

# **PURSUIT GOLD CORP.**

Condensed Interim Financial Statements

For the three and six months ended May 31, 2023 and 2022

Expressed in Canadian Dollars

	May 31, 2023	November 30, 2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 91,213	\$ 79,234
GST Receivable	6,927	2,009
Prepaid Expenses	2,231	4,453
<b>Total current assets</b>	<u>100,371</u>	<u>85,696</u>
<b>Total assets</b>	<u>\$ 100,371</u>	<u>\$ 85,696</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 3 and 6)	\$ 71,165	\$ 29,767
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	556,400	467,400
Contributed Surplus	93,495	26,328
Deficit	<u>(620,689)</u>	<u>(437,799)</u>
	<u>29,206</u>	<u>55,929</u>
	<u>\$ 100,371</u>	<u>\$ 85,696</u>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)  
PROPOSED TRANSACTION (Note 7)  
EVENT AFTER THE REPORTING PERIOD (Note 10)

These financial statements were approved for issue by the Audit Committee of the Board of Directors on July 24, 2023 and are signed on its behalf by:

Approved by "Kostantinos Sakarellos", Director "Richard Rosner", Director

**PURSUIT GOLD CORP.**Condensed Interim Statements of Net Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)

	Three Months Ended May 31, 2023	Three Months Ended May 31, 2022	Six Months Ended May 31, 2023	Six Months Ended May 31, 2022
<b>EXPENSES</b>				
Consulting fees (Note 6)	\$ 7,500	\$ 7,500	\$ 15,000	\$ 15,000
General and administrative	409	250	737	1,529
Insurance	3,346	2,227	6,686	2,227
Professional fees	39,095	36,518	80,246	45,136
Share-based payments	67,167	-	67,167	26,328
Transfer Agent and Filing fees	6,035	6,321	13,054	23,741
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<u>(123,552)</u>	<u>(52,816)</u>	<u>(182,890)</u>	<u>(113,961)</u>
<b>NET LOSS PER SHARE, BASIC AND DILUTED</b>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>	<u>15,892,940</u>	<u>15,654,000</u>	<u>15,774,783</u>	<u>15,654,000</u>

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

**PURSUIT GOLD CORP.**

## Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

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	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, November 30, 2021	15,654,000	\$ 467,400	\$ -	\$ (148,294)	\$ 319,106
Share-based payments	-	-	26,328	-	26,328
Net loss for the period	-	-	-	(113,961)	(113,961)
Balance, May 31, 2022	15,654,000	\$ 467,400	\$ 26,328	\$ (262,255)	\$ 231,473
Balance, November 30, 2022	15,654,000	\$ 467,400	\$ 26,328	\$ (437,799)	\$ 55,929
Issuance of common shares from the exercise of options	300,000	30,000	-	-	30,000
Issuance of common shares from the exercise of warrants	295,000	59,000	-	-	59,000
Share-based payments	-	-	67,167	-	67,167
Net loss for the period	-	-	-	(182,890)	(182,890)
Balance, May 31, 2023	16,249,000	\$ 556,400	\$ 93,495	\$ (620,689)	\$ 29,206

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

# PURSUIT GOLD CORP.

## Condensed Interim Statements of Cash Flows (Expressed in Canadian Dollars)

	Six Months Ended May 31, 2023	Six Months Ended May 31, 2022
<b>CASH (USED IN) PROVIDED BY</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (182,890)	\$ (113,961)
Items not affecting cash		
Share-based payments	<u>67,167</u>	<u>26,328</u>
	(115,723)	(87,633)
Changes in non-cash working capital accounts:		
Receivables	(4,918)	(770)
Prepaid expenses	2,222	(11,133)
Accounts payable and accrued liabilities	<u>41,398</u>	<u>(39,185)</u>
	<u>(77,021)</u>	<u>(138,721)</u>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	<u>-</u>	<u>(14,903)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from the exercise of options	30,000	-
Proceeds from the exercise of warrants	<u>59,000</u>	<u>-</u>
	<u>89,000</u>	<u>-</u>
<b>NET CHANGE IN CASH</b>	11,979	(153,624)
<b>CASH, BEGINNING OF PERIOD</b>	<u>79,234</u>	<u>265,701</u>
<b>CASH, END OF PERIOD</b>	<u>\$ 91,213</u>	<u>\$ 112,077</u>

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

## **PURSUIT GOLD CORP.**

### **Notes to the Condensed Interim Financial Statements Three and Six Months Ended May 31, 2023 and 2022 (Expressed in Canadian Dollars)**

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#### **1. Nature of Operations and Going Concern**

Pursuit Gold Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on September 15, 2020. The head office of the Company is located at Suite 250-999 Seymour Street, Vancouver, British Columbia V6B 0M5 and the registered and records office of the Company is located at 905 West Pender Street, 6<sup>th</sup> Floor, Vancouver, British Columbia V6C 1L6. On January 26, 2022, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol trading symbol PUGS.

The Company is engaged in the acquisition, exploration and development of resource properties.

#### *Going Concern*

These financial statements have been prepared on the basis that the Company will continue as a going concern. The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it, particularly in the current economic environment. Furthermore, there is no assurance that the business will be profitable. Those factors raise significant doubt as to the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

#### **2. Basis of Preparation and Significant Accounting Policies**

The financial statements were authorized for issuance on July 24, 2023 by the directors of the Company.

##### *(a) Statement of Compliance with International Financial Reporting Standards*

The Company's condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim statements, including IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2022 which have been prepared according to IFRS as issued by the IASB.

##### *(b) Use of Estimates and Judgments*

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Areas requiring a significant degree of estimation and judgment include fair value measurements for financial instruments, the recoverability of exploration and evaluation assets, share-based payments, the recoverability and measurement of deferred tax assets and liabilities and assessment of the Company's ability to continue as a going concern.

## PURSUIT GOLD CORP.

### Notes to Financial Statements

Three and Six Months Ended May 31, 2023 and 2022

(Expressed in Canadian Dollars)

#### 3. Accounts Payable and Accrued Liabilities

The accounts payable for the Company are as follows:

	May 31, 2023	November 30, 2022
Accounts payable	\$ 71,165	\$ 17,767
Accrued liabilities	-	12,000
	<u>\$ 71,165</u>	<u>\$ 29,767</u>

#### 4. Exploration and Evaluation Assets

On December 28, 2020 the Company entered into an option agreement (amended October 11, 2021, collectively the "Agreement"), with Rainy Mountain Royalty Corp. ("Rainy"), pursuant to which, the Company has been granted an option (the "Option") to acquire the right to earn an undivided and up to 90% interest in Rainy's mineral claims located in the Porcupine Mining Division in Ontario, Canada (the "Property"), subject to a 2% net smelter return ("NSR") royalty on commercial production from certain of the mineral claims.

Pursuant to the terms of the Agreement, and in order to earn a 51% undivided interest in the Property ("Option 1"), the Company must make the following payments:

- make cash payment of \$30,000 upon execution of the Agreement; (paid);
- make cash payment of \$25,000 by September 15, 2021; (paid)
- make cash payment of \$25,000 by September 15, 2022;
- incur expenditures of \$200,000 on the Property by September 30, 2022, of which \$100,000 is a firm commitment;
- incur expenditures of \$350,000 on the Property by September 30, 2023.

The Company will have 90 days after making the above payments to notify Rainy that it intends to proceed to increase the Company's undivided interest as detailed below. Failing to do so will result in the Company and Rainy forming a joint venture.

In order to maintain the Option in good standing and increase the Company's undivided interest to 80% ("Option 2"), the Company must make the following payments:

- make payment of \$50,000 by September 15, 2023;
- make cash payment of \$50,000 by September 30, 2024;
- incur expenditures of \$400,000 on the Property by September 30, 2023; and
- Incur expenditures of \$500,000 on the Property by September 30, 2024.

The Company will also grant Rainy a 1.5% NSR after the Company earns the 80% interest. The Company may reduce the NSR royalty to 0.5% by making a payment of \$1,000,000.

Upon the Company having exercised Option 2, the Company has 90 days in which to notify Rainy that it intends to proceed to exercise Option 3, failing which the Company and Rainy will proceed to form a joint venture. If the Company completes a "Bankable Feasibility Study" on the Property, the Company will have deemed to have exercised Option 3 and earn a 90% interest in the Property, subject to the above mentioned NSR.

## PURSUIT GOLD CORP.

### Notes to Financial Statements

Three months ended February 28, 2023 and 2022

(Expressed in Canadian Dollars)

#### 4. Exploration and Evaluation Assets (continued)

The Company had the following expenditures as of May 31, 2023:

	May 31, 2023	November 30, 2022
Cost of acquiring the right of interest in mineral claims	\$ 55,000	\$ 55,000
Geological consulting	1,800	1,800
Finders fee	3,000	3,000
Line cutting	42,925	42,925
Surveys	13,103	13,103
Impairment	(115,828)	(115,828)
	\$ -	\$ -

After completing the above exploration work on the Property and considering the results of the work completed by the Company on the Property to date, the Company has decided to relinquish its option to acquire up to a 90% interest in the Property. By relinquishing the option to acquire the Property, the Company will not be subject to any further obligations.

#### 5. Share Capital

##### a. Authorized

The Company has authorized an unlimited number of common shares with no par value.

##### b. Issued share capital

During the period ended May 31, 2023, the Company issued 300,000 common shares related to the exercise of stock options for total proceeds of \$30,000. The Company also issued 295,000 common shares related to the exercise of warrants for total proceeds of \$59,000.

For the year ended November 30, 2022, the Company did not issue any common shares.

##### c. Loss per share

The calculation of basic loss per share for the period ended May 31, 2023 was based on the loss attributable to common shareholders of \$182,890 (2022: \$113,961) and the weighted average number of common shares outstanding of 15,774,783. (2022: 15,654,000)

##### d. Stock Options

The Company has a share purchase option plan under which directors, officers, employees and consultants of the Company are eligible to receive share purchase options. The aggregate number of shares available to be issued upon the exercise of all share purchase options granted under the plan shall not exceed 10% of the issued and outstanding shares of the Company. The plan limits the maximum number of share purchase options issuable in any one 12-month period to any one optionee to 5% of the total common shares outstanding. The Board of Directors shall determine the terms and provisions of the options at the time of grant. The exercise price of each share purchase option shall not be less than the market price of the common shares on the date of the grant less the discount permitted by the Exchange. The maximum term of share purchase options shall not exceed 5 years, or such other term as permitted by the Exchange.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measures of the fair value of the Company's share purchase options.

**PURSUIT GOLD CORP.**

## Notes to Financial Statements

Three and Six Months Ended May 31, 2023 and 2022

(Expressed in Canadian Dollars)

**5. Share Capital (continued)***d. Stock Options (continued)*

A summary of the Company's options and the changes for the period/year are as follows:

	May 31, 2023		November 30, 2022	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of the period/year	500,000	\$ 0.10	-	-
Granted	800,000	0.10	500,000	\$ 0.10
Exercised	(300,000)	0.10	-	-
Outstanding, end of the period/year	1,000,000	\$ 0.10	500,000	\$ 0.10

During the period ended May 31, 2023, the Company granted 800,000 stock options with an exercise price of \$0.10 to certain directors of the Company. These stock options have an expiry date of May 5, 2028. The weighted average grant-date fair value of the stock options granted during the period is \$0.08.

During the period ended May 31, 2023, 300,000 stock options with an exercise price of \$0.10 were exercised for proceeds of \$30,000.

During the year ended November 30, 2022, the Company granted 500,000 stock options to officers and directors of the Company. The weighted average grant-date fair value of the stock options granted during the period is \$0.05.

A summary of the Company's stock options as at May 31, 2023 is as follows:

Number Outstanding	Vested	Exercise Price	Expiry Date
200,000	200,000	\$ 0.10	January 27, 2024
800,000	800,000	0.10	May 5, 2028
1,000,000	1,000,000		

The weighted average fair value of the stock options granted was determined by using the Black-Scholes option pricing model with the following assumptions:

	May 31, 2023	November 30, 2022
Risk-free interest rate	3.02%	1.27%
Estimated volatility	121.86%	100% <sup>1</sup>
Expected life	5 years	2 years
Expected dividend yield	0.00%	0.00%

1. Volatility was estimated based on the historical volatility of similar companies.

## PURSUIT GOLD CORP.

### Notes to Financial Statements

Three months ended February 28, 2023 and 2022

(Expressed in Canadian Dollars)

#### 5. Share Capital (continued)

##### e. Warrants

The following table summarizes information about the warrants at May 31, 2023 and November 30, 2022, and the changes for the year/period then ended:

	May 31, 2023		November 30, 2022	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period/year	519,500	\$ 0.20	5,369,500	\$ 0.11
Exercised	(295,000)	0.20	-	-
Expired	(224,500)	0.20	(4,850,000)	0.10
Outstanding, end of period/year	-	\$ 0.20	519,500	\$ 0.20

During the period ended May 31, 2023, 295,000 warrants with an exercise price of \$0.20 were exercised for proceeds of \$59,000, and 224,500 warrants expired without exercise.

During the year ended November 30, 2022, 4,850,000 warrants expired without exercise.

#### 6. Related Party Transactions

During the period ended May 31, 2023, the Company incurred consulting fees of \$15,000 (May 31, 2022: \$15,000) and accounting fees of \$5,000 (May 31, 2022: \$5,000) to an officer of the Company. Included in accounts payable and accrued liabilities is \$5,250 (November 30, 2022: \$5,250) due to an officer of the Company.

During the period ended May 31, 2023, the Company incurred share-based payments of \$67,167 (May 31, 2022 – \$26,328) to officers and directors of the Company.

#### 7. Proposed Transaction

On February 12, 2023, Company entered into a letter of intent with a privately-held lithium exploration company ("PrivateCo") (the "Letter of Intent") in respect of a proposed transaction whereby the Company and PrivateCo would combine their respective businesses by way of a plan of arrangement, amalgamation, share exchange or such other similar form of transaction (the "Proposed Transaction"). Pursuant to the Letter of Intent, the Company and PrivateCo have a 60 day period of exclusivity to complete their respective due diligence investigations, settle the structure of the Proposed Transaction and negotiate and enter into a definitive agreement (the "Definitive Agreement").

PrivateCo has options to acquire two contiguous properties located in Salta Province, northwest Argentina.

**PURSUIT GOLD CORP.**  
Notes to Financial Statements  
Three and Six Months Ended May 31, 2023 and 2022  
(Expressed in Canadian Dollars)

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**7. Proposed Transaction (continued)**

Under the terms of the Letter of Intent, the proposed principal terms for the Proposed Transaction are as follows:

- Each common share in the capital of PrivateCo (each, a "PrivateCo Share") outstanding at closing of the Proposed Transaction will be exchanged for common shares in the capital of the Company (each, a "Pursuit Share"), on the basis of one (1) Pursuit Share for each one (1) outstanding PrivateCo Share, with the result that immediately after Closing the former PrivateCo Shareholders will hold approximately 59% of the issued and outstanding Pursuit Shares, on a non-diluted basis and without giving effect to the Subscription Receipt Financing (as defined below) or a bridge financing being conducted by PrivateCo on a private placement basis, consisting of up to 2,000,000 units at \$0.50 per unit, each unit consisting of one PrivateCo Share and one PrivateCo Share purchase warrant, each warrant exercisable for one PrivateCo Share at an exercise price of \$1.00 per PrivateCo Share;
- Immediately prior to the completion of the Proposed Transaction, the Company will have no more than 15,654,000 Pursuit Shares outstanding, 519,500 warrants outstanding at an exercise price of \$0.20 each and 500,000 stock options outstanding at an exercise price of \$0.10 each (not including any Pursuit Shares underlying any convertible securities of Pursuit);
- The board of directors of the resulting issuer will consist of five (5) directors, three (3) of whom are to be nominees of PrivateCo and two (2) of whom are to be nominees of the Company;
- Prior to or concurrently with closing of the Proposed Transaction, the parties would use commercially reasonable efforts to complete a subscription receipt private placement for gross proceeds of a minimum of \$1,500,000 (the "Subscription Receipt Financing"), on terms to be mutually agreed upon by the parties; and

Completion of the Proposed Transaction would be subject to the satisfaction of various customary conditions precedent, including without limitation: (i) the receipt of all necessary shareholder, board, court and regulatory consents and approvals; (ii) completion of due diligence investigations by each party to its satisfaction; and (iii) there being no material adverse change in the business or operations of any of the parties from the execution of the Letter of Intent by the parties until the closing of the Proposed Transaction.

See Note 10, *Event after the Reporting Period* for additional information.

**8. Management of Capital**

The Company's capital structure consists of cash and share capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to acquire a business or asset. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to external capital requirements. There were no changes in the Company's approach to capital management during the period.

**9. Financial Instruments**

*(a) Categories of Financial Instruments and Fair Value Measurements*

As at May 31, 2023, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying values of cash and accounts payable approximate their fair values due to the immediate or short-term maturity of these instruments.

## **PURSUIT GOLD CORP.**

### **Notes to Financial Statements**

Three months ended February 28, 2023 and 2022

(Expressed in Canadian Dollars)

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#### **9. Financial Instruments (continued)**

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

Cash is measured using level 1 inputs.

##### *a. Management of Financial Risks*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

##### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assessed credit risk as low.

##### 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 liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assessed liquidity risk as high.

##### Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

##### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

#### **10. Event After the Reporting Period**

On July 14, 2023, the Company entered into a definitive amalgamation agreement (the "Amalgamation Agreement") with South American Lithium Corp. ("SALi"), a private Alberta corporation, pursuant to which Pursuit and SALi will carry out an amalgamation (the "Proposed Transaction") that will result in the reverse takeover of the Company by SALi, and that will constitute a "fundamental change" of the Company under the policies of the Canadian Securities Exchange ("CSE"). Completion of the Proposed Transaction is subject to the satisfaction of a number of conditions, including receipt of all necessary shareholder and CSE approval for listing of the combined company (the "Resulting Issuer").

#### **10. Event After the Reporting Period (continued)**

## **PURSUIT GOLD CORP.**

### Notes to Financial Statements

Three and Six Months Ended May 31, 2023 and 2022

(Expressed in Canadian Dollars)

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SALi, an arm's length party to the Company, is a mineral exploration company focused on exploration for lithium resources in Argentina. Following the completion of the Proposed Transaction, the Resulting Issuer will carry on the business of SALi. Upon completion of the Proposed Transaction, the Resulting Issuer will change its name to "South American Lithium Corp." or such other similar name as the parties may agree.

The execution of the Amalgamation Agreement follows the signature by the parties of a non-binding letter of intent that was previously announced in the Company's news release dated February 13, 2023 (Note 7).

In accordance with the terms of the Amalgamation Agreement, the Proposed Transaction is structured as a three cornered amalgamation whereby SALi will amalgamate with a wholly owned subsidiary of the Company (the "Amalgamation") and the current shareholders of SALi will become shareholders of the Resulting Issuer. Prior to the Amalgamation, SALi will continue its corporate existence out of Alberta and into British Columbia to become a British Columbia company (the "Continuation"). Pursuant to the Amalgamation, all SALi common shares outstanding will be exchanged for common shares of the Resulting Issuer (each a "Resulting Issuer Share"), and outstanding convertible securities of SALi will become exercisable to acquire Resulting Issuer Shares.

It is a condition to completion of the Proposed Transaction that SALi completes a non-brokered market financing for gross proceeds of a minimum of \$1,200,000 (the "SALi Private Placement"). Without taking the securities to be issued under the SALi Private Placement into consideration, upon completion of the Proposed Transaction, it is anticipated that existing shareholders of the Company will hold approximately 30.7% of the outstanding authorized share structure of the Resulting Issuer on an undiluted basis and the former holders of SALi Common Shares will hold approximately 69.3%. No finder's fee is payable in relation to the completion of the Proposed Transaction although SALi may pay compensation in either cash or securities or both to qualified finders in connection with the SALi Private Placement.