CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

SIX MONTHS ENDED MARCH 31, 2024

These unaudited condensed consolidated interim financial statements of Hercules Resources Corp. for the six months ended March 31, 2024 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

HERCULES RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT
(Unaudited)
(Expressed in Canadian Dollars)

	March 31, 2024	September 30, 2023 (Audited)
ASSETS		
Current		
Cash and cash equivalents (Note 2)	$ 70,212	$ 419,219
Receivables	52,698	47,049
Prepaids	7,105	-
	130,015	466,268
Exploration and evaluation asset (Note 3)	225,118	48,300
	$ 355,133	$ 514,568
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 4 & 6)	$ 145,874	$ 51,555
Shareholders' equity		
Capital stock (Note 5)	1,174,922	1,120,610
Reserves (Note 5)	273,671	68,295
Accumulated Deficit	(1,239,334)	(725,892)
	209,259	463,013
	$ 355,133	$ 514,568

Nature of operations (Note 1)
Subsequent events (Note 9)

Approved by the Board of Directors:

"Michael Smith"	Director	"Gordon Lam"	Director
Michael Smith		Gordon Lam	

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

HERCULES RESOURCES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023
EXPENSES				
Consulting fees	$ 43,500	$ 9,200	$ 92,100	$ 12,200
Management fees (Note 6)	17,500	13,000	40,000	22,000
Office and miscellaneous	1,567	3,605	9,994	4,703
Professional fees (Note 6)	63,592	35,039	81,891	63,716
Property investigation	-	-	7,123	-
Share-based compensation	214,586	-	214,586	-
Shareholder communications	51,043	-	52,593	-
Transfer agent and filing fees	7,752	8,208	12,072	6,671
	(399,540)	(69,052)	(510,359)	(109,290)
OTHER ITEMS				
Interest income	1,505	2,091	4,569	2,551
Loss on settlement of debt (Note 5)	(4,000)	-	(7,652)	-
Comprehensive loss for the year	$ (402,035)	$ (66,961)	$ (513,442)	$ (106,739)
Basic and diluted loss per common share	$ (0.02)	$ (0.00)	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	24,950,991	16,206,800	24,885,131	15,338,357

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

HERCULES RESOURCES CORP
STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED MARCH 31,
(Unaudited)
(Expressed in Canadian Dollars)

	2024	2023
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	$ (513,442)	$ (106,739)
Items not affecting cash:		
Loss on settlement of debt	7,652	-
Share-based compensation	214,586	-
Shares for debt	24,000	-
Change in non-cash working capital items:		
Receivables	(5,649)	(8,220)
Prepaids	(7,105)	(2,700)
Accounts payable and accrued liabilities	94,319	55,576
Cash used for operating activities	(185,639)	(62,083)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares	13,450	264,100
Share issuance costs	-	(110,696)
Cash provided by financing activities	13,450	153,404
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation asset, net	(176,818)	(103,534)
Cash used for investing activities	(176,818)	(103,534)
Decrease in cash and equivalents during the period	(349,007)	(12,213)
Cash and cash equivalents, beginning of period	419,219	212,331
Cash and cash equivalents, end of period	$ 70,212	$ 200,118

Cash and cash equivalents consists of:		
Cash	$ 50,212	$ 25,118
Guaranteed Investment Certificate	20,000	175,000
	$ 70,212	$ 200,118

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

HERCULES RESOURCES CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Capital Stock				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance at September 30, 2022	15,250,000	$ 480,000	$ -	$ (157,562)	$ 322,438
Shares issued for cash	2,141,000	264,100	-	-	264,100
Shares issued for mineral property	50,000	5,000	-	-	5,000
Share issuance costs	-	(134,032)	9,661	-	(124,371)
Loss for the period	-	-	-	(106,739)	(106,739)
Balance at March 31, 2023	17,941,001	$ 605,068	$ 9,661	$ (264,301)	$ 350,428
Balance at September 30, 2023	24,751,505	$ 1,120,610	$ 68,295	$ (725,892)	$ 463,013
Shares issued for cash	134,500	22,660	(9,210)	-	13,450
Shares issued for debt	161,490	31,652	-	-	31,652
Share-based compensation	-	-	214,586	-	214,586
Loss for the period	-	-	-	(513,442)	(513,442)
Balance at March 31, 2024	25,047,495	$ 1,174,922	$ 273,671	$ (1,239,334)	$ 209,259

1. NATURE OF OPERATIONS

Hercules Resources Corp. (the "Company") was incorporated on January 13, 2021 under the laws of the Province of British Columbia and is considered to be in the exploration stage with respect to its evaluation and exploration asset. Based on the information available to date, the Company has not yet determined whether its exploration and evaluation asset contains ore reserves. Recoverability of the carrying amount of the exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The Company's head office and principal address is 800 – 1130 West Pender Street, Vancouver, British Columbia, Canada, V6E 4A4. The Company's registered and records office is 2080 – 777 Hornby Street, Vancouver, British Columbia, V6K 2A4.

These unaudited condensed consolidated interim financial statements are comprised of the Company and its subsidiary. To date, the Company has not earned operating revenue.

These condensed consolidated interim financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. During the six months ended March 31, 2024, the Company incurred a net loss of $513,442. As at March 31, 2024, the Company had a working capital deficiency of $15,859. As an exploration stage company, the Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities, its ability to attain profitable operations and generate funds and raise equity capital or borrowings sufficient to meet current and future obligations.

Since incorporation, the Company has raised equity financing from investors and expects these funds to provide for its early stage exploration and working capital needs for the next twelve months. Additional fundraising may involve further private placements, convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures, to ensure the continuation of the Company's operations.

There can be no assurances that the Company will be successful in raising additional cash to finance operations or that the continued support of shareholders will be available. These financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future. The financial statements do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements were authorized for issue on May 28, 2024 by the directors of the Company.

Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended September 30, 2023.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

P3 Property

On September 22, 2023, the Company entered into a binding Letter of Intent ("P3 LOI") with Audax Advisory Group Corporation ("Audax") to acquire a 51% interest (the "Controlling Interest") in the P3 Los Tres Mineral Concession Code 10000775, located at Ponce Enriquez Mining District, Province of Azuay, La Independencia Parish, Republic of Ecuador (the "P3 Property"). Audax has entered into an irrevocable promise of transfer of rights ("IPTR") to acquire a 100% interest in the P3 Property from the underlying property vendors at such time as all payments have been made to the vendors, at least two years has passed since the date of grant (September 27, 2023) and provided that the transfer is authorized by the Mining Regulation and Control Agency, in accordance with the requirements of the Mining Law of 2009 (Ecuador).

As consideration for the Controlling Interest, the Company will pay US$320,000, of which $35,000 is due upon execution of the P3 LOI (paid and included in property investigation costs). In addition, a proportional share of payment owed to the underlying property vendor under the IPTR ("Additional Payments"). The Additional Payments are expected to come from the proceeds of alluvial gold production from the P3 Property. The Company will also be granted by Audax and its partners, a transferable option to acquire 19% additional interest in the P3 Property, this option will be exercisable for a period of 1 year from the date of a definitive agreement in respect of the proposed transaction (the "Definitive Agreement"), which has yet to be executed. Exclusivity under the P3 LOI has expired, but the parties continue to work towards the completion of the Definitive Agreement. At anytime, but only following the cash payments totalling US$320,000, the Company is granted the option to withdraw from any further funding and initiate steps to divest of their interest in the concession.

Upon Registration of Title ("Registration") and closing of a Definitive Agreement, the Company will issue $50,000 worth of common shares of the Company as a success fee to Audax.

Cash Payment schedule for Controlling Interest

		US$
On execution of P3 LOI (paid)	$	35,000
Title of P3 Los Tres is duly registered (paid)		75,000
To bring alluvial into production following 43-101 Report and registered title (paid USD$40,000)		210,000
Total	$	320,000

As at March 31, 2024, the Company paid $206,785 in acquisition costs relating to the LOI schedule above. Additionally, the Company has incurred legal fees of $18,243 relating to the negotiating and drafting of the Definitive Agreements. Total costs incurred to March 31, 2024 are $225,118.

P3 Additional Payment schedule

Date		US$
6 months after Registration	$	100,000
9 months after Registration		100,000
12 months after Registration		150,000
15 months after Registration		175,000
20 months after Registration		175,000
26 months after Registration		200,000
Total	$	900,000

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (cont'd)

Upon execution of a Definitive Agreement and acquisition of the Controlling Interest, Hercules would pay 51% of the above noted additional payment schedule for the P3 Property, which is expected to be come from its Alluvial Production revenue. Additionally, the Company would pay 51% of vein production costs expected to total US$400,000, through its Alluvial Production revenue.

Subsequent to March 31, 2024, the Company extended the terms of the P3 LOI, whereby the vendor will receive US$12,500 on April 1, 2024 (paid) and US$12,500 on May 1, 2024, both payments will be applied against the P3 Additional Payment schedule, noted above.

VMP Project

On February 26, 2024, the Company entered into a Binding Letter of Intent ("VMP LOI") to acquire 20% of the US entity which holds an IPTR to acquire the VMP project, from True North Liberty SRS, for US$650,000. The VMP Project spans a total surface area of 162 hectares and is formed by three, seamlessly contiguous mining concessions; "VMP" (154 hectares), "Dos Rios" (4 hectares), and "Procel" (4 hectares), with one current concession application for Fredy adding 4 additional hectares. Due Diligence is ongoing, and no payments have been made to the vendor.

MP Copper Project

MP Copper Project (the "Property") consisted of 6 mineral claims situated southeast of Prince George, British Columbia. In March 2021, the Company entered into an option agreement (the "Option Agreement") consisting of 4 mineral claims and staked 2 additional mineral claims. The two additional mineral claims are contiguous to the original 4 claims optioned on March 18, 2021 and form a part of the Property pursuant to the Option Agreement.

During the year ended September 30, 2023, the Company decided not to proceed with the Option Agreement, therefore it wrote off all costs associated with the Property totaling $225,041, during the year.

	MP Copper Project	**P3 Project**	**Total**
	$	$	$
Acquisition costs			
Balance, September 30, 2022	25,000	-	25,000
Additions	5,000	48,300	53,300
Additions	(30,000)	-	15,000
Balance, September 30, 2023	-	48,300	48,300
Additions	-	176,818	176,818
Balance, March 31, 2024	-	225,118	225,118
Exploration costs			
Balance, September 30, 2022	106,835	-	106,835
Geological	126,008	-	126,008
Mineral exploration tax credit	(37,802)	-	(37,802)
Write-off of exploration and evaluation assets	(195,041)	-	(195,041)
Balance, September 30, 2023 and March 31, 2024	-	-	-
Total exploration and evaluation assets, September 30, 2023	-	48,300	48,300
Total exploration and evaluation assets, March 31, 2024	-	225,118	225,118

(Expressed in Canadian Dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	September 30, 2023
Trade payables	$ 64,536	$ 21,555
Due to related parties (Note 6)	46,338	10,500
Accrued liabilities	35,000	19,500
Total	$ 145,874	$ 51,555

5. CAPITAL STOCK AND RESERVES

a) Authorized share capital

As at March 31, 2024, the authorized share capital of the Company is an unlimited number of common shares without par value, and unlimited Class A shares.

Holders of the common shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the Company's Annual General Meeting.

The Class A shares have (i) voting rights equivalent to the common shares, (ii) participation rights to distribution of the Company's assets in the event of liquidation equivalent to the common shares, and (iii) a right of conversion into common shares on a five for one basis, subject to adjustments at any time. No class A shares have been issued.

b) Issued share capital:

Fiscal 2024

During fiscal 2024, the Company settled debts totalling $24,000, for a cumulative loss of $7,652, details as follows;

Date	Amount $	Shares Issued	Deemed Price $	Market Price $	Loss $
October 12, 2024	12,000	104,348	0.115	0.15	3,652
February 26, 2024	12,000	57,142	0.21	0.28	4,000

During fiscal 2024, the Company issued 34,500 shares for the exercise of 34,500 agents' warrants, for proceeds of $3,450.

On February 29, 2024, the Company issued 100,000 shares from the exercise of 100,000 stock options, for proceeds of $10,000.

Fiscal 2023

On January 30, 2023, the Company completed its initial public offering of 2,541,000 common shares at a price of $0.10 per share, for gross proceeds of $254,100. The Company paid cash share issuance costs of $97,256 ($53,410 in finance fees and commissions, and $30,393 in legal fees), issued 100,000 common shares valued at $0.10 per share for a total of $10,000, and issued 254,100 non-transferable warrants at a price of $0.10 per share until January 27, 2025, valued at $9,661 using the Black-Scholes Option Pricing model, with an expected life of 2 years, risk-free rate of 3.68%, volatility of 98% and dividend and forfeiture rate of 0%.

(Expressed in Canadian Dollars)

5. CAPITAL STOCK AND RESERVES (cont'd)

b) Issued share capital (cont'd):

Fiscal 2023 (cont'd)

In February 2023, and pursuant to the MP Copper Project Option Agreement, the Company issued 50,000 common shares valued at $0.10 per share, totalling $5,000.

In August 2023, the Company completed the first tranche of a private placement, for gross proceeds of $290,500 through the issuance of 4,150,000 units, valued at $0.07 per unit. Each unit is comprised of one common share and one common share purchase warrant, exercisable at $0.12 per share, for a 24 month period.

In September 2023, the Company completed the second tranche of a private placement, for gross proceeds of $150,000 through the issuance of 2,142,858 units, valued at $0.07 per unit. Each unit is comprised of one common share and one common share purchase warrant, exercisable at $0.12 per share, for a 24 month period.

In September 2023, the Company settled $44,000 of debt, by way of the issuance of 517,647 common shares with a deemed value of $0.085 per share and a market value of $0.11 per share, resulting in a loss on the settlement debt of $12,941.

c) Stock options:

The Company has an incentive stock option plan (the "Plan") in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the Plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

Details of options outstanding as at March 31, 2024 are as follows:

Number of Options	Exercise Price	Expiry Date
600,000	$0.10	August 21, 2028*
1,775,000	$0.155	January 17, 2029*
2,375,000		

*these options vested 100% on the date of grant.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2022	-	$ -
Granted	700,000	0.10
Balance, September 30, 2023	700,000	0.10
Granted	1,775,000	0.155
Exercised	(100,000)	0.10
Balance, exercisable, March 31, 2024	2,375,000	$ 0.14

(Expressed in Canadian Dollars)

5. CAPITAL STOCK AND RESERVES (cont'd)

d) Share-based payments

During the six months ended March 31, 2024, the Company granted 1,775,000 (2023 – Nil) stock options to directors, officers and consultants of the Company, with a grant date fair value of $0.155 (2023 – $Nil) per option resulting in share-based payments expense of $214,586 (2023 - $Nil), using the Black-Scholes Option Pricing model.

The Company applies the fair value method using the Black-Scholes Option Pricing model to account for stock options granted to directors, officers and consultants. The following assumptions were used to calculate the fair value of stock options granted during the year:

	2024	2023
Risk-free interest rate	3.51%	-
Expected life of options	5 years	-
Annualized volatility	105%	-
Dividend rate	0%	-
Forfeiture rate	0%	-

e) Warrants:

Details of warrants outstanding as at March 31, 2024 are as follows:

Number of Warrants	Exercise Price	Expiry Date
219,600*	$0.10	January 27, 2025
4,150,000	$0.12	August 17, 2025
2,142,858	$0.12	September 22, 2025
6,512,458		

*20,137 were exercised subsequent to March 31, 2024.

Warrant transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2022	-	$ -
Issued	6,546,958	0.12
Balance, September 30, 2023	6,546,958	0.12
Exercised	(34,500)	0.10
Balance, exercisable, March 31, 2024	6,512,458	$ 0.12

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS

The aggregate value of the transactions with key management personnel, consisting of the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and members of the board of directors, for compensation are as follows:

	2024	2024
Management fees	$ 40,000	$ 22,000
Professional fees	30,000	7,700

As at March 31, 2024, accounts payable and accrued liabilities included $46,338 (September 30, 2023 - $10,500) owing to directors and officers of the Company.

7. FAIR VALUES

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, receivables and accounts payable approximate their fair value because of the short-term nature of these instruments.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial risk factors

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk and price risk. The carrying value of the Company's financial instruments approximates their fair value due to their short- term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs 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 the asset or liability that are not based on observable market data.

The fair values of the Company's financial instruments, which include cash and accounts payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk is the risk of financial loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, and receivables, the carrying value totalling $122,910, represents the Company's maximum exposure to credit risk. Management believes that the credit risk concentration with respect to financial instruments is remote because cash and cash equivalents are held with reputable Canadian financial institutions. Receivables consist mainly of BC Mining Tax Credit, GST and interest. The Company does not consider any of its current receivables past due. The Company believes any credit risk associated with its receivables is low due to the historical success of collecting receivables.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd)

Financial risk factors (cont'd)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at March 31, 2024, the Company had a cash and cash equivalents balance of $166,344 to settle current liabilities of $145,874. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. These fluctuations may be significant.

a) Interest rate risk

   The Company has cash and cash equivalents balances. The Company's current policy is to invest excess cash in investment-grade short-term deposits certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Capital management

Hercules's objectives when managing capital is to pursue the exploration and evaluation of its mineral property, possibly acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

Hercules manages the capital structure and adjusts 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 issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company monitors its expenditures against its available capital. The Company is currently not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

9. MATERIAL CONTRACTS

In March, 2024, the Company signed a marketing agreement with CorpComm Services Limited ("CorpComm") for an extensive marketing campaign. The initial compensation of $50,000 (paid) for 4 weeks service and material preparation, then up to $400,000 per month maximum with no minimal spend requirement. The marketing campaign automatically renews monthly, but can be paused at any time. Per the terms of the agreement, the amortized monthly cost of the agreement cannot exceed 20% of the Company's working capital at the beginning of that period, as calculated via a proportional budget analysis.

10. SUBSEQUENT EVENTS

Subsequent to March 31, 2024, the Company;

a) Issued 52,830 common shares of the Company pursuant to the settlement of debt of $14,000, and;

b) Signed a $5million credit facility with Crescita Capital LLC ("Crescita"). Pursuant to the terms of the agreement, the Company will pay (i) an upfront commission of $300,000, representing 6% of the amount available under the equity investment facility, which shall be paid through the issuance of 1,142,857 common shares (issued) of the Company at a deemed price of $0.2625 per share and (ii) an initial consulting fee of $2,500, which will be paid through the issuance of 9,524 common shares (issued) at a deemed price of $0.2625 per share. The term of the agreement is for three years. The Company can draw down funds from the equity investment facility from time to time during the term at its discretion by providing a notice to Crescita and issuing units to Crescita in exchange. The units issued in connection with any private placement will be priced at 85% of the average closing bid price over the 10 days of trading following the drawdown notice. The amount requested in each drawdown notice cannot exceed 500% of the average daily trading volume of the pricing period. The units will comprise one common share and one-half of a share purchase warrant. The warrants will be exercisable for a period of three years from their date of issuance at an exercise price equal to the greater of 125% of the issuance and the minimum price permitted by the policies of the exchange on the date of the applicable drawdown notice.