work on the exploration joint ventures.

During the year ended December 31, 2019, the Carve-Out Business spent \$240,584 and received payments of \$234,997 on the properties under the joint ventures.

On October 28, 2019, the Carve-Out Business signed a definitive letter agreement whereby Lonmin appointed Wallbridge as operator of Loncan (note 8). While the operatorship agreement is in effect, the Carve-Out Business has agreed to suspend the earn-in requirements on exploration joint ventures and subsequent amendment agreements with Loncan. The initial earn-in expiry dates for the NRJV agreement and subsequent amendments is the later of (i) the one year anniversary of the date of the termination of the letter agreement, and (ii) September 21, 2021.

#### (i) Sudbury Camp Joint Venture

At December 31, 2019, nine of the properties of the Sudbury Properties have been assigned to the SCJV, an exploration joint venture operated in conjunction with Loncan. The Carve-Out Business retains a 100% interest in each property until there is an indicated resource on a particular property. Provided Loncan has fulfilled its minimum expenditure commitment of US \$1 million each year, it will earn, at that time, a 50% interest in the particular property. Loncan's interest would be diluted to the extent the Carve-Out Business has contributed to work on a property. As a joint venture participant, the Carve-Out Business may elect to fund its pro-rata share of approved exploration budgets in order to increase its interest in the property. By funding a feasibility study and securing the Carve-Out Business' portion of financing through to commercial production, Loncan can increase its interest in a property to 65%.

The Carve-Out Business has agreed to suspend the earn-in requirements on the SCJV as part of the agreement to operate Loncan.

# Nickel Assets

Notes to Carve-Out Financial Statements  
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## 9. Exploration and evaluation assets (continued):

(ii) NRJV Agreement re North Range Properties and Amendment re Wisner Properties:

In 2012, Loncan exercised its right to enter into an exploration joint venture on the North Range Properties. Twelve of the Sudbury properties are assigned to the NRJV, an exploration joint venture operated in conjunction with Loncan, relating to the North Range Properties. Prior to the suspension of the earn in requirements, based on the 2015 amending agreement, Loncan could earn up to a 50% interest by spending twice the Carve-Out Business' expenditures on each of the properties and the total minimum commitment of

\$250,000 of exploration costs on the North Range and Wisner properties. Loncan can then earn up to a 65% interest in each of the properties by making additional expenditures. Loncan has earned a 65% interest in the Iron Mask, Foy North and Ministic Properties.

The Carve-Out Business has agreed to suspend the earn-in requirements on the NRJV and subsequent amendments as part of the agreement to operate Loncan.

# Nickel Assets

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## 9. Exploration and evaluation assets (continued):

### (iii) NRJV Agreement Amendment re Wisner Properties:

In December 2013, the Carve-Out Business entered into an agreement with Loncan to amend the NRJV agreement effective October 1, 2013 to add the Wisner Properties. Loncan could earn a 50% interest in its Wisner package of five properties by making option payments and funding exploration over three years as follows:

- i. Loncan will fund exploration costs on the Wisner Properties totaling \$3.6 million over three years with minimum annual expenditures of \$1.2 million;
- ii. Loncan will make cash option payments to the Carve-Out Business totaling two thirds of annual exploration costs; and
- iii. The Carve-Out Business will fund 40% of the exploration costs on the Wisner Properties over three years, totaling \$2.4 million.

An amending agreement was signed in September 2015 which extended the initial earn-in expiry date to September 30, 2019 and amended the total annual minimum commitment to \$250,000 of exploration costs on the North Range and Wisner properties. Upon vesting, Loncan will have the option to earn a 15% additional interest by committing to fund the Wisner properties through to a definitive feasibility study.

The Carve-Out Business has agreed to suspend the earn-in requirements on the NRJV and subsequent amendments as part of the agreement to operate Loncan.

### (iv) NRJV Amendment re Parkin Properties

In September 2015, the Carve-Out Business entered into an agreement with Lonmin to amend the NRJV agreement, to provide for Loncan to earn up to a 50% initial interest in the four Parkin properties by making payments and funding aggregate expenditures up to \$11 million on or before September 30, 2019. The expenditures include the cash payments to purchase the Impala Platinum Holdings Limited interest in the Parkin Properties. The Carve-Out Business has agreed to suspend the earn-in requirements on the NRJV agreement and subsequent amendments as part of the agreement to operate Loncan.

# Nickel Assets

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## 9. Exploration and evaluation assets (continued):

### Impala Platinum Holdings Limited ("Impala") Agreement

In 2008, the Carve-Out Business entered into an option and joint venture agreement with Impala on its Parkin Properties in Sudbury where Impala earned a 49.6% interest and Wallbridge had a 50.4% interest in the Properties at December 31, 2014. The Carve-Out Business entered into an option agreement with Impala, effective December 31, 2014, which provides the Carve-Out Business an option to purchase Impala's 49.6% interest by making cash payments over five years.

On March 15, 2019, the Carve-Out Business and Impala agreed to extend the final option payment to purchase the 49.6% interest on its Parkin Properties of \$1,500,000 to June 30, 2020 by the Carve-Out Business making a \$150,000 payment to Impala by June 30, 2019.

In March 2020, the Carve-Out Business and Impala agreed to extend the final option payment from June 30, 2020 from June 30, 2021 by making a \$150,000 payment by June 30, 2020.

In March 2021, the Carve-Out Business and Impala agreed to extend the final option payment to June 30, 2022 by making a \$100,000 payment by June 30, 2021.

In April 2022, the Carve-Out Business and Impala agreed to extend the final option payment to June 30, 2023 by paying \$100,000 before June 30, 2022. The payment was made in June 2022.

In July 2022, the Carve-Out Business and Impala agreed to an addendum to the Impala option agreement such that the deferral payments made from 2019 to 2022 of \$500,000 be applied to reduce the final option payment to \$1,000,000 payable before June 30, 2023.

The Carve-Out Business may exercise this final option payment at its discretion.

# Nickel Assets

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## 9. Exploration and evaluation assets (continued):

### (e) Gargoyle, Ghost and Goblin:

These properties were acquired in 2020 as part of Wallbridge's acquisition of Balmoral Resources Ltd.

The Carve-Out Business has an option agreement to acquire a 100% interest in the Gargoyle Property in Ontario. The Carve-Out Business made an option payment on August 16, 2020 of \$40,000 and issued 71,000 common shares valued at \$66,740 and issued an additional 106,500 common shares valued at \$68,160 on August 16, 2021. The Carve-Out Business can exercise the option by making a final cash payment of \$50,000 by August 16, 2022. In August 2022, the Carve-Out Business made the final option payment of \$50,000 to acquire a 100% interest to exercise the option. The Carve-Out Business will grant a 2% NSR royalty to the vendor upon the final option payment, half of which the Carve-Out Business may repurchase at any time for \$1,000,000. The Carve-Out Business also has a right of first refusal on the sale of the remaining NSR interest.

The Carve-Out recorded an impairment of \$719,275 on these properties as at December 31, 2021 as a result of management's decision to not incur any further expenditures on these properties. The estimated recoverable amount of the properties is \$nil.

The Goblin or Ghost properties are not subject to the terms and conditions of the Gargoyle Agreement and thus are 100% owned by the Carve-Out Business and free of royalty interests.

### (f) Acquisition of exploration and evaluation assets in 2020:

On March 2, 2020, Wallbridge entered into an arrangement agreement with Balmoral Resources Ltd. ("Balmoral") pursuant to which Wallbridge agreed to acquire all of the issued and outstanding common shares of Balmoral. (the "Balmoral Shares"). Balmoral was a publicly traded exploration company with various exploration properties in Ontario and Quebec, most notably the exploration properties around Fenelon Gold which upon completion of the arrangement expanded Fenelon Gold from 10.5 km<sup>2</sup> to 85 km<sup>2</sup>. The acquisition was completed on May 22, 2020. Wallbridge acquired all of the Balmoral Shares through the issuance of 130,556,944 common shares. In addition, all of the outstanding stock options of Balmoral were exchanged into stock options of Wallbridge by applying the share exchange ratio of 0.71 and maintaining the same relative terms and conditions as the Balmoral stock options. All of the warrants of Balmoral outstanding prior to completion of the transaction were not exchanged for equivalent warrants of the Wallbridge but remain outstanding following completion of the Balmoral transaction and entitle the holder to receive upon exercise of the Balmoral warrant 0.71 of a Company common share at an exercise price adjusted in accordance with the exchange ratio pursuant to the terms of the transaction. Further, all outstanding Balmoral deferred stock units were settled by a cash payment of \$225,783 upon closing of the acquisition.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

## 9. Exploration and evaluation assets (continued):

Wallbridge concluded that the acquisition of Balmoral to be an asset acquisition, and did not constitute a business combination under IFRS 3.

The acquisition date fair value of the purchase consideration transferred consisted of the following:

Issuance of common shares	\$151,446,055
Issuance of replacement stock options and warrants (note 2(b))	8,965,389
Transaction costs	1,326,437
<b>Total purchase consideration</b>	<b>\$ 161,737,881</b>

The common shares issued were valued at the May 22, 2020 closing price of Wallbridge shares on the TSX (\$1.16).

The fair value of the Balmoral stock options and warrants were calculated using a Black-Scholes option pricing model with the following weighted average assumptions and inputs: (i) expected life – 2.1 years, (ii) weighted average expected volatility – 103%, (iii) risk free interest rate – 0.29%, (iv) Balmoral share price – \$0.81.

On November 1, 2020, Wallbridge completed an internal reorganization whereby Balmoral merged with Wallbridge.

Wallbridge allocated the purchase consideration to the acquired assets and assumed liabilities as follows:

Assets:	
Cash and cash equivalents	\$7,349,401
Amounts receivable	1,718,718
Deposits and prepaid expenses	164,395
Property and equipment	566,191
Exploration and evaluation assets	157,109,556
<b>Total assets</b>	<b>166,908,261</b>
Liabilities:	
Accounts payable and accrued liabilities	4,265,311
Current portion of lease liability	193,377
Flow-through premium liability	293,799
Provision for closure plan	100,000
Lease payable	317,893
<b>Total liabilities</b>	<b>5,170,380</b>
<b>Net assets acquired</b>	<b>\$161,737,881</b>



# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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## 9. Exploration and evaluation assets (continued):

The following properties acquired by Wallbridge through its acquisition of Balmoral form part of the Carve-out Business proposed to be sold to Archer and were measured at the following fair values at the date of acquisition:

	Allocation of purchase price on May 22, 2020
Grasset	\$ 27,627,000
Jeremie	2,289,000
Rum	5,420,000
Gargoyle, Ghost and Goblin	520,629
	<hr/>
	\$35,856,629

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

## 10. Related party transactions:

The Carve-Out Business had the following transactions with a related party:

	Year ended December 31,		
	2021	2020	2019
Loncan:			
Finder's fee on private placement in Loncan at 10%	\$ -	\$ -	\$ 119,595
Shares received upon signing of the operatorship agreement in 2019 (note 8)	-	-	1,121,900
Recovery of costs billed to Loncan plus 10% fee	211,511	346,252	31,161

At December 31, 2021, the Carve-Out Business owns 17.8% (December 31, 2020 – 17.8%, December 31, 2019 – 16.5%) of Loncan.

At December 31, 2021, the Carve-Out Business has a receivable from Loncan of \$156,486 (December 31, 2020 - \$196,276, and December 31, 2019 - \$215,154). Prior to the sale of the shares of Loncan, the outstanding receivable at that time (\$312,865) was settled with 1,042,950 shares of Loncan, increasing the share ownership to 20.4% (note 14). These transactions were in the normal course of operations and measured at the exchange amount of consideration established and agreed to by the related parties. Effective October 28, 2019, the Carve-Out Business had an operatorship agreement with Loncan and received a 10% fee on exploration expenditures incurred in Loncan. One director of the Wallbridge is a minority shareholder of Loncan, and Wallbridge has representation on the board of directors of Loncan.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

## 11. Provision for Closure Plan

	2021	December 31, 2020	2019
Provision for closure plan, beginning of year	\$ 2,554,129	\$ 1,598,899	\$ 339,103
Change in estimate	-	2,676,646	1,913,749
Closure plan expenditures relating to Broken Hammer during the year	(549,870)	(1,721,416)	(653,953)
Total Provision payable for closure plans	\$2,004,259	\$2,554,129	\$1,598,899
Current portion relating to Broken Hammer	(575,843)	(787,277)	(976,586)
Provision for closure plan, long term	\$ 1,428,416	\$ 1,766,852	\$ 622,313

The Carve-Out Business initial estimates are based on independent studies or agreements with the respective government body for each project using current restoration standards and techniques. Subsequent changes to the closure plan were based on management's best estimates for the requirements and an independent study at December 31, 2020. The Carve-Out Business determined that the impact of discounting the future closure expenditures as at December 31, 2021, 2020, and 2019 is immaterial and as such, no discount rate has been applied in determining the closure provision. The Broken Hammer mine has been in a state of inactivity since 2015 and closure plan activities have been ongoing. The long term balance of \$739,208 for the Broken Hammer Project is expected to be incurred between 2023 and 2033.

At December 31, 2021, 2020 and 2019, the Carve-Out Business has one-year renewable letter of credit, secured by cash, of \$361,245 supporting the closure plan. The Carve-Out Business also has a one-year renewable letter of credit, secured by cash of \$25,000 in support of an exploration agreement at Windy Lake (note 9 (d) (i)).

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

## 12. Income taxes:

(a) Tax provision:

Income taxes differ from the amount that would be computed by applying the combined Federal and Provincial statutory income tax rate of 26.5%. The reasons for the differences are approximately as follows:

	Year ended December 31,		
	2021	2020	2019
Loss (gain) before income taxes	779,342	2,671,038	287,383
Expected tax based on statutory rate of 26.5%	(206,525)	(707,825)	(76,156)
Renunciation of exploration expenditures	90,644	36,406	9,378
Other permanent differences and rounding	190,881	(581)	(297,222)
Deferred tax expense (recovery)	75,000	(672,000)	(364,000)

(b) The components of deferred tax assets and liabilities are as follows:

	Year ended December 31,		
	2021	2020	2019
Exploration and evaluation assets	(4,190,000)	(4,100,000)	(4,062,000)
Property and equipment	(24,000)	(39,000)	(53,000)
Non-capital losses	612,000	467,000	26,000
Closure plan and other costs	533,000	678,000	423,000
Deferred tax expense (recovery)	(3,069,000)	(2,994,000)	(3,666,000)

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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## 13. Commitments and contingencies:

- (a) The Carve-Out Business' activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Carve-Out Business may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Carve-Out Business is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

- (b) From time to time the Carve-Out Business may be subject to legal claims, with and without merit. These claims may commence informally and reach a commercial settlement or may progress to a more formal dispute resolution process. The causes of potential future claims cannot be known and may arise from, among other things, business activities, environmental laws, or failure to comply with disclosure obligations. Defense and settlement costs may be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Carve-Out Business future cash flows, results of operations or financial condition.

Management determines when the Carve-Out Business has a present obligation (legal or constructive) that has arisen as a result of a past event and is probable that a future outflow of resources will be required to settle the obligation, provided that a reasonable estimate of the amount of the obligation can be made. Provisions for legal claims, onerous contracts and commitments are recognized at the best estimates of the expenditures required to settle the Carve-Out Business' liability. Provisions are measured at the present value of the expenditures required to settle the obligation.

# Nickel Assets

Notes to Carve-Out Financial Statements  
(Expressed in Canadian Dollars)

Years ended December 31, 2021, 2020 and 2019

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## 14. Subsequent Event:

On August 16, 2022, Magna Mining Inc. (“Magna”) announced that it had entered into a definitive share purchase agreement to acquire 100% of Loncan. The acquisition was completed on November 7, 2022 pursuant to the terms of the purchase agreement entered into with Loncan and the current shareholders of Loncan, being Sibanye UK Limited (formerly Lonmin Limited, and a subsidiary of Sibanye Stillwater Limited), the Carve-Out Business and certain other minority shareholders of Loncan. The aggregate purchase price for the outstanding shares of Loncan is equal to \$16,000,000, comprised of a closing payment of \$13,000,000 in cash and a deferred payment of \$3,000,000, payable pro rata to the Loncan shareholders. The deferred payment is payable on or before the 12-month anniversary of the closing of the acquisition. Magna will use commercially reasonable efforts to settle the deferred payment also in cash, but may, at its option, settle the deferred payment in common shares priced at the time of issue in accordance with the rules of the TSX Venture Exchange (the “TSXV”). As ongoing security pending the settlement of the deferred payment, Magna has agreed to grant a pledge of the shares of Loncan in favour of the Loncan shareholders. Loncan’s joint venture arrangements with the Carve-Out Business terminated concurrently with closing. Prior to closing of the agreement, the Carve-Out Business owned 20.4% of the outstanding shares of Loncan. The Carve-out received cash proceeds of \$2,652,997 and will receive a payment of \$612,230 to be settled with Magna shares or cash on or before the 12 month anniversary of closing.

## Management's Discussion & Analysis for Nickel Assets

The following is management's discussion and analysis ("MD&A") of the business activities including the financial condition and results of operations of Nickel Assets ("Nickel Assets" or the "Carve-Out Business") for the year ended December 31, 2021, prepared as at November 9, 2022. This discussion and analysis should be read in conjunction with the audited financial statements for the years ended December 31, 2021, 2020, and 2019, and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") and Interpretations of the International Financial Reporting Interpretations Committee and are reported in Canadian dollars. Certain dollar amounts in this MD&A have been rounded for ease of reading.

### Overview

On July 12, 2022, Wallbridge Mining Company Limited ("Wallbridge") and Archer Exploration Corp. ("Archer") entered into a Purchase Agreement pursuant to which Archer will acquire the Nickel Assets, including the liability associated with the Broken Hammer Project closure activities, owned by Wallbridge in consideration for 66,211,228 post-consolidation common shares of Archer (198,635,786 pre-consolidation common shares of Archer), valued at \$53.6 million using the closing price of Archer shares at July 12, 2022. Immediately prior to the closing date of the transaction Archer will consolidate its common shares at a rate of three pre-consolidation shares of Archer for one post-consolidation share of Archer. Archer will proceed with a private placement to raise gross proceeds not less than \$10,000,000 to be completed on or before the closing of the transaction. Wallbridge has agreed to make a distribution of Archer shares to its shareholders within 60 days of closing such that following the distribution, Wallbridge will maintain 19.9% basic ownership in Archer. In addition, Archer will grant Wallbridge a royalty of 2% of net smelter returns, less any pre-existing royalties on the Grasset property, Wallbridge will have the right to nominate two directors to Archer's board of directors and will enter into an exploration agreement on the Grasset property (excluding the portion that includes the mineral resource) such that Wallbridge can explore for gold in certain circumstances.

The Carve-Out Business explores for nickel on properties in Ontario and Quebec.

### Exploration Properties:

Total exploration and evaluation expenditures for the year ended December 31, 2021 are detailed as follows:

	Balance, December 31, 2020	Expenditures	Impairment	Recovery	Balance, December 31, 2021
Grasset Nickel	\$27,627,000	-	-	-	\$27,627,000
Jeremie	2,291,306	12,999	-	-	2,304,305
Rum	5,421,064	6,861	-	-	5,427,925
Sudbury Properties subject to Loncan agreements	12,146,396	468,754	-	(182,891)	12,432,259
Sudbury and Other Ontario Properties	3,390,871	13,997	-	-	3,404,868
Gargoyle, Ghost, and Goblin	628,784	90,491	(719,275)	-	-
	\$51,505,421	593,102	(719,275)	(182,891)	\$51,196,357

Total exploration and evaluation expenditures for the year ended December 31, 2020 are detailed as follows:

	Balance, December 31, 2019	Acquisition	Expenditures	Recovery	Balance, December 31, 2020
Grasset Nickel	\$ -	27,627,000	-	-	\$27,627,000
Jeremie	-	2,289,000	2,306	-	2,291,306
Rum	-	5,420,000	1,064	-	5,421,064
Sudbury Properties subject to Loncan agreements	12,138,999	-	269,286	(261,889)	12,146,396
Sudbury and other Ontario Properties	3,372,411	-	18,460	-	3,390,871
Gargoyle, Ghost, and Goblin	-	520,629	108,155	-	628,784
	\$15,511,410	35,856,629	399,271	(261,889)	\$51,505,421

Total exploration and evaluation expenditures for the year ended December 31, 2019 are detailed as follows:

	Balance, January 1, 2019	Expenditures	Recovery	Balance, December 31, 2019
Sudbury Properties subject to Loncan agreements	\$12,126,412	257,688	(245,101)	\$12,138,999
Sudbury and other Ontario Properties	3,349,611	22,800	-	3,372,411
	\$15,476,023	280,488	(245,101)	\$15,511,410

### Grasset Nickel, Quebec:

The Grasset Nickel project was acquired in 2020. It is located approximately 50 km west-northwest of Matagami, Québec.

The Grasset nickel sulphide deposit occurs at the southern end of the Grasset Ultramafic Complex (“GUC”), immediately north of the regional SLDZ. The deposit was discovered in 2012 and is comprised of two subparallel zones (H1 and H3 zones) of disseminated to locally semi-massive sulphide mineralization. It is one of the largest nickel sulphide deposits in Canada’s Abitibi region, and the only North American nickel sulphide deposit with >50,000 contained tonnes of nickel and an average nickel grade of over 1.5% not controlled by a major mining company.

On November 9, 2021, the Carve-Out Business announced an updated MRE for the Grasset Ni-Cu-PGM deposit containing indicated resources of 5.5 Mt of 1.53 % NiEq. (1.22 % Ni) and inferred resources of 0.2 Mt of 1.01 NiEq. (0.83 % Ni). The Grasset MRE includes the historic drilling results on the property.



**Jeremie, Quebec:**

The Carve-Out Business owns a 100% interest in the Jeremie property, which is subject to three NSRs at 1%. The property was acquired in 2020.

**Rum, Quebec:**

The Carve-Out Business own a 100% interest in six properties in the Lac Rocher Nickel District in Quebec (the "Rum" properties). The property was acquired in 2020.

**Gargoyle, Ghost and Goblin, Ontario:**

These properties located in Ontario were acquired in 2020.

The Carve-Out Business has an option agreement to acquire a 100% interest in the Gargoyle Property in Ontario. The Carve-Out Business exercised the option by making a final cash payment of \$50,000 in August 2022. The Carve-out Business will grant a 2% NSR royalty to the vendor upon the final option payment, half of which the Carve-Out Business may repurchase at any time for \$1,000,000. The Carve-Out Business also has a right of first refusal on the sale of the remaining NSR interest.

The Goblin or Ghost properties are not subject to the terms and conditions of the Gargoyle Agreement and thus are 100% owned by the Company and free of royalty interests. The Carve-Out Business had recorded an impairment of \$719,276 on these properties as at December 31, 2021 as a result of management's decision to not incur any further expenditures on these properties.

As a result of the Carve-Out Business exercising the option to acquire the Gargoyle property in August 2022, the Carve-Out Business reversed the impairment of \$670,156 on this property in the June 30, 2022 financial statements.

**Sudbury, Ontario, and other Ontario Properties:**

The Carve-Out Business has an interest in 38 exploration properties in the Sudbury, Ontario area of which 33 of the exploration properties are subject to joint venture arrangements with other parties. In order to retain its right to the properties, the Carve-Out Business must incur exploration expenditures required for provincial assessment purposes as well as make various payments to maintain ownership of these properties. These properties are subject to various NSRs with various buy back provisions.

Most of the exploration expenditures were on the Parkin Properties where a small drill program was completed during 2021 and option payments pursuant to an option agreement on the properties in 2021 and 2020.

Other costs were reimbursed under an operatorship agreement with Lonmin Canada Inc. ("Loncan") and pertain to maintenance of the claims.

The Broken Hammer Project has been in a state of inactivity since 2015 and closure plan activities have been ongoing. The current portion of the closure plan at December 31, 2021 is \$575,843 and the long-term portion is \$1,428,416. The Carve-Out Business has a one-year renewable letter of credit, secured by cash, of \$361,245 supporting the closure plan at Broken Hammer Project.

On August 16, 2022, Magna Mining Inc. ("Magna") announced that it had entered into a definitive share purchase agreement to acquire 100% of Loncan. The acquisition was completed on November 7, 2022 pursuant to the terms of the purchase agreement entered into with Loncan and the current shareholders of Loncan, being Sibanye UK Limited (formerly Lonmin Limited, and a subsidiary of Sibanye Stillwater Limited), the Carve-Out Business and certain other minority shareholders of Loncan. The aggregate purchase price for the outstanding shares of Loncan is equal to \$16,000,000,

comprised of a closing payment of \$13,000,000 in cash and a deferred payment of \$3,000,000, payable pro rata to the Loncan shareholders. The deferred payment is payable on or before the 12-month anniversary of the closing of the acquisition. Magna will use commercially reasonable efforts to settle the deferred payment also in cash, but may, at its option, settle the deferred payment in common shares priced at the time of issue in accordance with the rules of the TSX Venture Exchange (the "TSXV"). As ongoing security pending the settlement of the deferred payment, Magna has agreed to grant a pledge of the shares of Loncan in favour of the Loncan shareholders. Loncan's joint venture arrangements with the Carve-Out Business terminated concurrently with closing. Prior to closing of the agreement, the Carve-Out Business owned 20.4% of the outstanding shares of Loncan. The Carve-out received cash proceeds of \$2,652,997 and will receive a payment of \$612,230 to be settled with Magna shares or cash on or before the 12 month anniversary of closing.

### Selected Annual Financial Information

	December 31, 2021	December 31, 2020	December 31, 2019
Loss (income) <sup>(1)</sup>	\$854,341	\$1,999,038	\$(76,617)
Total assets	\$53,093,156	\$53,504,671	\$17,433,268
Long-term lease liabilities	\$-	\$34,296	\$78,072

(1) The Carve-Out Business has no sales or revenues. As these financial statements are prepared on a carve-out basis, there are no loss per share calculations.

### Results of operations

The Carve-Out Business had the following results for the last three years ended December 31:

	2021	2020	2019
General and administrative expenditures	\$18,006	\$21,204	\$22,061
Depreciation	56,979	52,697	51,054
Lease finance costs	2,909	5,040	7,067
Other income	(23,511)	(84,834)	(1,706,998)
Share of comprehensive loss in investment in associate	5,683	285	-
Provision for closure plan	-	2,676,646	1,913,749
Impairment of exploration and evaluation assets	719,275	-	-
Loss before income taxes	779,341	2,671,038	287,383
Deferred tax expense (recovery)	75,000	(672,000)	(364,000)
Net loss (income) and comprehensive loss (income) for the year	\$854,341	\$1,999,038	\$(76,617)

General and administrative expenses, depreciation, lease finance costs, and share of comprehensive loss in investment in associates are consistent over the three years.

In 2021, the Company recorded an impairment of \$719,276 on the Gargoyle, Goblin and Ghost Properties in Ontario as the Carve-Out Business was not planning on incurring any additional expenditures on these properties.

- In Q3 2020, the Company recorded an additional provision of \$1,639,969 unanticipated closure plan costs associated with Broken Hammer Project and in Q4 2020, after an initial review and in anticipation of modifications to the closure plan, the Company recorded an additional provision of \$1,036,677. In 2019 the Company recorded an additional provision of \$1,913,749 for costs relating to revisions to the water treatment and monitoring costs associated with the closure plan at Broken Hammer Project.
- In 2019, the Carve-Out Business recorded other income \$1,121,900 for receipt of 20% of the outstanding Loncan shares as part of the operatorship agreement with Loncan. The shares were valued at \$0.30 per share. With the subsequent private placement in Loncan, also at \$0.30 per share, the Carve-Out's holding was reduced to 16.5%. In 2020, additional shares were issued and the holding increased to 17.8% in May 2020. The Company has agreed to suspend the earn-in requirements on the joint venture agreements while the operatorship is in place with Loncan. In addition, revenue from Loncan of \$474,513 was earned for the period in 2019 before the operatorship agreement was signed in October 2019.

### Liquidity and Capital Resources

The Carve-Out Business has relied on investments from Wallbridge to continue operations and exploration expenditures. The Carve-Out Business has current liabilities of \$718,964 and receivables of \$156,486 at December 31, 2021. As a business in the exploration industry, the Carve-Out Business does not have a source of revenue. The continuation of the Carve-Out Business as a going concern is dependent on its ability to successfully fund its cash obligations through financing. The Carve-Out Business has not generated operating profit and is dependent on financing to fund its operations, which was provided by Wallbridge for the year ended December 31, 2021, and which Wallbridge has committed to provide for the period it controls the Carve-Out Business. In the event Wallbridge is no longer providing financing, the Carve-Out Business will need to reduce or curtail its operations or seek alternative financing. There can be no assurance that adequate or sufficient financing will be available in the future, or available under terms acceptable to the Carve-Out Business, or the Carve-Out Business will be able to generate sufficient positive cash flow from operations in the future.

The Carve-Out Business will have to raise funds in the future to finance the advancement of exploration and development of its exploration properties and meet future expenditures and administrative costs.

### Contractual Obligations:

	<b>Current and total</b>
Accounts payable and accrued liabilities	\$108,825
Lease obligations	34,296
	<b>\$143,121</b>

The Carve-Out Business does not have any long-term contractual obligations. The Carve-Out Business has an option agreement on its Parkin Properties to buy-out Impala's interest for \$1 million by June 30, 2023. The option to exercise the option is at the discretion of the Carve-Out Business.

### **Related Party Transactions**

The Carve-Out Business had the following transactions with Loncan:

	Year ended December 31,	
	2021	2020
Recovery of costs billed to Loncan plus 10% fee	\$211,511	\$346,252

At December 31, 2021, the Carve-Out Business owns 17.8% (December 31, 2020 – 17.8%) of Loncan.

At December 31, 2021, the Carve-Out Business has a receivable from Loncan of \$156,486 (December 31, 2020 - \$196,276). Prior to the sale of the shares of Loncan, the outstanding receivable at that time (\$312,865) was settled with 1,042,950 shares of Loncan, increasing the share ownership to 20.4% (see discussion on page 3 and 4).

These transactions were in the normal course of operations and measured at the exchange amount of consideration established and agreed to by the related parties. Effective October 28, 2019, the Carve-Out Business had an operatorship agreement with Loncan and received a 10% fee on exploration expenditures incurred in Loncan.

*Dated November 9, 2022*

**SCHEDULE C**

**Pro Forma Financial Statements**

See attached.

**ARCHER EXPLORATION CORP.**  
**PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

As at June 30, 2022

(Unaudited - Expressed in Canadian dollars)

**ARCHER EXPLORATION CORP.**  
**Pro forma consolidated statement of financial position**  
(Unaudited - expressed in Canadian dollars)

	Archer Exploration Corp.	Carve-out of Wallbridge	Note	Pro forma adjustments	Pro forma total
	June 30, 2022	June 30, 2022		June 30, 2022	June 30, 2022
	\$	\$		\$	\$
<b>Assets</b>					
<b>Current</b>					
Cash	628,286	-	5	12,224,547	12,852,833
Accounts receivable	73,559	312,865	5	612,000	998,424
Prepaid expenses	317,706	-		-	317,706
	1,019,551	312,865		12,836,547	14,168,963
Restricted cash	-	386,245		-	386,245
Investment	-	1,220,160	5	(1,220,160)	-
Exploration and evaluation assets	-	52,047,599	5	3,991,572	56,039,171
Property and equipment	-	103,786		-	103,786
<b>Total assets</b>	<b>1,019,551</b>	<b>54,070,655</b>		<b>15,607,958</b>	<b>70,698,164</b>
<b>Liabilities</b>					
<b>Current</b>					
Trade and other payables	115,125	254,519	5	167,969	537,613
Current portion of provision for closure plan	-	998,308		-	998,308
Current portion of lease liability	-	11,575		-	11,575
	115,125	1,264,402		167,969	1,547,496
Provision for closure plan	-	739,208		-	739,208
Deferred tax liability	-	3,131,000		-	3,131,000
<b>Total liabilities</b>	<b>115,125</b>	<b>5,134,610</b>		<b>167,969</b>	<b>5,417,704</b>
<b>Shareholders' equity</b>					
Share capital	3,186,142	-	5	60,722,858	63,909,000
Warrants reserve	699,457	-	5	3,653,176	4,352,633
Share-based payments reserve	347,129	-		-	347,129
Deficit	(3,328,302)	-		-	(3,328,302)
Wallbridge's net investment	-	48,936,045	5	(48,936,045)	-
<b>Total shareholders' equity</b>	<b>904,426</b>	<b>48,936,045</b>		<b>15,439,989</b>	<b>65,280,460</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,019,551</b>	<b>54,070,655</b>		<b>15,607,958</b>	<b>70,698,164</b>

*The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements*

## **ARCHER EXPLORATION CORP.**

### **Notes to the pro forma consolidated financial statements**

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

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#### **1. BASIS OF PRESENTATION**

The accompanying unaudited pro forma consolidated financial statements of Archer Exploration Corp. (“Archer” or the “Company”) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) from information contained in the financial information of Archer and Wallbridge Mining Company Limited (“Wallbridge”) carve-out financial statements of the Nickel Project to show the effect of the proposed transactions as per Note 4. The unaudited pro forma consolidated financial statements have been prepared for inclusion in the Form 2A - Listing Statement of the Company prepared in connection with the Company’s application for listing on the Canadian Securities Exchange (the “CSE”).

The unaudited pro forma consolidated financial statements have been prepared by management using the following information:

- The unaudited consolidated interim financial statements of Archer for the three and nine month ended June 30, 2022;
- The unaudited interim carve-out financial statements of Wallbridge for the three and six months ended June 30, 2022; and
- Additional information set out in Note 4 and 5.

The pro forma consolidated financial statements are not necessarily indicative of the combined results or financial position that would have been achieved if the proposed Transactions had been completed on the dates indicated and does not purport to project the financial position of the consolidated entities for any future period. In the opinion of the management of the Archer, the unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation of the proposed Transactions described in Note 4. Unless otherwise noted, the unaudited pro forma consolidated financial statements and accompanying notes are presented in Canadian dollars. The unaudited pro forma consolidated statement of financial position combines the historical unaudited statement of financial position of Archer and the historical unaudited statement of financial position of the Nickel Project to give the effect of the Transactions as if it had occurred on June 30, 2022.

#### **2. FUNCTIONAL AND PRESENTATION CURRENCY**

All financial information has been presented in Canadian dollars, which is also the functional currency of the Company and Wallbridge.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation for the unaudited pro forma consolidated financial statements are those set out in Archer’s audited financial statements for the year ended September 30, 2021. In preparing the unaudited pro forma consolidated financial statements, a review was undertaken to identify accounting policy differences between Archer and Wallbridge where the impact was potentially material. The significant accounting policies of Wallbridge conform in all material respects to those of Archer.

#### **4. TRANSACTIONS**

On July 12, 2022, the Company agreed to purchase from Wallbridge 100% of the right, title, and interest in the Nickel Project in exchange for 198,635,786 common shares (on a pre-consolidated basis) issued by the Company to Wallbridge at the deemed price of \$0.27 and the grant of the Royalty in favour of Wallbridge. In addition, the Company agreed to assume obligations under the closure plan relating to Wallbridge’s Broken Hammer open pit mine, which ceased operation in 2015.

The Nickel Project consists of 2,046 mining titles, covering approximately 67,000 hectares, and include a 100% interest in the Grasset Project.

The Transactions will constitute a “Fundamental Change” of the Company, as defined by the policies of the Canadian Securities Exchange. As a result, the Company will be required to obtain shareholder approval, by simple majority, which it intends to seek by way of written consent. The asset purchase will also require the approval of the shareholders of Archer.



**ARCHER EXPLORATION CORP.****Notes to the pro forma consolidated financial statements**

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

**5. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS**

The unaudited pro forma consolidated financial statements include the following pro forma assumptions and adjustments as if they had occurred at June 30, 2022:

- a) On the Offering Closing Date, the Company closed the Offering for gross proceeds of \$10,182,500 through the issuance of 2,898,550 charity flow-through ("FT") subscription receipts at a price of \$1.38 per charity FT subscription receipt, 4,243,334 FT subscription receipts at a price of \$0.75 per FT subscription receipt and 4,545,445 Unit receipts at a price of \$0.66 per Unit receipt.
- b) In connection with the Offering, the Company will pay aggregate finder's fees of \$610,950 and issued 385,031 broker warrants.
- c) In connection with the Transactions, the Company entered into a finder's fee agreement with two arm's length parties (the "Finders"). As compensation for the Finders' introduction of the Company and Wallbridge, should the Transaction be completed, Archer will pay to the Finders, collectively, such number of Common Shares as is equal to 2.5% of the number of Consideration Shares.
- d) On November 7, 2022, Magna announced that it closed the Loncan transaction and acquired 100% of the issued and outstanding shares of Loncan in exchange for an aggregate purchase price of \$16,000,000, comprised of a closing payment of \$13,000,000 million in cash (the "First Payment") and a deferred payment of \$3,000,000 (the "Deferred Payment"), payable pro rata to each shareholder of Loncan. Wallbridge received its pro rata portion of the First Payment in the amount of \$2,652,997 with respect to the Loncan transaction, which amount was paid to Archer on the closing date. Archer is also entitled to receive Wallbridge's pro rata portion of the Deferred Payment in the amount of \$612,000.
- e) Effective November 8, 2022, prior to closing of the Transaction, the Company consolidated its common shares on a three to one basis.
- f) The consideration effectively transferred for the asset purchase of Nickel Project is as follows:

	\$
Fair value of common shares issued	53,631,662
<b>Total consideration</b>	<b>53,631,662</b>
<b>Fair value of net assets of Nickel Project acquired as at June 30, 2022</b>	
Amounts receivable	312,865
Restricted cash	386,245
Investment	3,264,997
Exploration and evaluation assets	54,698,379
Property and equipment	103,786
Accounts payable and accrued liabilities	(254,519)
Lease liability	(11,575)
Provision for closure plan	(1,737,516)
Deferred tax liability	(3,131,000)
<b>Net assets acquired</b>	<b>53,631,662</b>

Each flow-through subscription receipt will be automatically converted on the escrow release date, without further payment or action on the part of the holder, upon satisfaction of the escrow release conditions, into one common share to be issued as a "flow-through share" as defined in subsection 66(15) of the Tax Act.

Each non-flow-through subscription receipt will be automatically converted on the escrow release date, without further payment or action on the part of the holder, upon satisfaction of the escrow release conditions, into one common share.

**6. PRO FORMA STATUTORY INCOME TAX RATE**

The pro forma effective statutory income tax rate of the combined companies will be 27%, but due to the lack of recoverability of the companies' losses carried forward, no tax consequences were reflected in the pro forma consolidated financial statements.

## **SCHEDULE D**

### **Property Disclosure**

Unless stated otherwise, the information in this Schedule D is based on the Technical Report, is effective as of the date of the Technical Report and was reviewed by, and included with the consent of the Technical Report Author. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report which is available for review on SEDAR at [www.sedar.com](http://www.sedar.com) and readers are encouraged to review the Technical Report.

Capitalized terms used but not defined in this Schedule D have the meanings given to them in the Technical Report. All figures and tables from the Technical Report are reproduced in and form part of this Listing Statement.

#### **Introduction**

Archer Exploration Corp. (“Archer” or the “Issuer”) retained InnovExplo Inc. (“InnovExplo”) to prepare a technical report (the “Technical Report”) to support the result of the mineral resource estimate for the Grasset deposit (the “Grasset MRE”) in accordance with Canadian Securities Administrators’ National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43 101”) and Form 43-101F1. The mandate was assigned by Keith Bodnarchuk, President and CEO of Archer.

InnovExplo is an independent mining and exploration consulting firm based in Val-d’Or, Quebec.

Archer is a Canadian mining company trading publicly on the Canadian Securities Exchange (“CSE”) under the symbol RCHR.

#### *Terms of Reference*

Archer Exploration Corp., a company duly incorporated under the laws of the Business Corporations Act, BC, Canada (BN 727535916, Registry ID BC1184582) on October 26, 2018. The head office, registered office and principal place of business of the Issuer are located at 700-1090 West Georgia Street, Vancouver, BC, V6E 3V7, Canada, (T: 604-364-2215).

The Issuer acquired the Grasset Property (the “Property”), the subject of this Technical Report, through a transaction with Wallbridge Mining Company Ltd. (“Wallbridge”).

The Property consists of one block of one hundred fifty-three (153) mining claims, covering an aggregate area of 8,180.12 ha (see Figure 4.2 of the Technical Report).

#### *Report Responsibility and Qualified Person*

The Technical Report was prepared by InnovExplo employee, Carl Pelletier, (P. Geo.), Co-President Founder of InnovExplo, independent and qualified person (“QP”) as defined by NI 43-101.

Mr. Pelletier is a professional geologist in good standing with the OGQ (No. 384), PGO (No. 1713), EGBC (No. 43167) and NAPEG (No. L4160). He is the author of the Technical Report.

#### *Site Visit*

Mr. Pelletier has visited the Property on July 5, 2022, for the purpose of the Technical Report.

#### *Effective Date*

The effective date of the Technical Report is September 2, 2022.

### *Sources of Information*

The Technical Report is supported by the information described in Item 3 of the Technical Report and the documents listed in Item 27 of the Technical Report. Excerpts or summaries from documents authored by other consultants are indicated in the text.

The Technical Report Author's assessment of the Project was based on published material in addition to the data, professional opinions and unpublished material submitted by the Issuer. The Technical Report Author reviewed all the relevant data provided by the Issuer and/or by its agents.

The Technical Report Author also consulted other sources of information, mainly the Government of Quebec's online claim management and assessment work databases (GESTIM and SIGEOM, respectively), as well as documents published on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Issuer's profile, including technical reports, annual information forms, MD&A reports and press releases.

The Technical Report Author reviewed and appraised the information used to prepare the Technical Report and believe that such information is valid and appropriate considering the status of the project and the purpose for which the Technical Report is prepared. The Technical Report Author has fully researched and documented the conclusions and recommendations made in the Technical Report.

### *Currency, Units of Measure and Acronyms*

The abbreviations, acronyms and units used in the Technical Report are provided in Table 2.1 and Table 2.2 of the Technical Report. All currency amounts are stated in Canadian Dollars (\$, C\$, CAD) or US dollars (US\$, USD). Quantities are stated in metric units, as per standard Canadian and international practice, including metric tons (tonnes, t) and kilograms (kg) for weight, kilometres (km) or metres (m) for distance, hectares (ha) for area, percentage (%) for copper and nickel grades, and gram per metric ton (g/t) for precious metal grades. Wherever applicable, imperial units have been converted to the International System of Units (SI units) for consistency (see Table 2.3 of the Technical Report).

### **Reliance on Other Experts**

The Technical Report Author did not rely on other experts to prepare the Technical Report.

The QP relied on the Issuer's information regarding mining titles, option agreements, royalty agreements, environmental liabilities and permits. Neither the QP nor InnovExplo are qualified to express any legal opinion with respect to property titles, current ownership or possible litigation.

### **Property Location and Description**

#### *Location*

The Property is located in the James Bay territory in Nord-du-Québec administrative region of the Province of Quebec, Canada, approximately 77 km west-northwest of the city of Matagami and 170 km north of the town of Amos (see Figure 4.1 of the Technical Report).

The Property covers an area of 81.81km<sup>2</sup> within the townships of Jérémie, Caumont, Gaudet and Fenelon, on NTS map sheets 32L01, 32L02, 32E15, and 32E16. The coordinates of the approximate centroid are 78°36'5"W and 50°3'16"N (UTM: 671702E and 5547450N, NAD 83, Zone 17N).

#### *Mining Title Status*

Mineral title status was supplied by the Issuer. InnovExplo verified the status of all mining titles using GESTIM, the Government of Quebec's online claim management system ([gestim.mines.gouv.qc.ca](http://gestim.mines.gouv.qc.ca)).

The Property consists of one block of one hundred fifty-three (153) mining claims staked by electronic map designation ("map-designated cells"), covering an aggregate area of 8,180.12 ha (see Figure 4.2 of the

Technical Report). All claims are registered 100% in the name of Archer Exploration Corp. The Grasset Property is subject to royalty agreements, as described in section 4.4 of the Technical Report. All mining titles are in good standing according to the GESTIM database. A detailed list of mining titles, ownership, royalties and expiration dates is provided in Appendix I of the Technical Report.

#### *Acquisition of the Grasset Property*

On July 13, 2022, the Issuer announced that it has entered into a definitive asset purchase agreement dated July 12, 2022 (the “Asset Purchase Agreement”) with Wallbridge Mining Company Limited (TSX: WM) (“Wallbridge”). Pursuant to the Asset Purchase Agreement, Archer will acquire (the “Transaction”) all of Wallbridge’s nickel assets, rights and obligations located in Quebec and Ontario (collectively, the “Nickel Assets”). The Nickel Assets include a 100% interest in the Grasset nickel sulphide project located in Quebec (the “Grasset Property”).

According to Archer press release dated July 13, 2022, pursuant to the Asset Purchase Agreement, Archer will acquire the Nickel Assets from Wallbridge in exchange for 198,635,786 Archer Shares (each, a “Consideration Share”) at a deemed value of C\$0.27 per Consideration Share for a purchase price of approximately C\$53.6 million. In addition to issuing the Consideration Shares, Archer will also grant Wallbridge a net smelter return royalty on production from the Grasset Project .

Wallbridge has agreed to complete a partial distribution of Consideration Shares by way of a reduction of stated capital to its shareholders on a pro rata basis within 60 days of closing of the Transaction. Following the Distribution, Wallbridge will own 19.9% of the Archer Shares following closing of the Transaction and related matters.

Completion of the Transaction is subject to a number of conditions precedent, including, but not limited to: (i) acceptance by the CSE and receipt of other applicable regulatory approvals; (ii) receipt of approval of the shareholders of Archer; (iii) completion by Archer of a private placement for gross proceeds of at least C\$10,000,000 (the “Financing”); and (iv) certain other closing conditions customary for a transaction of this nature.

Upon completion of the Transaction and the Share Distribution (and not taking into account the Financing or the issuance of Archer Shares to the Finders (as defined below)): (a) current shareholders of Archer will hold approximately 15% of the Archer Shares on a fully-diluted in the money basis, and (b) Wallbridge and shareholders of Wallbridge will hold approximately 85% of the outstanding Archer Shares on a fully-diluted in the money basis.

In connection with the Transaction, Archer entered into a finder’s fee agreement dated as of June 10, 2022, with two arm’s length parties (the “Finders”). As compensation for the Finders’ introduction of Archer and Wallbridge, should the Transaction be completed, Archer will pay to the Finders collectively a number of Archer Shares equal to 2.5% of the number of Consideration Shares. The finder’s fee is subject to approval of the CSE. Any Archer Shares issued to the Finders will be subject to escrow and released over a period of two years after closing of the Transaction. The Finders have agreed to notify Archer of any potential disposition of Archer Shares and allow Archer the opportunity to designate the purchase of all or any portion of such shares.

The Archer Shares have been halted and may remain halted until the completion of the Transaction. There can be no assurance that the Transaction will be completed on the terms proposed or at all.

#### *Previous Agreements and Encumbrances – Mineral Royalties*

The claim block is subject to royalties payable to various beneficiaries. The Royalty Agreement, as presented in press release dated July 13, 2022, will provide for a royalty equal to 2% of net smelter returns less the amount of any pre-existing royalties on encumbered portions of the Grasset Project. In certain circumstances,

Wallbridge will be granted a right of first refusal to acquire any new royalties sold by Archer on the Grasset Project. Details of the net smelter return (“NSR”) royalties applicable to the Property are presented in Appendix I of the Technical Report.

#### *Permits*

At the date of the Technical Report, the issuer has no existing permits, nor has it made any applications for permits.

#### *Communication and Consultation with the Community*

The issuer had no interaction so far with the local communities.

### **Accessibility, Climate, Local Resources, Infrastructure and Physiography**

#### *Accessibility*

The Grasset Property is accessible by driving north from the town of Amos for 170 km along the paved provincial highway Route 111, then 70 km of paved forest road R1036, and 20 km of gravel road. The town of Val-d’Or lies an additional 70 km south of Amos whereas Matagami lies 185 km north of Amos (see Figure 5.1 of the Technical Report).

In summer, the best way to access the Property is by helicopter, although logging roads may be used to access parts of the property via all-terrain vehicle (ATV). These logging roads require some repair work to make them drivable for pick-up trucks in the summer, but they can be used for winter access in their current state.

#### *Climate*

The region experiences a typical continental-style climate, with cold winters and warm summers. Climate data from the nearest weather station in the Town of Matagami indicate daily average temperatures range from -20°C in January to 16°C in July (Environment Canada, 2012). The coldest months are December to March, during which temperatures are often below -30°C and can fall below -40°C. During summer, temperatures can exceed 30°C. Snow accumulation begins in October or November and snow cover generally remains until spring thaw in mid-March to May. The average monthly snowfall peaks at 65 cm in February and the yearly average is 314 cm (Environment Canada, 2012).

Exploration, mining and drilling operations may be generally carried out year-round with some limitations in specific areas. Surface exploration work (mapping, channel sampling) should be planned from mid-May to mid-October. Lakes are usually frozen and suitable for drilling from January to April. The thick overburden can make conditions difficult when the snow melts in May.

#### *Local Resources*

The Property area is well serviced by the mining supply sector and processing facilities. The Town of Matagami, about 75 km east-southeast of the Property, is the closest municipality with a population of 1,400 (2016). Matagami has the nearest hospital, and airstrip and access to the CN rail line. The Town of Amos is a major supply and service centre, with a population of 12,800 (2016). It also has a regional hospital. The nearest helicopter base is in La Sarre, located 140 km south of the Property. Val-d’Or has the nearest regional airport, with daily flights to various destinations. The nearest rail access is the CN Rail line to Matagami, 55 km southeast of Grasset Property.

Qualified personnel can be found throughout the Abitibi and Nord-du-Québec regions (Val-d’Or, Rouyn-Noranda, La Sarre, and Chibougamau) due to its rich history of forestry and mineral exploration and production.

#### *Infrastructure*

The nearest high-voltage power line is at the former Selbaie mine, approximately 20 km south of the Property. No infrastructures were constructed on the Property.

### *Physiography*

The Property has an extensive cover of Pleistocene glacial sediments ranging from 5 to 117 m thick. Most of the area is covered by swamps and forests composed of spruce, fir and pine. Bedrock exposures are scarce, locally occurring on small knolls and along major rivers. The low parts of the Property are almost devoid of outcrops. Some areas of the Property have recently been logged and partly revegetated. The minimum and maximum elevations on the property are 250 masl and 320 masl, respectively.

### **History**

A summary of the relevant historical work is presented in Table 6.1 of the Technical Report. The references are extracted from the MERN SIGEOM for all the previous exploration works that are registered in the government database into the area where the Property is located.

### **Geological Setting**

#### *Regional Geology*

The Property is located in the northwestern Archean Abitibi Subprovince of the southern Superior Province in the Canadian Shield (see Figure 7.1 of the Technical Report).

The Abitibi Subprovince is a greenstone belt composed of east-trending synclines of largely volcanic rocks and intervening domes cored by synvolcanic and/or syntectonic plutonic rocks (gabbro-diorite, tonalite, and granite in composition) alternating with easttrending bands of turbiditic wackes. Most of the volcanic and sedimentary strata dip vertically and are generally separated by abrupt, east-trending trans-crustal faults with variable dip. Some of these faults, such as the Cadillac–Larder Lake and Porcupine-Destor faults, display evidence of overprinting deformation events, including early thrusting, later strike-slip and extension events. Two ages of unconformable successor basins, producing widely distributed Porcupine-style basins of fine-grained clastic rocks, followed by Timiskaming-style basins of coarser clastic and minor volcanic rocks which are largely proximal to major strike-slip faults, such the Porcupine-Destor, Cadillac–Larder Lake, and similar faults in the northern Abitibi Greenstone Belt. In addition, the Abitibi Greenstone Belt is cut by numerous late-tectonic plutons from syenite and gabbro to granite, with lesser dykes of lamprophyre and carbonatite.

The Abitibi Greenstone Belt is subdivided into seven volcanic stratigraphic episodes based on groupings of numerous U-Pb zircon ages. These episodes denote a geochronologically constrained stratigraphy (from oldest to youngest):

- Pre-2750 Ma volcanic episode 1
- Pacaud Assemblage (2750-2735 Ma)
- Deloro Assemblage (2734-2724 Ma)
- Stoughton-Roquemaure Assemblage (2723-2720 Ma)
- Kidd-Munro Assemblage (2719-2711 Ma)
- Tisdale Assemblage (2710-2704 Ma)
- Blake River Assemblage (2704-2695 Ma)

The U-Pb zircon ages and recent mapping show similarity in timing of volcanic episodes and ages of plutonic activity between the northern and southern Abitibi Greenstone Belt, as indicated in Figure 7.1 of the Technical Report. Therefore, this geographic limit has only stratigraphic and structural significance.

The Abitibi Subprovince is bounded to the south by the Cadillac–Larder Lake Fault Zone, a major crustal structure separating the Abitibi and Pontiac subprovinces (see Figure 7.1 of the Technical Report).

The Abitibi Subprovince is bound to the north by the Opatica Subprovince (see Figure 7.1 of the Technical Report), a complex plutonic-gneiss belt formed between 2800 and 2702 Ma.

The metamorphic grade in the greenstone belt displays greenschist to sub-greenschist facies, except around plutons or approaching the Opatica and Pontiac subprovinces and the Grenville Province where amphibolite grade prevails.

### *Local Geology*

The Property is located in the Northern Volcanic Zone or Harricana-Turgeon (“HT”) volcano-sedimentary belt of the Abitibi Subprovince, near the boundary between the Abitibi and Opatica subprovinces (see Figure 7.2 of the Technical Report). The HT belt overlaps the Ontario-Quebec boundary. In Ontario, the HT belt is formed by the Deloro, Porcupine and Stoughton- Roquemaure assemblages of Thurston et al. (2008). In Quebec, these assemblages are recognized as the Manthet Group, the Rivière Turgeon Formation and the Brouillan-Fenelon Group, each forming a distinct geological domain. The boundaries between the geological domains are high-strain zones that include the Lower Detour (“LDDZ”) and Sunday Lake (“SLDZ”) deformation zones. The SLDZ separates the Manthet and Matagami domains, whereas the LDDZ separates the Matagami and Brouillan-Fenelon domains.

The Manthet Group, to the north of the SLDZ, has been interpreted as the equivalent of the 2730-2724 Ma Deloro assemblage. It is characterized by abundant iron-rich tholeiitic basalts and coeval gabbroic sills and dykes with minor intercalated graphitic argillites, as well as mafic and felsic volcanoclastic rocks. Ultramafic flows and intrusions at the base of the volcanic sequence are also known near the Detour gold mine and between the Fenelon claim block and the Opatica Subprovince. The volcanic sequence is coeval to the volcanics of the Selbaie and Matagami base metal mining camps. The degree of metamorphism and deformation within the Manthet domain increases gradually northward toward the Opatica gneisses.

The Rivière Turgeon Formation is bound by the SLDZ in the north and the LDDZ in the south, bridging the Manthet and Brouillan-Fenelon groups, respectively. Rock types consist mostly of wackes and argillites, as well as tuffaceous units and iron formations. These sediments are interpreted to be formed in a successor basin unconformably overlying the volcanic rocks. They are included in the Matagami Group and are considered equivalent to the Porcupine-type sediments of the southern Abitibi. The iron formations show strong lateral continuity along east-west trends. Other rock types include numerous mafic to ultramafic sill-like intrusions and at least one larger composite mafic-ultramafic intrusion. The contact between the Rivière Turgeon Formation and the Manthet Group is the SLDZ, which dips 70°-80° to the south-southwest.

The volcanic-dominated Brouillan-Fenelon Group lies to the south of the LDDZ and comprises mostly mafic volcanic rocks that are interpreted to be the equivalent of the 2723-2720 Ma Stoughton-Roquemaure Assemblage of Thurston et al. (2008). This geological domain contains a greater volume of felsic volcanic and intrusive rocks than the Manthet Group. It hosts the former-producing Selbaie volcanogenic massive sulphide (“VMS”) deposit.

The Property also encloses the southeast edge of the Jérémie Pluton, the largest multiphase intermediate to felsic intrusion of the volcanic segment. The pluton has been recently dated at  $2697.11 \pm 0.96$  Ma (Carter, 2020; in Slater and Amaral, 2020).

### *Geology on the Property*

Due to the thick glacial cover, the geology of the Property is mainly known through drilling and the interpretation of geophysical survey results.

The correlation between drill hole information and geophysical maps has been used to recognize magnetic units, such as gabbroic and ultramafic rocks, low-magnetic sedimentary rocks, and highly conductive graphitic horizons. Basalts of the Manthet Group are located north of the SLDZ. Magnetic gabbroic sills follow the attitude of the contact between the Abitibi and Opatica subprovinces.

The GUC intrusives have been identified in the southeast part of claim block. It consists of a stacked pile of basalts, gabbro and ultramafic sills and dykes, with minor rhyodacitic to dacitic volcanoclastics and rhyolite flows, several narrow-intercalated bands of iron formation and graphitic argillite in apparent conformable contact with the overlying rock units. Komatiite-hosted Ni-Cu-PGE mineralization occurs within the GUC, and pyrite-rich, volcanic-hosted massive sulphide mineralization is found in the felsic members of the complex.

The general attitude of the GUC is WNW, pinched between the Jérémie Pluton and the Opatica Subprovince. Several ductile deformation zones have been intercepted in drill holes along strike in the GUC, suggesting that the NW-SE trend may correspond to a major fault, parallel to other similar faults to the north and south of the SLDZ (see Figure 7.3 of the Technical Report). The southern portion of the GUC is sheared and possibly folded by the SLDZ. The ultramafic part of the GUC is composed of olivine pyroxenite, black pyroxenite, and pyroxene dunite, with a serpentine and talc-carbonate alteration overprint. It is not clear if the ultramafic rocks are intrusive in the volcanic sequence or are volcanic flows. Most drill hole intervals show the ultramafic to be massive, homogeneous, fine-grained and generally magnetic, possibly correlated to the 'B' cumulate layer at the base of komatiitic flows. Spinifex texture has been observed by Brousseau et al. (2007), indicating that the upper part of volcanic flows, the 'A' layer, is also present in the sequence. In the centre of the GUC, the presence of biotite in drill holes indicates that metamorphism reached upper greenschist facies.

Little is known about the detailed geology of the northwestern zone due to extensive overburden cover and very limited drilling. Geophysical interpretation suggests that the southern portion of this zone is underlain by the northwestern extension of the Fenelon felsic volcanic complex and the northwestern-most portion of the GUC. The northern portion of the zone exhibits patterns suggestive of folding and dismemberment of the GUC as a result of emplacement of the Jérémie batholith and the rocks of the Opatica Subprovince. The occurrence of ultramafic rocks forming part of or related to the GUC indicate the potential for the discovery of nickel-copper-PGM sulphide mineralization (similar to the Grasset deposit). As well, the Fenelon felsic volcanic complex indicate the potential for Cu-Zn VMS mineralization. To date, only minor occurrences of pyrite, pyrrhotite and sphalerite (Zn-sulphide) have been noted in drilling.

#### *Mineralization*

The most important mineralized occurrence consists of Ni-Cu-PGE mineralization associated with the GUC.

#### Grasset Ni-Cu-PGE Deposit

Mineralization at the Grasset Ni-Cu-PGE deposit (see Figure 7.3 of the Technical Report) is concentrated in two stacked sulphide-bearing horizons (H1 and H3) oriented NW-SE within vertically dipping peridotite ultramafic units (see Figure 7.4 of the Technical Report). Mineralization consists of metre-scale layers of net-textured or blebby to semi-massive and massive sulphides. Pyrrhotite is the dominant sulphide mineral, with subordinate amounts of pentlandite, chalcopyrite and pyrite. The concentration of pentlandite and chalcopyrite is proportional to the total sulphide content. The two horizons are stacked, 25 to 50 m thick, and separated by 10 to 50 m of unmineralized ultramafic rock. Horizon 3 (H3) is defined over a strike length of roughly 500 m and hosts the bulk of the high Ni-Cu-PGE values defined to date. Horizon 1 (H1) has been defined over a longer strike length (~900 m) and hosts moderate nickel grades (<1%) over its entire extent. Mineralization has been defined down to a vertical depth of approximately 600 m. Both zones remain open at depth.

#### GUC Central Nickel-Copper-Cobalt-PGE Discovery



The GUC Central Ni-Cu-Co-PGE discovery (“GUC Central”) is located within the GUC, 7 km northwest on strike from the multi-million-tonne Grasset Ni-Cu-Co-Pt-Pd deposit (see Figure 7.3 of the Technical Report). The GUC Central mineralized discovery sits near or at the base of an approximately 950-m-thick bimodal stratigraphic package comprised of ultramafic (komatiite) flows with lesser felsic (rhyolite and rhyolite tuff) volcanic lithologies (see Figure 7.6 of the Technical Report). This SW-dipping stratigraphic sequence is locally intruded by a series of cumulate ultramafic (peridotite) sills and late gabbro dykes.

The principal target in the GUC Central area is komatiite-hosted nickel sulphide mineralization. At GUC Central, the nickel sulphide mineralization exhibits classic sulphide segregation/settling textures grading down-sequence from disseminated, to net-textured matrix, to massive sulphide, over widths of 5 to 20 m. The thickest accumulation of this style of nickel sulphide mineralization occurs at the base of the ultramafic sequence, where it appears to have thermally eroded the mafic volcanosedimentary sequence in the basement. Erosional channels are known to be typical of productive komatiite sequences and are widely used as exploration guides for massive sulphide bodies. The mineralization consists of a simple sulphide assemblage of pyrrhotite>pyrite>pentlandite>chalcopyrite and locally appears to have been remobilized by post-mineral deformation and dyke emplacements.

The broadest mineralized interval intersected to date was in drill hole FAB-18-58, which returned 7.58 m grading 1.05% Ni, 0.31% Cu, 0.05% Co, 0.20 g/t Pt and 0.48 g/t Pd (see Figure 7.7 of the Technical Report). Locally nickel- and copper-bearing sulphide accumulations occur above the base of the komatiite stratigraphy. Several of these sulphide accumulations appear to represent zones of remobilized sulphide related to late shearing, cutting through portions of the GUC.

### **Deposit Types**

The ore deposit and mineralized occurrences on the Property share many characteristics with the following deposit types: orogenic gold and komatiite-hosted Ni-Cu-PGE. Descriptions of the different deposit types are summarized below.

#### *Komatiite-hosted Ni-Cu-PGE*

Deposits of this type are associated with ultramafic (komatiite) volcanic flows and related sub-volcanic intrusive bodies. They are broadly divided into two classes based on the style of mineralization and the host rock. Massive to semi-massive sulphide bodies are typically found at the base of stratified komatiite flow sequences (see Figure 8.1 of the Technical Report). Mineralization typically exhibits classic sulphide segregation/settling textures grading down-sequence from disseminated, to net-textured matrix, to massive sulphide. In most productive systems, the thickest accumulation of nickel sulphides occurs at the base of the ultramafic sequence, where it comes in contact with (and appears to have thermally eroded) the basement volcanic-sedimentary sequence. The metal source is the ultramafic magma, which was generated by strong partial melting of a sulphurundersaturated mantle source. The sulphur is derived from sulphide-rich country rocks (e.g., sulphidic argillites or volcanic rocks) when the sulphides are melted by the high-temperature komatiite magma. Disseminated sulphide deposits are more commonly associated with sills and dykes that are considered feeders to the ultramafic volcanic flows, with nickel to copper ratios greater than 3:1.

Critical parameters controlling the presence or absence of mineralization include the primary magmatic composition, the availability of a suitable substrate and, most critically, the physical volcanology or magma dynamics in small intrusions. The Grasset Ultramafic Complex is prospective for this type of mineralization.

#### *VMS Cu-Zn-(Ag-Au)*

VMS deposits are a product of hydrothermal convection systems in the seafloor that are typically established within extensional tectonic settings (see Figure 8.2 of the Technical Report). Thinned lithosphere and magmatism associated with rifting cause heating and changes to the seawater trapped in the adjacent volcanic strata. Heat-induced water-rock reactions result in metal leaching and the formation of hydrothermal

convection systems. Long-lived hydrothermal systems ultimately discharge hot, metal-rich hydrothermal fluids from deep-penetrating, synvolcanic faults onto the seafloor or into permeable strata immediately below the seafloor to form VMS deposits. VMS deposits are mined as important sources of zinc, lead, copper, silver and/or gold and may also be endowed with cobalt, tin, selenium, manganese, cadmium, indium, bismuth, tellurium, gallium and germanium. A typical VMS deposit comprises a concordant lens of massive sulphides (greater than 60% sulphide minerals), underlain by a discordant stockwork zone typically comprising stockwork veins and stringers of vein-hosted sulphides in a pipe-like body of hydrothermally altered rock. The most abundant sulphide mineral is typically pyrite, followed by pyrrhotite, chalcopyrite, sphalerite and galena.

## **Exploration**

Archer did not conduct any exploration activities on the Property.

## **Drilling**

Highlights of historical drilling by the former owners are presented in Item 6 of the Technical Report. Archer did not conduct any drilling activities on the Property.

## **Sample Preparation, Analyses and Security**

No sampling was performed by Archer on the Grasset Property. The following is an extract of the work performed by the previous Issuers that led to the resources estimate.

This section discusses Balmoral's sample preparation, analysis and security procedures for its 2015 program on the Grasset claim block (Grasset deposit), as described in Lustig (2016) who conducted a review of the QA/QC results from the 2015 program. The information presented in this item is based on Richard and Turcotte (2016) and Pelletier and Nadeau-Benoit (2021). Other references are duly indicated.

For descriptions relating to the 2011, 2012 and 2014 drilling programs, the reader should refer to Perk (2015).

### *Core Handling, Sampling and Security*

Core handling and security procedures were managed by Balmoral personnel in 2015. Drill core was laid out in wooden core trays at the drill site, with the end of each drill run marked with a small wooden block displaying the total depth of the hole. The boxes were labelled with the hole and box number (permanent marker), sealed with a lid, strapped with fiber tape and then transported daily from the drill site to the core storage and logging facility. The core was transported mostly via helicopter, but also by snowmobile and truck during the winter programs.

Following geological and geotechnical logging, core samples (NQ size) were sawed lengthwise with half of the core submitted as a primary sample and the remaining half core retained in the core box for future reference or to serve as QA/QC samples. Samples are typically 1 m in length with an average length of 1.217 m and a range from 0.33 m to 4.12 m.

Field duplicates were collected as a quarter-core sample from the same interval as the half-core sample, leaving a quarter-core in the box for reference. Core trays containing this remaining reference core were labelled with aluminum tags indicating the hole number and the core interval, and stored at the Fenelon mine site. The sampled portion of the core was placed into a clear polyethylene bag, along with a waterproof sample tag supplied by the analytical lab. The sample tag number was then written on the bag after which it was sealed with a cable tie. Up to 10 sealed sample bags were then placed in labeled rice bags, along with a request for analysis form, and then closed with a plastic seal. Samples from individual holes were sent to the laboratory as separate batches, or shipments, in order to optimally track and minimize possible handling and/or sample preparation errors. Prior to shipment to the laboratory, each sample bag was checked to verify it was numbered properly and sealed. Balmoral personnel then transported the samples to ALS in Val-d'Or,

Quebec. Upon arrival in Val-d'Or, an ALS employee would sign the analytical request form to verify that the full shipment had been delivered.

#### *Laboratory Accreditation and Certification*

The ALS laboratories in Val-d'Or and Vancouver are ISO 9001 certified and individually accredited (ISO/IEC 17025) for the analytical methods routinely used on the Grasset samples. The Val-d'Or and Vancouver facilities are commercial laboratories and ALS were independent of Balmoral and have no interests in the property.

Bureau Veritas in Vancouver and SGS in Burnaby were used for check assays. Bureau Veritas in Vancouver is accredited by the SCC to CAN-P-1579 and CAN-P-4E (ISO/IEC 17025:2005) for the FA330 method only (Au-Pt-Pd FA/ICP-AES). SGS in Burnaby is also accredited by the SCC to CAN-P-1579 and CAN-P-4E (ISO/IEC 17025:2005) for the methods GE\_FA1313 (Au-Pt-PD FA/ICP-AES), GE\_ICP40B (33 element 4A/ICP-AES) and GOICP90Q (Cu, Ni sodium peroxide fusion/ICP-AES).

#### *Sample Preparation*

All samples were submitted to ALS in Val-d'Or, Quebec, with sample preparation at either the Val-d'Or facility or the one in Sudbury. Gold was analyzed at the Val-d'Or laboratory. Analyses for platinum, palladium, copper and nickel were done at ALS in Vancouver, as were gold analyses by ICP-AES.

After logging and sorting, the samples were dried and crushed using method CRU-31, consisting of fine crushing to better than 70% of the sample passing 2 mm. A crushed sample split of up to 1,000 g was pulverized in a ring mill using a chrome steel ring set to at least 85% of the ground material passing through a 75 µm screen (method PUL32).

#### *Analytical Methods*

At the Val-d'Or laboratory, gold was analyzed by FA with AAS and GRAV finishes using methods Au-AA23 and Au-GRA21, respectively. At the Vancouver laboratory, copper and nickel were analyzed using methods ME-ICP61 and ME-ICP81, and gold was analyzed by ICP-AES as part of the PGM-23 package along with platinum and palladium.

- Au-AA23 (gold assays from the target gold zones: FA of a 30 g aliquot followed by aqua regia (HNO<sub>3</sub>-HCl) digestion and measurement by AA).
- Au-GRA21 (re-assays on the same pulp of samples returning >5 ppm Au): FA of a 30 g aliquot, parting with nitric acid (HNO<sub>3</sub>) followed by GRAV gold determination.
- PGM-23 (gold plus platinum and palladium): FA of a 30 g aliquot with aqua regia (HNO<sub>3</sub>-HCl) digestion and measurement by ICP-AES (aka, ICP-OES and ICP-ES).
- ME-ICP61 (all samples; trace-level multi-element method): analyses of a 0.25 g aliquot by ICP-AES following a four acid (HNO<sub>3</sub>-HClO<sub>4</sub>-HF-HCl digestion, HCl leach – nitric, perchloric, hydrofluoric, and hydrochloric acids).
- ME-ICP81 (re-assays of samples returning >5,000 ppm Cu or Ni): fusion of a 0.2 g aliquot with a sodium peroxide (Na<sub>2</sub>O<sub>2</sub>) flux. The fused material is dissolved in 30% hydrochloric acid and analyzed by ICP-AES. The detection limits are 0.005% with an upper reporting limit of 30%.

#### *Quality Assurance and Quality Control*

The QA/QC procedures for the 2015 program on the Grasset deposit were the same as those established for the 2012 program (Lustig, 2012a). They included the routine insertion of a standard reference material (standards), field or preparation duplicates and field blanks in each group of twenty (20) samples. The initial drilling program at the Grasset deposit targeted gold mineralization, but magmatic Ni-Cu-PGM

mineralization was discovered during the 2012 program. The QA/QC program was modified to include the monitoring of platinum, palladium, copper and nickel in addition to gold (Lustig, 2016).

Analytical results were continuously and independently monitored to assure that the quality of analyses was maintained. A “failure table” was kept to document deviations from the accepted limits and to track corrective actions. Assays exceeding the acceptable limits were examined to determine if there had been a sample mix-up in the field or laboratory, or whether it was an analytical issue that may require corrective action. When necessary, the affected samples were re-assayed.

Contamination was monitored by the routine insertion of barren coarse material (blanks) that went through the same sample preparation and analytical procedures as the core samples. Results were monitored and corrective actions applied where necessary.

Precision of the analytical results was monitored by quarter-core duplicate samples and preparation duplicates split after coarse crushing. Pulp duplicates were routinely analyzed as a part of the ALS internal QC programs, which were reported and monitored. Duplicates were taken at each stage involving reduced sample mass or grain size to monitor the overall sampling system. The field duplicates, representing the first split of the sample, incorporated the maximum amount of geological variability inherent in the material due to the particulate nature of the material.

In addition to the routine QA/QC samples, random selections from a geologically defined mineralized subset were assayed at two different laboratories as an independent check of relative accuracy.

Table 11.1 of the Technical Report outlines the samples included in the 2015 QC database. ALS’ internal QC samples varied with the analyte and digestion method (see Table 11.2 of the Technical Report).

#### Blank Samples

To monitor contamination during the sample preparation and analytical stages, 417 coarse quartz material blank samples were inserted into the sample stream at a rate of one (1) for each group of 20 samples submitted. In high-grade intervals, additional blanks were sometimes inserted. Table 11.3 of the Technical Report presents the detection limit for each element and the upper acceptable limit (5DL). As the copper and nickel analyses combined several methods, the detection limit of 0.001% for method ME-OG62—a standard ore grade method—was used to establish the warning level for these elements.

A total of 16 field blanks exceeded the 5DL warning level.

Two (2) of the blanks exceeding the limit were determined to have been switched with the core samples. Re-assays of both blanks along with adjacent samples confirmed that the initial assays were of core samples and not blank material, and one (1) of the samples could not be definitely connected with a specific sample interval. The remaining warnings were for Cu (2), Ni (8), Pd (1), Pd-Cu-Ni (1), and Pd-Ni (1). Each elevated blank value was examined to determine if it was likely caused by contamination and if that degree of contamination was significant given the overall values in the sample sequence. One (1) copper and one (1) nickel blank exceeding the warning limits had no apparent source or indication of contamination. The remaining samples could be correlated with higher grades in preceding samples, but there was no apparent significant contamination indicated with any of the samples following the elevated blanks.

According to Lustig (2016), there is a close correlation between the core grades and the blank analyses. This indicates that some contamination is always present. Although there were indications of contamination associated with many of the mineralized intervals, the amount of metal added to the blank was not considered significant by Lustig (2016) in the context of the actual grades of the overall interval.

#### Certified Reference Materials (standards)

Accuracy was monitored by the insertion of CRMs into the sample stream at the rate of one (1) in each group of 20 samples submitted. Control limits were established at the recommended mean  $\pm 3SD$  and warning limits at the recommended mean  $\pm 2SD$ .

Analytical batches were not automatically re-analyzed in the event of a standard failure; instead, the complete batch was examined to determine the cause and significance of the failure. Analyses with large differences from expected values were often misidentified standards or had been switched with routine drill samples. Batches where all results were less than detection or very low grade generally did not require re-analysis, but batches containing mineralized results were always re-analyzed if it was determined that the error was analytical rather than a sample mix-up.

The primary standards employed were certified commercial standards prepared by CDN Resource Laboratories Ltd of Langley. As part of their internal quality control program, ALS used commercial standards provided by CANMET, AMIS, CDN, Geostats, OREAS and RockLabs.

Forty (40) standard analyses exceeded the control limits (see Table 11.4 of the Technical Report). Six (6) of these were misidentified standards. These can be readily identified by the unique multi-element signature of each standard.

No groups were re-assayed due to gold failures.

A group of samples was re-assayed based on a Cu failure and Pt-Pd failures. The Cu- Ni failure was due to a misidentified standard. The samples associated with the Pt-Pd failures were re-assayed.

Four (4) gold standards were used during the 2015 program, with certified values ranging from 1.16 ppm to 3.19 ppm. No result required re-analysis.

Two (2) platinum standards were used during the 2015 program, with certified values ranging from 0.568 ppm to 0.807 ppm. Only two results required re-analysis (Lustig, 2016).

Two (2) platinum standards were used during the 2015 program, with certified values ranging from 0.9928 ppm to 3,420 ppm. Only three (3) results required re-analysis (Lustig, 2016).

Three (3) copper standards were used during the 2015 program, with certified values ranging from 0.407% to 1.635%. Only one (1) result required re-analysis (Lustig, 2016).

Two (2) nickel standards were used during the 2015 program, with certified values ranging from 1.572% to 4,770%. No result required re-analysis (Lustig, 2016).

### Duplicates

Precision was monitored through a program of field and laboratory duplicates representing each level of sub-sampling. These included alternating quarter-core field duplicates and preparation duplicates taken after coarse crushing. With the exception of gross errors indicating sample mix-ups, samples or batches were not passed or failed based on the results of duplicate analyses; rather, they quantified relative error and indicated how representative the sampling and sub-sampling procedures were.

According to Lustig (2016), the procedure used for the Grasset drilling programs compared the quarter-split field duplicates to the half-core original samples. Outliers were removed from the dataset before performing statistical analyses or plotting the duplicate results. A number of far outliers were also removed manually.

A series of duplicate plots were produced in Lustig (2016) for each metal, consisting of scatter plot pairs, linear and log-scaled plots for each type of duplicate, ARD%/COV% vs. percentile or rank, and a set of relative error vs. concentration plots.

### *Metals*

## Gold

Gold results were based on a combined dataset of FA/AAS and FA/ICP-AES results. The uncorrected COVAVR(%) results are quite different, with the ICP results having considerably higher relative error at 41.4% compared to 28.5% for the AAS analyses. The ICP assays have slightly lower grade.

The overall corrected average relative error as indicated by the field duplicates at 28.37% is fairly good when compared to other deposits (Lustig, 2016). The precision indicated by the ARD% value of 90% at the 90th percentile is quite poor. This may be due to some extent by the low overall grade of the complete gold dataset.

## Platinum

In contrast to gold, the platinum duplicate results indicate low average relative error with COVAVR(%) values at 11.6% for quarter-core field duplicates, 6.4% for preparation duplicates and 5.3% for pulp duplicates (Lustig, 2016). The ARD% at the 90th percentile is also low at 29.2%, 13.3% and 10% for field, preparation and pulp duplicates, respectively. The scatter plots and relative error vs. rank plot in Lustig (2016) show the improving precision with the decrease in sample mass and particle size. The relative error as COV% vs. duplicate pair mean plot for the quarter-core duplicates indicates that there is little or no relationship between error and concentration. The COV% for the preparation duplicates decreases from 10% at ~0.03 ppm to ~2% at 0.04%, remaining near this level to the end of the moving average line at 0.3 ppm. A similar pattern is apparent from the pulp duplicates with a drop from ~10% at 0.01 ppm to ~3% at 0.03 ppm to ~2% at 0.12 ppm.

## Palladium

According to Lustig (2016), the relative error of duplicate analyses for palladium are similar to platinum with COVAVR(%) of 15.5%, 5.7% and 2.7% for field, preparation and pulp duplicates, respectively, and ARD% at the 90th percentile is 40.3%, 15.4% and 5.7%.

The scatter plots and ARD% vs. rank plots in Lustig (2016) show the decreasing relative error with sample mass and particle size reduction during sample preparation and the decreasing relative error with concentration in the more homogenized preparation and pulp duplicates.

## Copper

According to Lustig (2016), average relative error values as COVAVR(%) for copper field duplicates at 10.4% are within the general guidelines of 10% “best practice” and 15% “acceptable practice” suggested by Abzalov (2008). Also, the COVAVR(%) for pulp duplicates at 4.0% are within the best and acceptable guidelines of 5% and 10%. The plots in Lustig (2016) indicate consistent decrease in relative error from field duplicates to pulps and low grade to high grade.

## Nickel

Nickel analyses of all duplicates indicate very low levels of relative error (Lustig, 2016). The COVAVR(%) is 4.9% for quarter-core field duplicates, 3.1% for coarse preparation duplicates and 2.9% for pulp duplicates. ARD% at the 90th percentile is also low at 13.5%, 6.3% and 6.7% for the three duplicate types. Interestingly, the ARD% at the 90<sup>th</sup> percentile for pulp duplicates is slightly higher than the preparation duplicates. The scatter plots in Lustig (2016) display very tight patterns on both the linear and log plots for all duplicate types. The ARD% vs. rank plot shows the very low levels of relative error plus the coincidence and crossover of the preparation and pulp curves. The relative error vs. concentration plots indicates a distinct bimodal character to the results, with clusters at ~0.01% and ~0.2%, with a slight cluster ~1%. It is assumed that these clusters represent the natural distributions of relative error in background and mineralized populations.

## *External Check Assays*

As an independent check of relative accuracy, pulps previously assayed by ALS were sent to external laboratories for check assays (Lustig, 2016). To avoid a selection bias and to avoid re-assaying a large number of barren samples, subsets of samples that had been visually logged as mineralized based on the presence of pyrrhotite were used as the basis for a computerized random selection. The external checks consisted of 50 samples each from the summer and winter drill programs. Pulps from the winter program were submitted to SGS in Burnaby accredited by the SCC to CAN-P-1579 and CAN-P-4E (ISO/IEC 17025:2005) for the methods GE\_FAI313 (Au-Pt-PD FA/ICP-AES), GE\_ICP40B (33 element 4A/ICP-AES) and GOICP90Q (Cu, Ni sodium peroxide fusion/ICP-AES); these methods are comparable to those employed by ALS.

The summer checks were sent to Bureau Veritas in Vancouver, accredited by the SCC to CAN-P-1579 and CAN-P-4E (ISO/IEC 17025:2005) for the FA330 method only (Au-Pt-Pd FA/ICP-AES), which is comparable to the method used by ALS. Methods for copper and nickel by 4-acid digestion and sodium peroxide fusion are comparable to the ALS methods, but are not accredited to Bureau Veritas.

For the purpose of this comparison, duplicate pairs with <DL samples from either laboratory were removed from the dataset (Lustig, 2016). Outliers were also removed before statistical analyses and plotting using the same methods as with the routine duplicate samples.

After the examination of check assay results, Lustig (2016) concluded that the quality control and check assays confirm that the Grasset winter and summer 2015 assay data are accurate, precise and free of contamination to industry standards, and of sufficient quality to be used in mineral resource estimation.

#### *Conclusions on Balmoral's QA/QC for Grasset*

The statistical analysis of the QA/QC data provided by Lustig (2016) did not identify any significant analytical issues. The QP is of the opinion that the sample preparation, analysis, QA/QC and security protocols used during the drilling programs on the Grasset claim block (Grasset deposit) follow generally accepted industry standards, and that the data is valid and of sufficient quality to be used for mineral resource estimation purposes.

### **Data Verification**

#### *Site Visit*

Carl Pelletier conducted a site visit on July 5, 2022, to the Property. Onsite data verification included a general visual inspection of the Property, the core storage facilities, a check of drill collar coordinates (GUC and Grasset Zone H1 and H3 area), and a review of selected mineralized core intervals (Grasset H1 and H3), the QA/QC program and the log descriptions of lithologies, alteration and mineralization.

#### Core Review

The core boxes are stored in core racks. The Technical Report Author found the boxes in good order and properly labelled with the sample tags. The wooden blocks at the beginning and end of each drill run were still in place, matching the indicated footage on each box. The Technical Report Author validated the sample numbers and confirmed the presence of mineralization in the reference half-core samples.

#### Drill Hole Location

The coordinates of 17 surface holes were confirmed by the author using a handheld GPS (see Figure 12.2 of the Technical Report and Table 12.1 of the Technical Report), then compared to the database. All results had acceptable precision.

The collar locations in the database are considered adequate and reliable.

#### *Grasset MRE Drill Hole Database*

This item covers the data verification done by the QP on the diamond drill hole database used for the Grasset MRE. All drilling information for the Grasset MRE was reviewed and validated by the QP. Basic cross-check routines were performed between the 2016 and 2021 databases. Since the 2016 MRE was published, 11 additional holes have been drilled by Balmoral in 2018 (Tucker, 2019). Overall, a visual inspection of the 2018 drilling results revealed that the thickness and grade of the mineralized zones remain in the same order of magnitude as the Grasset 2016 MRE. Moreover, the 2018 DDH continued to confirm the geological and grade continuities that were demonstrated in the Grasset 2016 MRE. Checks and validation were also conducted in Gems for the volumetrics comparison (tonnage and grade estimation) between the 2016 and Grasset MRE. No discrepancies were found.

The 2022 validation included all aspects of the drill hole database (i.e., collar location, drilling protocols, down-hole surveys, logging protocols, sampling protocols, QA/QC protocols, validation sampling, density measurements review and check against assay certificates).

#### *Previous Site Visit*

Re-sampling of the mineralized intervals of the Grasset deposit were completed for the purpose of the technical reports by Richard and Turcotte (2016). See Table 12.2 of the Technical Report.

Grades for Ni, Cu, Ag, Pt and Pd display good overall correlation considering the fact that quarter-core samples are being compared to original half-core samples, and that some local variability can be expected. Gold, on the other hand, is more puzzling as the re-assays are systematically lower than the original samples. This can be explained by the fact that we are dealing with low grades, and that samples have high sulphide contents, which can make it tricky for the laboratory to adequately estimate gold grades. However, since gold in the Grasset deposit is not taken into account for the resource estimate due to sub-economic levels, the re-assay results are deemed sufficient for the expected level of study. Further investigation may be warranted in the future to better understand the discrepancies in gold assays, especially if gold-rich zones are to be modelled (not currently the case).

Two objectives were met by the core validation and re-sampling program:

- Significant grades were found in the database for all six elements (Ni, Cu, Au, Ag, Pt, Pd);
- The program provided a geological overview of the deposit.

#### **Mineral Processing and Metallurgical Testing**

This item describes the mineral processing and metallurgical testing carried out on the Grasset deposit by previous owners.

The information presented in this item was sourced from Richard and Turcotte (2016) and Pelletier and Nadeau-Benoit (2021).

A preliminary metallurgical testwork report (the “Met Report”) dated September 24, 2015, was authored by Andrew Kelly, P.Eng., of Blue Coast (Kelly, 2015).

The Met Report includes a disclaimer stating that the data provided, and the associated interpretations offered are based on samples made available to Blue Coast by Balmoral. No assurances can be made by Blue Coast on the representability of the samples tested.

The text below represents excerpts from the Met Report that have not been altered except for minor linguistic editing and formatting to ensure harmonization with the rest of the Technical Report.

#### *Study Summary*

Blue Coast was contracted by Balmoral to execute an initial metallurgical performance characterization of two master composites and variability testing of 12 additional composites for the Grasset nickel-copper-gold-



PGM project. The testwork program was conducted on two master composites with average nickel grades of 1.9% and 1.3%, respectively. Average grades for both master composites are summarized in Table 13.1 of the Technical Report. The program was designed to provide a scoping level metallurgical evaluation of the property and included grindability testing (Bond Rod and Bond Ball work index tests), gravity amenability tests, and both rougher and cleaner flotation tests. Single locked cycle tests were conducted for each composite using the best conditions developed during the cleaner flotation program. Tailings generated during the locked cycle tests were subjected to net acid generation and acid base accounting tests to determine the extent that tailings may be acid generating.

Both master composites displayed similar mineral compositions. Sulphide mineralization is made up of pentlandite, chalcopyrite, pyrrhotite and pyrite. Gangue mineralogy is composed of a mix of altered silicates (talc and serpentine) as well as carbonates (magnesite and dolomite). The talc content ranges from 29% in Master Composite 1 to 36% in Master Composite 2, making it substantially higher than most nickel deposits. Master Composite 1 contains a significant quantity of serpentine (25%), while this is almost non-existent in Master Composite 2 (0.4%). On the other hand, Master Composite 2 contains more chlorite (13%) compared to Master Composite 1 (0.5%) (see Figure 13.1 of the Technical Report).

Variability composites were characterized by chemical assays and QEMSCAN automated mineralogical analysis. Overall, the variability composites showed similar mineralogical characteristics to the master composites. Sulphide mineralization was composed of pentlandite, chalcopyrite, pyrite and pyrrhotite. One sample (R154073) contained millerite as the primary nickel host; however, this was the only sample where millerite was observed. Four (4) of the 12 samples (R15074, R15076, R15078 and R15083) contained moderate amounts of serpentine and are similar to Master Composite 1 in that regard. The remaining eight (8) samples contain low levels of serpentine and are more closely related to Master Composite 2. Head assays are summarized in Table 13.2 of the Technical Report, while the modal mineralogy of the variability composites is summarized in Figure 13.2 of the Technical Report.

Grindability testing indicates material of moderate hardness, which should not present difficulties during grinding. However, differences in grinding times were observed between the composites and are likely explained by the relative content of serpentine mineralization present, with greater quantities of serpentine tied to longer grind times. Grindability test results are summarized in Table 13.3 of the Technical Report.

Flotation results are presented in Table 13.4 of the Technical Report. The results were consistent between each composite. Concentrates grading between 13.4% and 13.8% nickel were produced, with nickel recoveries ranging between 86% and 87%. Copper recovery to concentrate was 94%. Higher grades and recoveries were observed with Master Composite 2 (MC-2) and are likely explained by coarser pentlandite grain sizes which improved the overall liberation profile compared to Master Composite 1 (MC-1).

Rougher and cleaner flotation tests identified significant drivers of overall metallurgical performance to be:

- Soda ash and CMC for talc depression
- Primary grinds of approximately 80% passing 65 µm
- Long cleaning flotation times to recover slower floating pentlandite

Minor element scans of final concentrates did not detect the presence of any significant quantities of penalty elements; however, exact penalty limits should be verified with concentrate marketing specialists. Iron to MgO ratios for MC-1 and MC-2 were 5.9 and 6.9, respectively.

The final locked cycle test concentrates were assayed for gold and PGE, with results summarized in Table 13.5 of the Technical Report. Flotation conditions were not specifically optimized for precious metals as part of this program. Gold recovery ranged between 42% and 54%, platinum recovery ranged between 35% and 49%, while palladium recovery appeared the highest at 89%. Gold and PGE recoveries were based on a

limited dataset of feed and concentrate assays coupled with mass recoveries from locked cycle tests. Accordingly, they are estimates only and should not be considered as robust as the base metal projections.

Two gravity tests were conducted during the test program. A single test was conducted on the feed material to identify the gravity response of the material itself. A second test was conducted to evaluate the ability to produce a separate precious metal stream from the final flotation concentrate. The test on feed material showed negligible recovery of platinum and palladium to the Knelson concentrate. Gold recovery to the Knelson concentrate was moderate at 27.7%, albeit at a fairly low concentrate grade of 8.1 g/t Au. Tabling the Knelson concentrate was able to upgrade the sample to 74.6 g/t Au but at a low overall recovery of 1.9%. The results suggest that gravity concentration is not effective for gravity recovery of the PGE and is only marginally better for gold.

Concentrate produced from Master Composite 1 (during LCT 2) was tabled to determine if the precious metals and gold could be placed into a separate, higher-grade concentrate to reduce the impact of smelter deductions and increase the overall value of the project. The test showed that 53% of the gold, 31% of the platinum and 31% of the palladium could be concentrated into 21% of the mass. Gold grades increased from 2.2 g/t to 5.7 g/t. The palladium grades increased from 7.8 g/t to 11.5 g/t, while the platinum grades remained relatively unchanged.

Acid-Base Accounting (“ABA”) and Net Acid Generation (“NAG”) tests were conducted to determine the extent that Grasset tailings could be acid generating. Results of both analyses suggest that the potential for Grasset tailings to be acid generating is low. The net neutralization potential (“NNP”) of each composite was an order of magnitude greater than the Maximum Potential Acidity (“MPA”). Additionally, the NAG test results were both below detection limits, and the final pH ranged between 8.7 and 8.8. ABA and NAG test results are summarized in Table 13.6 of the Technical Report.

Based on the test program, the following recommendations were made:

- Conduct variability hardness testing to determine the range of hardness within the deposit.
- Evaluate conditions to increase the final concentrate grade by further depressing pyrite and pyrrhotite during flotation.
- Conduct a further evaluation of the cleaner circuit to optimize reagent addition and increase talc depression.
- Conduct a variability flotation program to determine the range of flotation response and to generate head grade/recovery relationships.

#### *Conclusions for the Grasset Deposit*

Blue Coast concluded the following:

- Sulphide mineralization in the Grasset material consists of pentlandite, chalcopyrite, pyrite and pyrrhotite. The mineralized materials are nickel-rich with Ni:Cu ratios of approximately 6.5:1.
- Gangue mineralization is dominated by talc and magnesite, together making up for 52% of the mass in Master Composite 1 and 67% of the mass in MC 2.
- Grindability tests indicate the material is of medium hardness.
- Differences in grind times between the two master composite samples indicate some variability in hardness, likely tied to the quantity of serpentine in the mineralized material.
- Samples exhibited a low level of gravity recoverable platinum and palladium.
- 27% of the gold could be recovered to a low-grade gravity concentrate.
- Based on locked cycle test results using the same basic flowsheet, metallurgical performance was consistent between both master composites.
- A soda ash-based flowsheet with the addition of carboxyl-methyl cellulose is necessary to control the readily floatable talc present in each master composite.

- Finer primary grinds (~65 µm) produce faster flotation kinetics and result in higher grades and higher recovery to the final concentrate.
- Good nickel concentrates could be generated at consistent grades (13.4%–13.8%) and very good overall recoveries (86%–87%).
- Copper recovery to the final concentrate was 94%.
- Minor element scans did not indicate the presence of any penalty elements in significant quantities; however, exact penalty limits should be confirmed with concentrate marketing specialists.
- ABA and NAG tests suggest the Grasset tailings produced using this flowsheet are not likely to be acid generating.

### **Mineral Resource Estimate**

The information presented in this item is based on Richard and Turcotte (2016) and Pelletier and Nadeau-Benoit (2021). Other references are duly indicated.

The mineral resource estimate for the Grasset deposit (the “Grasset MRE”) was prepared by Carl Pelletier, P. Geo., using all available information.

The Grasset MRE comprises a review and update of the 2016 mineral resource estimate for the Grasset deposit (the “Grasset 2016 MRE”; Richard and Turcotte, 2016). After the effective date of the Grasset 2016 MRE, Balmoral drilled 11 more diamond drill holes (“DDH”) within the modelled mineral resource volume, which extended the H1 and H3 zones (Tucker, 2019). Overall, a visual inspection by the QP of the 2018 drilling results revealed that the thickness and grade of the mineralized zones remain in the same order of magnitude as the Grasset 2016 MRE. Moreover, the 2018 DDH continued to confirm the geological and grade continuities that were demonstrated in the Grasset 2016 MRE.

For the purpose of the Technical Report, the QP has assumed that the gains and losses between the 2016 and 2021 data balance each other (negligible net variation), and thus the resulting difference would not be material to the overall resource. Therefore, the Grasset 2016 MRE database was used for the Grasset MRE.

The effective date of the Grasset MRE is November 9, 2021.

The close-out date of the Grasset database is May 19, 2016.

#### *Methodology*

The mineral resource area has a NE strike length of 1,000 m, a width of 350 m, and a vertical extent of 600 m below the surface. The Grasset MRE is based on a compilation of historical and recent DDH and a litho-structural model constructed in Leapfrog by Balmoral, subsequently adapted for GEMS by InnovExplo.

The Grasset MRE was prepared using GEMS v.6.8.2.2 (“GEMS”) software. GEMS was used for the grade estimation, variography and block modelling. Basic statistics, capping and validations were established using a combination of GEMS, Microsoft Excel and Access software.

The main steps in the methodology were as follows:

- Review and validate the DDH database.
- Review and validate the geological model and interpretation.
- Validate the DDH intercepts database, compositing database and capping values for the purposes of geostatistical analysis and variography.
- Validate the block models and grade interpolation.

- Revise the classification criteria and validate the clipping areas for mineral resource classification.
- Assessment of mineral resources with “reasonable prospects for economic extraction” and selection of appropriate cut-off grades and constraining volumes for a potential underground extraction scenario.
- Generation of a mineral resource statement.

#### *Drill Hole Database*

The DDH database contains 111 surface DDH (39,999.43 m). A subset of 101 DDH (37,944.49 m) was used to create the mineral resource database for the Grasset MRE. (see Figure 14.1 of the Technical Report). This selection contains 14,167 sampled intervals taken from 16,084.65 m of drilled core, which were sampled for nickel, copper, cobalt, platinum, palladium, gold or silver, or a combination of these metals. The information also includes lithological and structural descriptions taken from drill core logs.

The DDHs in the mineral resource database were generally drilled at a regular spacing of 25-100 m, the majority at 50 m perpendicular to the main orientation of the mineralized zones.

In addition to the basic tables of raw data, the mineral resource database includes several tables of calculated drill hole composites and wireframe solid intersections, which are required for the statistical evaluation and mineral resource block modelling.

#### *Geological Model*

To conduct accurate mineral resource modelling of the deposit, the QP based the lithological and mineralized-zone wireframe model on the Leapfrog model. Thirteen (13) solids were constructed: 11 lithological solids and 2 mineralized solids (H1 and H3) that honour the DDH. Both mineralized zones are contained within an ultramafic lithology. Overlaps were handled by clipping solids against each other prior to coding the block model (see Figure 14.2 of the Technical Report). A minimum true thickness of 3.0 m was used.

Two surfaces were also created in order to define topography and overburden/bedrock contact. These surfaces were generated from drill hole descriptions (see Figure 14.3 of the Technical Report).

#### *Voids Model*

The Grasset deposit does not contain underground openings or voids.

#### *High-Grade Capping*

Codes were automatically attributed to any DDH assay intervals intersecting the interpreted mineralized zone wireframes. The codes are based on the name of the 3D wireframe. The coded intercepts were used to analyze sample lengths and generate statistics for high-grade capping.

Basic univariate statistics for nickel, copper, cobalt, platinum, palladium, gold and silver were completed for the individual mineralized zones H1 (n = 482) and H3 (n = 3,326). Capping was applied to raw assays only for samples in H3 for Ni, Pd and Au. Capping values were selected by combining the dataset analysis (COV, decile analysis, metal content) with the probability plot and log-normal grade distribution.

Table 14.1 of the Technical Report presents a summary of the statistical analysis by metal. Figure 14.4 of the Technical Report shows graphs supporting the capping threshold decisions for the nickel in H3.

#### *Density*

Density (specific gravity) is used to calculate tonnage from the estimated volumes in the resource-grade block model.

The DDH database contains density measurements obtained from onsite and laboratory measurements (the “measured dataset”). Table 14.2 of the Technical Report summarizes the available density information by lithology or mineralized zone.

It was determined that the measured database does not contain enough data to allow for density interpolation. The distribution is heterogeneous in the mineralized zones and the isolated high values would bias the results.

For the mineralized zones, a correlation matrix was created. The matrix is based on the combined Ni, Fe and Co contents (which return the best correlation), using a background value of 2.40 g/cm<sup>3</sup> representing the host rock artificially depleted of all three metals. The three metals were weighted to their respective densities (8.91 g/cm<sup>3</sup> for Ni, 7.87g/cm<sup>3</sup> for Fe and 8.86g/cm<sup>3</sup> for Co). This matrix returned the best correlation when compared to the measured dataset. The data derived from the correlation matrix, referred to herein as the “calculated dataset”, yielded a better distribution and was used for the interpolation of the density in the block model.

The calculated density values were capped at 4.697 g/cm<sup>3</sup>, the highest measured value in the mineralized zones.

Density values for the mineral resource estimate were established as follows (see Table 14.3 of the Technical Report):

- Fixed densities from the measured database for all lithological units.
- Interpolated densities from the measured and calculated databases for H1 and H3 mineralized zones (capped at 4.697 g/cm<sup>3</sup>, the highest measured value).
- Fixed density of 2.00 g/cm<sup>3</sup> for the overburden.

#### *Compositing*

To minimize any bias introduced by the variable sample lengths, the assays were composited within each of the mineralized zones. The thickness of the mineralized structures, the proposed block size and the original sample lengths were taken into consideration to determine the selected composite length, which was set at 1 m. When the last interval is less than 0.25 m, the composite is rejected. A grade of 0.00 % (Ni, Cu, Co) or 0.00 g/t (Pt, Pd, Au, Ag) was assigned to missing sample intervals. A total of 13,296 composites were generated within the mineralized zones.

Table 14.4 of the Technical Report summarizes the basic statistics for the DDH composites.

#### *Block Model*

A block model was established to cover the entire drilled area. The area is sufficient to host an open pit, if necessary. The model has been pushed down to a depth of approximately 800 m below surface. The block model corresponds to a multi-folder percent block model in GEMS and is not rotated (Y axis oriented along N000° azimuth). All blocks with more than 0.001% of their volume falling within a selected solid were assigned the corresponding solid block code in their respective folder. A percent block model was generated, reflecting the proportion of every block inside each solid: individual mineralized zones, individual lithological domains, overburden and waste.

The block model’s origin is the lower left corner. Block dimensions reflect the sizes of mineralized structures and plausible mining methods.

Table 14.5 of the Technical Report shows the properties of the block model.

Table 14.6 of the Technical Report provides details about the naming convention for the corresponding GEMS solids, as well as the rock codes and block codes assigned to each individual solid. The multi-folder percent block model thus generated was used for the mineral resource estimation.

### *Variography and Search Ellipsoids*

The 3D variography, carried out in Gems v.6.7, yielded the best-fit model along an orientation that roughly corresponds to the strike and dip of the mineralized zones. The variography was completed on DDH composites of the capped nickel assay data for the H3 zone. The study involved 10° incremental searches in the longitudinal plane, followed by 10° incremental searches in the vertical planes of the indicated preferred azimuths, as well as planes normal to the preferred azimuth.

Ellipsoid radiuses obtained from the study resulted in a range of 49.3 m x 27.6 m x 26.4 m, which was rounded to 50 m x 30 m x 25 m (see Figure 14.5 and Figure 14.6 of the Technical Report).

Figure 14.7 of the Technical Report presents an example of ellipsoid radiuses for the H3 Zone.

### *Grade and Density Interpolation*

The interpolation profiles were customized for both mineralized zones using hard boundaries.

The variography study provided the parameters needed to interpolate the grade and the density using capped-assay composites. The interpolation was run on a point area workspace extracted from the composite dataset in GEMS.

Three passes were defined for nickel (Ni), while one pass was used for all other elements and the density. Pass 1 corresponds to half the variography ranges (0.5x). Pass 2 corresponds to the variography range (1x) for blocks not estimated during the first pass and Pass 3 to twice (2x) the variography ranges for blocks not estimated during the second pass. The ellipsoid radiuses used to interpolate Cu, Co, Pt, Pd, Au, Ag and density were established using twice the variography results. The inverse distance squared (“ID2”) method was selected for the final mineral resource estimation. Table 14.7 of the Technical Report summarizes the grade and density estimation parameters.

### *Mineral Resource Classification*

All interpolated blocks within the H1 and H3 zones were assigned to the inferred category during the creation of the grade block model, corresponding to a maximum distance of 100 m from the closest composite (DDH).

Blocks were reclassified to the indicated category if they showed geological and grade continuity within a distance of 50 m from the closest composite (DDH) using a clipping boundary on longitudinal view. Within the indicated mineral resource outlines, some inferred blocks were upgraded to the indicated category, whereas outside these boundaries, some indicated blocks were downgraded to the inferred category.

No blocks were assigned to the measured category.

Figure 14.8 and Figure 14.9 of the Technical Report show the clipping boundaries for the indicated blocks.

### *Economic Parameters and Cut-Off Grade*

Considering the polymetallic nature of the mineralization (Ni, Cu, Co, Pt, Pd, Au and Ag), the zone widths and the widespread grade distribution, the cut-off grade for the Grasset deposit is expressed in nickel equivalent (“NiEq”) and the assumptions made for its calculation apply to a potential underground scenario (bulk mining). The assumptions are presented in Table 14.8 of the Technical Report.

The results show that nickel, copper, cobalt, platinum and palladium are payable, whereas gold and silver do not contribute to the economics of the deposit. The value of NiEq is given by the following formula:

$$\text{NiEq} = [(\text{NiGrade}(\%) \times \text{NiCon}(\%) \times \text{NiPayable}(\%) \times \text{NiPrice}(\$)) + (\text{CuGrade}(\%) \times \text{CuCon}(\%) \times \text{CuPayable}(\%) \times \text{CuPrice}(\$)) + (\text{CoGrade}(\%) \times \text{CoCon}(\%) \times \text{CoPayable}(\%) \times \text{CoPrice}(\$))] \times 2205 + [(\text{PtGrade}(\text{g/t}) \times \text{PtCon}(\%) \times \text{PtPayable}(\%) \times \text{PtPrice}(\$)) + (\text{PdGrade}(\text{g/t}) \times \text{PdCon}(\%) \times \text{PdPayable}(\%) \times \text{PdPrice}(\$))]$$

$$\text{PdPayable}(\%) \times \text{PdPrice}(\$)] / 31.1035 - \text{CrPenalty}(\$)] / (\text{NiPayable}(\%) \times \text{NiCon}(\%) \times \text{NiPrice}(\$) \times 2205)$$

where Con(%) is a variable concentrate recovery ratio derived from metallurgical balance study, and Payable(%) is applied on concentrates. Note that a minimum deduction of 0.20% Co was applied to the concentrate.

The parameters presented in Table 14.8 of the Technical Report yield a cut-off grade of 0.81% NiEq. The final selected cut-off grade of 0.80% NiEq outlines the mineral potential of the deposit for an underground mining option. The following formula was used for the COG calculation:

$$\text{COG} = \text{Total cost} / \left( \frac{\text{Ni price} * \text{Exchange rate} * \text{Mill recovery}}{2204.62262} \right) * 100$$

COG and NiEq calculations should be re-evaluated in light of prevailing market conditions and other factors, such as gold price, exchange rate, mining method, related costs, etc.

A constraining volume was produced with DSO using a minimum mining shape of 5 m along the strike of the deposit, a height of 15 m and a width of 2 m. This maximum shape measures 15 m x 25 m x 100 m. The optimization was done using the 0.8% NiEq cut-off grade for both Indicated and Inferred mineral resources.

The DSO results were then used for the mineral resource estimate statement.

#### *Mineral Resource Estimate*

The QP is of the opinion that the current mineral resource estimate can be classified as Indicated and Inferred mineral resources based on geological and grade continuity, data density, search ellipse criteria, drill hole spacing and interpolation parameters. The QP also believes that the requirement of reasonable prospects for eventual economic extraction has been met by having a minimum modelling width for the mineralized zones, a cut-off grade based on reasonable inputs and an economic constraining volume amenable to a potential underground extraction scenario.

The Grasset MRE is considered reliable and based on quality data and geological knowledge. The estimate follows CIM Definition Standards.

Table 14.9 displays the results of the Grasset MRE for the Grasset deposit at the official 0.80 % NiEq cut-off grade.

Table 14.10 shows the cut-off grade sensitivity analysis of the Grasset MRE. The reader should be cautioned that the numbers provided should not be interpreted as a mineral resource statement. The reported quantities and grade at different cut-off grades are presented in-situ and for the sole purpose of demonstrating the sensitivity of the mineral resource model to the selection of a reporting cut-off grade.

**Table 14.9 – Mineral resource estimate for the Grasset deposit at 0.80% NiEq cut-off**

>0.80% NiEq		Tonnes	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Contained NiEq (t)	Contained Ni (t)	Contained Cu (t)	Contained Co (t)	Contained Pt (oz)	Contained Pd (oz)
INDICATED	Horizon 1	89,200	1.00	0.82	0.09	0.03	0.15	0.33	900	700	100	20	400	1 000
	Horizon 3	5,422,700	1.54	1.22	0.13	0.03	0.26	0.64	83,300	66,400	7,300	1,400	45,400	112,200
	Total Indicated	5,512,000	1.53	1.22	0.13	0.03	0.26	0.64	84,200	67,100	7,400	1,400	45,800	113,100
INFERRED	Horizon 1	13,600	0.95	0.78	0.09	0.02	0.14	0.32	100	100	10	3	100	100
	Horizon 3	203,500	1.01	0.83	0.09	0.02	0.15	0.34	2,100	1,700	200	40	1,000	2,200
	Total Inferred	217,100	1.01	0.83	0.09	0.02	0.15	0.34	2,200	1,800	200	43	1,000	2,400

Grasset Mineral Resource Estimate notes:

- The independent and qualified person for the Grasset MRE, as defined by NI 43-101, is Carl Pelletier, P.Geo. (InnovExplo Inc.). The effective date of the Grasset MRE is November 9, 2021.
- These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
- The mineral resource estimate follows 2014 CIM Definition Standards and the 2019 CIM MRRM Best Practice Guidelines.
- Two mineralized zones were modelled in 3D using a minimum true width of 3.0 m. Density values are interpolated from density databases, capped at 4.697 g/cm<sup>3</sup>.
- High-grade capping was done on raw assay data and established on a per zone basis for nickel (15.00%), copper (5.00%), platinum (5.00 g/t) and palladium (8.00 g/t). Composites (1-m) were calculated within the zones using the grade of the adjacent material when assayed or a value of zero when not assayed.
- The estimate was completed using a block model in GEMS (v.6.8) using 5m x 5m x 5m blocks. Grade interpolation (Ni, Cu, Co, Pt, Pd, Au and Ag) was obtained by ID2 using hard boundaries. Results in NiEq were calculated after interpolation of the individual metals.
- The mineral resources are categorized as Indicated and Inferred based on drill spacing, geological and grade continuity. A maximum distance to the closest composite of 50 m was used for Indicated mineral resources and 100 m for the Inferred mineral resources.
- The criterion of reasonable prospects for eventual economic extraction has been met by having constraining volumes applied to any blocks (potential underground extraction scenario) using DSO and by the application of a cut off grade of 0.80% NiEq. Cut-off calculations used: Mining = \$65.00/t; Maintenance = \$10.00/t; G&A = \$20.00/t; Processing = \$42.00/t. The cut-off grades should be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, mining cost, etc.). The NiEq formula used a USD:CAD exchange rate of 1.31, a nickel price of US\$6.95/lb, a copper price of US\$3.33/lb, a cobalt price of US\$17.06/lb, a platinum price of US\$984.85/oz, and a palladium price of US\$2,338.47/oz. Gold and silver do not contribute to the economics of the deposit.
- Results are presented undiluted and in-situ. Ounce (troy) = metric tons x grade / 31.10348. Metric tons and ounces were rounded to the nearest hundred. Metal contents are presented in ounces and pounds. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in NI 43-101.
- The QP is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the Grasset mineral resource estimate

**Table 14.10 – Cut-off grade sensitivity for the Grasset deposit**

CAT.	Cut-off (NiEq %)	Tonnes	NiEq (%)	Ni %	Cu %	Co %	Pt g/t	Pd g/t	Contained Ni EQ (t)	Contained Ni (t)	Contained Cu (t)	Contained Co (t)	Contained Pt (oz)	Contained Pd (oz)
INDICATED	0.70%	6,749,700	1.38%	1.11	0.12	0.02	0.23	0.57	93,300	74,600	8,100	1,600	50,300	124,100
	<b>0.80%</b>	<b>5,512,000</b>	<b>1.53%</b>	<b>1.22</b>	<b>0.13</b>	<b>0.03</b>	<b>0.26</b>	<b>0.64</b>	<b>84,200</b>	<b>67,100</b>	<b>7,400</b>	<b>1,400</b>	<b>45,800</b>	<b>113,100</b>
	0.90%	4,633,300	1.66%	1.32	0.15	0.03	0.28	0.70	76,900	61,200	6,800	1,300	42,200	104,000
	1.00%	4,027,700	1.77%	1.41	0.16	0.03	0.30	0.75	71,300	56,600	6,300	1,100	39,300	96,900
	1.10%	3,428,400	1.90%	1.50	0.17	0.03	0.33	0.81	65,100	51,600	5,700	1,000	36,100	89,000
INFERRED	0.70%	290,100	0.93%	0.76	0.08	0.02	0.14	0.32	2,700	2,200	200	60	1,300	3,000
	<b>0.80%</b>	<b>217,100</b>	<b>1.01%</b>	<b>0.82</b>	<b>0.09</b>	<b>0.02</b>	<b>0.15</b>	<b>0.34</b>	<b>2,200</b>	<b>1,800</b>	<b>200</b>	<b>40</b>	<b>1,000</b>	<b>2,400</b>
	0.90%	138,900	1.12%	0.91	0.10	0.02	0.16	0.37	1,600	1,300	100	30	700	1 700
	1.00%	99,500	1.19%	0.97	0.11	0.02	0.18	0.42	1,200	1,000	100	20	600	1 300
	1.10%	75,700	1.26%	1.02	0.11	0.02	0.19	0.46	1,000	800	100	20	500	1 100

## Adjacent Properties

As at the effective date of the Technical Report, the online GESTIM claims database shows several claim blocks under different ownerships around the Property (see Figure 23.1 of the Technical Report). The information on these adjacent properties that was obtained from the public domain has not been verified by the QP. Nearby mineralized occurrences are not necessarily indicative that the Property hosts similar types of mineralization. No significant nearby Ni-Ci-PGE occurrence is present in the area, but significant Au occurrences are present.

The Fenelon gold project is located 2km to the west of the Property boundary. In a combined scenario, the Fenelon deposit contains at a cut-off grade of 0.35 g/t Au for open-pit mining, an estimated Indicated mineral resource of 28.1 Mt grading 1.45 g/t Au for 1.31Moz Au and an estimated Inferred mineral resource of 22,1Mt grading 1.18 g/t Au for 0.84Moz Au; at, a cut-off grade of 1.50 g/t Au for underground mining, an



estimated Indicated mineral resource of 7.9Mt grading 3.23 g/t Au for 0.82Moz Au and an estimated Inferred mineral resource of 6.9M t grading 2.83 g/t Au for 0.63Moz Au (Pelletier et Nadeau-Benoit, 2021).

The Hole 50 gold-nickel occurrence is located approximately 3 km northwest of the Grasset deposit in Wallbridge Fenelon Property. It corresponds to a 2015 exploration drill hole (FAB-15-50) that intersected an interval grading 216 g/t Au over 0.78 m in a previously unknown shear zone cutting the GUC. The shear zone and related gold mineralization, appear to be later than the nickel mineralization within the complex. The gold-bearing interval contains remobilized nickel sulphide mineralization (0.72 % Ni over 0.78 m). The mineralized structure hosts abundant visible gold mineralization over a 10 to 15 cm downhole interval.

The Grasset Gold discovery was outlined by drilling (2011–2014) at the contact between strongly deformed Timiskaming-type conglomerates and a mafic intrusive of the Manthet Group in the footwall of the SLDZ. The first DDH intersected 33.00 m grading 1.66 g/t Au, including two higher-grade intervals grading 6.15 g/t Au over 4.04 m and 4.18 g/t Au over 5.00 m. The mineralization is hosted in an anastomosing quartz-carbonate vein system along the contact and is open laterally and at depth.

The Martiniere claim block is approximately 30 km to the west of the Property boundary. In a combined scenario, the Martiniere deposit contains at a cut-off grade of 0.50 g/t Au for open-pit mining, an estimated Indicated mineral resource of 6.8 Mt grading 1.96 g/t Au for 0.43 Moz Au and an estimated Inferred mineral resource of 0.13 Mt grading 2.50 g/t Au for 0.01 Moz Au; at a cut-off grade of 2.50 g/t Au for underground mining, an estimated Indicated mineral resource of 1.1 Mt grading 2.32 g/t Au for 0.16Moz Au and an estimated Inferred mineral resource of .23 Mt grading 5.75 g/t Au for 0.04 Moz Au (Pelletier et Nadeau-Benoit, 2021).

## **Interpretation and Conclusions**

The objective of InnovExplo’s mandate was to prepare a technical report on the Grasset Property (the “Property”) using all available validated information.

The Property provides the Issuer with an extensive land position over a 22-km northwest stretch of the Grasset and Jeremie ultramafic intrusions in the northern part of the Abitibi Greenstone Belt. This Technical Report meets the objectives of the assigned mandate.

The following conclusions were reached after conducting a detailed review of all pertinent information:

- The results demonstrate the geological and grade continuities for the Ni-Cu-PGE deposit, Grasset.
- The drill holes provide sufficient information for the mineral resource estimates of the deposit.
- In an underground scenario and using a cut-off grade of 0.80% NiEq, the Grasset deposit contains, an estimated Indicated mineral resource of 5,512,000 t grading 1.53% NiEq for 84,200 t NiEq, and Inferred mineral resource of 217,100 t grading 1.01% NiEq for 2,200 t NiEq.
- Additional diamond drilling could upgrade some of the Inferred mineral resource to the Indicated category and could identify additional mineral resources down-plunge and in the vicinity of the current identified mineralization.
- Other occurrences along the GUC indicate good potential for additional discovery along the trend with future exploration works.

Table 25.1 of the Technical Report identifies the significant internal risks, potential impacts and possible risk mitigation measures that could affect the economic outcome for the Property. The list does not include the external risks that apply to all mining projects (e.g., changes in metal prices, exchange rates, availability of investment capital, change in government regulations, etc.). Significant opportunities that could improve the economics, timing and permitting for the Property are identified in Table 25.2 of the Technical Report. Further information and studies are required before these opportunities can be included in the project economics.

The Grasset MRE is considered to be reliable and based on quality data and geological knowledge. The estimate follows 2014 CIM Definition Standards and 2019 CIM MRMR Best Practice Guidelines.

### **Recommendations**

Additional drilling at the Grasset deposit should target the down-plunge and along-strike extensions of the currently defined mineral resource. An additional objective would be the discovery of additional zones of similar mineralization type elsewhere in the vicinity of the Grasset deposit.

Archer should carry out a property wide supplementary geophysics driven target development program and further define and test existing targets of merit, including GUC Central.

If additional work proves to have a positive impact on the project, the current mineral resource estimate should be updated followed by an engineering study and a preliminary economic assessment.

In summary, the QP recommends a two-phase work program as follows:

- Phase 1
  - Carry out a surface drilling program at the Grasset deposit to explore for down-plunge and strike extensions of the Grasset deposit and its immediate vicinity to test for additional zones of similar mineralization.
  - Additional metallurgical testing and mineralogical studies on Grasset mineralization.
  - Carry out a property wide target development and definition program including drone magnetics and airborne gravimetrics to better define the distribution and extent of favourable ultramafic rocks across the length of the property and additional ground geophysics (EM and magnetics) to better define priority drill targets for magmatic Ni-Cu-PGE sulfides.
  - Carry out surface drilling of high
- Phase 2 (contingent upon success of Phase 1):
  - Follow-up on the surface drilling program on the Grasset deposit to potentially upgrade resource categories and expand the current mineral resource.
  - Update the 3D model and mineral resource estimate
  - Engineering studies to gather geotechnical, metallurgical, environmental and hydrogeological information as well as a preliminary economic assessment (“PEA”) using the updated MREs with an updated NI 43-101 Technical Report. The purpose of the PEA will be to confirm, as a first step, the potential economic viability of the project.
  - Follow up on the surface drilling program on prospects outside the Grasset deposit area towards building additional new mineral resources across the property.

### *Costs Estimate for Recommended Work*

The QP has prepared a cost estimate for the recommended two-phase work program to serve as a guideline for the Grasset property. The budget for the proposed program is presented in Table 26.1. Expenditures for Phase 1 are estimated at C\$ 4,197,500 (incl. 15% for contingencies). Expenditures for Phase 2 are estimated at C\$ 8,280,000 (incl. 15% for contingencies). The grand total is C\$ 12,477,500 (incl. 15% for contingencies). Phase 2 is contingent upon the success of Phase 1.

**Table 26.1 – Estimated Costs for the Recommended Work Program**

<b>Phase 1 – Work Program</b>	<b>Description</b>	<b>Cost</b>
Grasset resource exploration drill program	6,000m	\$1,800,000
Property wide target development & definition geophysics program		\$ 850,000
Regional prospect drill program	3,000m	\$ 900,000
Grasset metallurgical studies		\$ 100,000
<i>Contingencies (~15%)</i>		\$ 547,500
<b>Phase 1 subtotal</b>		<b>\$4,197,500</b>
<b>Phase 2 – Work Program</b>	<b>Description</b>	<b>Cost</b>
Grasset resource expansion drilling	12,000m	\$ 4,000,000
Update MRE		\$ 200,000
Engineering studies PEA		\$ 1,000,000
Regional target testing and resource development	6,000m	\$ 2,000,000
<i>Contingencies (~15%)</i>		\$ 1,080,000
<b>Phase 2 subtotal</b>		<b>\$ 8,280,000</b>
<b>TOTAL (Phase 1 and 2)</b>		<b>\$12,477,500</b>

The QP is of the opinion that the recommended two-phase work program and proposed expenditures are appropriate and well thought out, and that the character of the Grasset property is of sufficient merit to justify the recommended program. The QP believes that the proposed budget reasonably reflects the type and amount of the contemplated activities.