Golden Spike Resources Corp.

Condensed Interim Financial Statements

For the Nine Months Ended May 31, 2022

(Unaudited – Expressed in Canadian dollars)

Golden Spike Resources Corp.

For the Nine Months Ended May 31, 2022

INDEX **Page**

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

July 18, 2022

Golden Spike Resources Corp.
Condensed Interim Statements of Financial Position
As at
(Expressed in Canadian Dollars)

		May 31, 2022		August 31, 2021
		(unaudited)		
Assets				
Current				
Cash	$	940,170	$	134,385
Sales tax receivable		10,073		5,579
Prepaid expenses (note 9(b))		5,682		49,720
		955,925		189,684
Exploration and Evaluation Asset (note 7)		439,504		110,896
	$	1,395,429	$	300,580
Liabilities and Shareholders' Equity				
Current				
Accounts payable	$	523	$	97,632
Accrued liabilities		-		10,000
Flow-through share premium liability (note 10)		-		307
		523		107,939
Shareholders' Equity				
Share Capital (note 9)		1,795,366		380,231
Reserves		89,576		19,341
Deficit		(490,036)		(206,931)
		1,394,906		192,641
	$	1,395,429	$	300,580

Going Concern (note 2)
Subsequent Event (note 11)

Approved on behalf of the Board:

"Keith Anderson" ……………………………… Director
Keith Anderson

"Robert Cinits" ……………………………… Director
Robert Cinits

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

Golden Spike Resources Corp.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	Nine Months Ended May 31, 2022	Nine Months Ended May 31, 2021
Expenses				
Consulting fees (note 8)	$ 45,000	$ 9,000	$ 147,609	$ 27,000
Office and general	3,216	15	11,375	105
Professional fees (note 8)	7,575	5,090	39,810	20,024
Rent (note 8)	750	1,500	2,000	4,500
Share-based compensation (notes 8 and 9)	-	19,341	-	19,341
Shareholder communications and promotion	3,064	-	44,663	-
Transfer agent fees and filing fees	3,986	-	37,955	-
Loss Before Other Item	(63,591)	(34,946)	(283,412)	(70,970)
Other Item				
Recovery of premium on flow-through shares (note 10)	-	-	307	1,646
Net Loss and Comprehensive Loss for the Period	$ (63,591)	$ (34,946)	$ (283,105)	$ (69,324)
Basic and Diluted Loss Per Share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	20,300,000	12,728,571	20,003,297	11,419,048

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

Golden Spike Resources Corp.
Condensed Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	**Share Capital**	**Reserves**	**Deficit**	**Total**
Balance, August 31, 2020	**8,800,000**	**$ 133,313**	**$ -**	**$ (36,804)**	**$ 96,509**
Private placements	5,000,000	250,000	-	-	250,000
Share issuance costs	-	(3,082)	-	-	(3,082)
Share-based compensation	-	-	19,341	-	19,341
Net loss and comprehensive loss	-	-	-	(69,324)	(69,324)
Balance, May 31, 2021	**13,800,000**	**380,231**	**19,341**	**(106,128)**	**293,444**
Net loss and comprehensive loss	-	-	-	(100,803)	(100,803)
Balance, August 31, 2021	**13,800,000**	**380,231**	**19,341**	**(206,931)**	**192,641**
Initial public offering	6,000,000	1,500,000	-	-	1,500,000
Share issuance costs	-	(279,865)	70,235	-	(209,630)
Shares issued for exploration and evaluation assets	500,000	195,000	-	-	195,000
Net loss and comprehensive loss	-	-	-	(283,105)	(283,105)
Balance, May 31, 2022	**20,300,000**	**$ 1,795,366**	**$ 89,576**	**$ (490,036)**	**$ 1,394,906**

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

Golden Spike Resources Corp.
Condensed Interim Statements of Cash Flows
For the Nine Months Ended May 31,
(Unaudited – Expressed in Canadian Dollars)

		2022		2021
Operating Activities				
Net loss for the period	$	(283,105)	$	(69,324)
Items not involving cash				
Recovery of premium liability on flow-through shares		(307)		(1,646)
Share-based compensation		-		19,341
Changes in non-cash working capital				
Sales tax receivable		(4,494)		927
Prepaid expenses		37,618		(39,220)
Accounts payable and accrued liabilities		(107,109)		22,014
Cash Used in Operating Activities		(357,397)		(67,908)
Investing Activity				
Exploration and evaluation asset expenditures		(133,608)		(70,946)
Cash Used in Investing Activity		(133,608)		(70,946)
Financing Activities				
Shares issued for cash		1,500,000		230,000
Share issuance costs		(203,210)		(3,082)
Cash Provided by Financing Activities		1,296,790		226,918
Net Change in Cash		805,785		88,064
Cash, Beginning of Period		134,385		105,805
Cash, End of Period	$	940,170	$	193,869

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Golden Spike Resources Corp. (the "Company") is an exploration stage company incorporated on January 14, 2020 under the laws of the province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the province of Ontario, Canada. The Company's head office and principal business address is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6. The Company's registered and records office is 1000 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. On September 13, 2021, the Company's shares began trading on the Canadian Securities Exchange (the "CSE") under the trading symbol "GLDS".

2. GOING CONCERN

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements. Such adjustments could be material.

In March 2020, there was a global outbreak of coronavirus (COVID-19). The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

If the going concern assumption were not appropriate for these condensed interim financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS, and should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2021. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the financial statements for the year ended August 31, 2021.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 18, 2022.

3. BASIS OF PREPARATION (Continued)

b) Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4). These condensed interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited financial statements for the year ended August 31, 2021.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next fiscal year are discussed below.

a) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company’s current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

b) Going concern risk assessment

The assessment of the Company's ability to continue as a going concern requires significant judgment. The condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

c) Title to mineral property interests

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

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the condensed interim financial statements.

a) Recoverability of exploration and evaluation assets

The Company has determined that exploration, evaluation and related costs incurred, which have been capitalized, may have future economic benefits and may be economically recoverable. The Company uses several criteria in its assessment of economic recoverability and probability of future economic benefits, including geologic and other technical information.

b) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made that management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at May 31, 2022, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

c) Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

(Unaudited – Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as fair value through profit or loss; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

May 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 940,170	$ -	$ -	$ 940,170

August 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 134,385	$ -	$ -	$ 134,385

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

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. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of May 31, 2022 equal $523 (August 31, 2021 - $107,632). All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

c) Market risk

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

i) Currency risk – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

6. FINANCIAL INSTRUMENTS (Continued)

c) Market risk (continued)

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

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

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the nine months ended May 31, 2022. The Company is not subject to externally imposed capital requirements.

7. EXPLORATION AND EVALUATION ASSET

Camping Lake Project

On September 1, 2020, the Company entered into an option agreement to acquire a 100% interest in the Camping Lake Property, consisting of 5 mineral claims located in the Red Lake Mining District, Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $30,000 upon signing (paid);
- Pay $45,000 (paid) and issue 500,000 common shares of the Company (issued and valued at $195,000) on or before the day the Company's shares become listed for trading on the CSE; and
- Issue 750,000 common shares on or before the one-year anniversary from the day the Company's shares become listed for trading on the CSE.

The vendor retains a 3% net smelter return royalty, 2% can be repurchased for $1,000,000.

(Unaudited – Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSET (Continued)

A summary of exploration and evaluation expenditures for the nine months ended May 31, 2022 and year ended August 31, 2021 is as follows:

		Camping Lake Project
Balance, August 31, 2020	**$**	**-**
Acquisition Costs		
Acquisition		30,000
Total Acquisition Costs		**30,000**
Exploration Costs		
Geophysics		80,896
Total Exploration Costs		**80,896**
Balance, August 31, 2021		**110,896**
Acquisition Costs		
Acquisition		240,000
Total Acquisition Costs		**240,000**
Exploration Costs		
Geological		88,608
Total Exploration Costs		**88,608**
Balance, May 31, 2022	**$**	**439,504**

8. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of loss and comprehensive loss:

		Nine Months Ended May 31, 2022		Nine Months Ended May 31, 2021
Short-term compensation (consulting fees and professional fees)	$	85,500	$	27,000
Share-based compensation	$	-	$	29,157

During the nine months ended May 31, 2022, office rent of $nil (2021 - $4,500) was reimbursed to an officer and director of the Company.

9. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value

(Unaudited – Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

b) Issued and outstanding

During the nine months ended May 31, 2022

On September 10, 2021, the Company closed its Initial Public Offering of 6,000,000 units of the Company at $0.25 per unit for gross proceeds of $1,500,000. Each unit consisted of one common share of the Company and one-half of one warrant. Each warrant is exercisable into one common share for 24 months at a price of $0.50 per common share. The Company paid the agent a cash commission of $135,000. The Company also issued to the agent 540,000 compensation warrants valued at $70,235, exercisable into common shares at $0.25 per share for a period of 24 months. The Company also paid the agent a corporate finance fee of $35,000 and the agent's expenses of $25,969; $32,500 of the corporate finance fee and agent's expenses were included in prepaid expenses at August 31, 2021. The Company incurred other share issuance costs of $13,662.

On October 12, 2021, the Company issued 500,000 common shares valued at $195,000 for the Camping Lake Project (note 7).

During the year ended August 31, 2021

On January 8, 2021, the Company issued 5,000,000 common shares at a price of $0.05 per share for gross proceeds of $250,000. The Company incurred share issuance costs of $3,082.

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Nine Months Ended May 31, 2022		**Year Ended August 31, 2021**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	2,000,000	$ 0.05	2,000,000	$ 0.05
Granted	3,540,000	$ 0.46	-	$ -
Outstanding, end of period	5,540,000	$ 0.31	2,000,000	$ 0.05

The following warrants were outstanding and exercisable at May 31, 2022:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**May 31, 2022**
August 6, 2022	0.18	$ 0.05	2,000,000
September 10, 2023	1.28	$ 0.50	3,000,000
September 10, 2023	1.28	$ 0.25	540,000
	0.88		5,540,000

(Unaudited – Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Warrants (continued)

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share issuance costs of $70,235 (year ended August 31, 2021 - $nil) upon the grant of 540,000 agent warrants were recognized during the nine months ended May 31, 2022.

The fair value of each warrant granted was calculated using the following weighted average assumptions:

	Nine Months Ended May 31, 2022	**Year Ended August 31, 2021**
Expected life (years)	2	N/A
Risk-free interest rate	0.40%	N/A
Annualized volatility	100%	N/A
Dividend yield	N/A	N/A
Stock price at grant date	$ 0.25	N/A
Exercise price	$ 0.25	N/A
Weighted average grant date fair value	$ 0.13	N/A

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility and the volatility of a comparable company to estimate the volatility of the share price.

d) Stock options

On December 15, 2020, the Company adopted a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Nine Months Ended May 31, 2022		**Year Ended August 31, 2021**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	600,000	$ 0.10	-	$ -
Granted	-	$ -	600,000	$ 0.10
Outstanding, end of period	600,000	$ 0.10	600,000	$ 0.10

(Unaudited – Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

d) Stock options (continued)

The following stock options were outstanding and exercisable at May 31, 2022:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**May 31, 2022**
March 17, 2026	3.80	$ 0.10	600,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, there were no share-based payments (year ended August 31, 2021 - $19,341) recognized during the nine months ended May 31, 2022.

The fair value of each stock option granted was calculated using the following weighted average assumptions:

	Nine Months Ended May 31, 2022	**Year Ended August 31, 2021**
Expected life (years)	N/A	5
Risk-free interest rate	N/A	0.99%
Annualized volatility	N/A	100%
Dividend yield	N/A	N/A
Stock price at grant date	N/A	$ 0.05
Exercise price	N/A	$ 0.10
Weighted average grant date fair value	N/A	$ 0.03

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility and the volatility of a comparable company to estimate the volatility of the share price.

10. FLOW-THROUGH SHARES

Other liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances:

	May 31, 2022	**August 31, 2021**
Balance, beginning of period	$ 307	$ 1,953
Settlement of flow-through share liability by incurring expenditures	(307)	(1,646)
Balance, end of period	$ -	$ 307

10. FLOW-THROUGH SHARES (Continued)

On August 6, 2020 and August 27, 2020, the Company issued 4,800,000 flow-through common shares of the Company at a price of $0.02 per share for gross proceeds of $96,000. The premium paid by investors on the flow-through shares was calculated as $1,953. Accordingly, $1,953 was recorded as other liabilities. The flow-through premium is derecognized through other income as the qualifying expenditures are incurred.

At May 31, 2022, the Company had incurred $96,000 (August 31, 2021 - $80,896) in exploration expenditures and had a remaining commitment to incur exploration expenditures in relation to its August 2020 flow-through financing of $nil (August 31, 2021 - $15,104).

11. SUBSEQUENT EVENT

On July 11, 2022, the Company entered into an amalgamation agreement with Golden Horizon Exploration Corp., ("Horizon") a private company, in order to acquire all of the issued and outstanding common shares (collectively, the "Horizon Shares") of Horizon by way of a three-cornered amalgamation (the "Transaction") with the Company and a wholly-owned subsidiary 1368617 B.C. LTD.

In consideration for the Horizon Shares, the Company will issue an aggregate of 11,300,000 common shares. Additionally, the holders of the issued and outstanding common share purchase warrants in the capital of Horizon (the "Horizon Warrants") will be entitled to receive, upon exercise thereof, common shares of the Company, instead of Horizon Shares, on the basis of one common share of the Company for every Horizon Warrant held immediately prior to the closing of the Transaction (subject to the execution of an agreement by each such Horizon Warrant holder and the Company, in accordance with the adjustments provisions of such Horizon Warrants). Upon completion of the Transaction, the Company will have the option, through Horizon, to acquire 100% of the interest in the Gregory River Property, a copper-gold mineral exploration property located on the western portion of the island of Newfoundland, subject to a 2% net smelter royalty.

As of July 18, 2022, the Transaction had not been completed.