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**CLASS 1 NICKEL AND TECHNOLOGIES LIMITED**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**THREE MONTHS ENDED MARCH 31, 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**NOTICE OF NO AUDITOR REVIEW OF 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 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 consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**Class 1 Nickel and Technologies Limited**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

|                                 | As at<br>March 31,<br>2021 | As at<br>December 31,<br>2020 |
|---------------------------------|----------------------------|-------------------------------|
| <b>ASSETS</b>                   |                            |                               |
| <b>Current assets</b>           |                            |                               |
| Cash and cash equivalents       | \$ 2,650,361               | \$ 3,864,804                  |
| Prepaid expenses                | 25,327                     | 19,286                        |
| Accounts receivable (note 3)    | 207,225                    | 129,886                       |
| Due from related party (note 7) | 16,142                     | 7,345                         |
| <b>Total assets</b>             | <b>\$ 2,899,055</b>        | <b>\$ 4,021,321</b>           |

**EQUITY AND LIABILITIES**

|                                                   |                     |                     |
|---------------------------------------------------|---------------------|---------------------|
| <b>Current liabilities</b>                        |                     |                     |
| Accounts payable and accrued liabilities (note 7) | \$ 232,644          | \$ 196,836          |
| Deferred flow-through premium (note 8)            | 246,000             | 300,000             |
| Other payable                                     | 22,008              | 22,008              |
| <b>Total liabilities</b>                          | <b>500,652</b>      | <b>518,844</b>      |
| <b>Shareholder's equity</b>                       |                     |                     |
| Share capital (note 5)                            | 5,885,428           | 5,885,428           |
| Warrant reserve (note 6)                          | 917,429             | 917,429             |
| Deficit                                           | (4,404,454)         | (3,300,380)         |
| <b>Total shareholder's equity</b>                 | <b>2,398,403</b>    | <b>3,502,477</b>    |
| <b>Total shareholder's equity and liabilities</b> | <b>\$ 2,899,055</b> | <b>\$ 4,021,321</b> |

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

Nature of operations and going concern (note 1)  
 Commitments (note 8)  
 Subsequent event (note 9)

**Approved by the Board of Directors on May 20, 2021**

"David Fitch" Director

"Matthew Gibertson" Director

**Class 1 Nickel and Technologies Limited**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

|                                                                                   | <b>Three Months<br/>Ended<br/>March 31,<br/>2021</b> | <b>Three Months<br/>Ended<br/>March 31,<br/>2020</b> |
|-----------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>Operating expenses</b>                                                         |                                                      |                                                      |
| Exploration and evaluation (note 4)                                               | \$ 909,881                                           | \$ 58,356                                            |
| General and administrative                                                        | 74,192                                               | 24,695                                               |
| Investor relations                                                                | 6,940                                                | -                                                    |
| Professional fees (note 7)                                                        | 139,932                                              | 31,465                                               |
| Regulatory                                                                        | 21,585                                               | 7,793                                                |
| Travel                                                                            | 5,544                                                | 45,925                                               |
| Loss before the following items                                                   | 1,158,074                                            | 168,234                                              |
| Amortization of flow-through premium (note 8)                                     | (54,000)                                             | -                                                    |
| <b>Net loss and comprehensive loss for the period</b>                             | <b>\$ (1,104,074)</b>                                | <b>\$ (168,234)</b>                                  |
| <b>Net loss and comprehensive loss per share basic and diluted</b>                | <b>\$ (0.01)</b>                                     | <b>\$ (0.00)</b>                                     |
| <b>Weighted average number of common shares<br/>outstanding basic and diluted</b> | <b>105,221,695</b>                                   | <b>90,020,209</b>                                    |

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

**Class 1 Nickel and Technologies Limited**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

|                                                       | <b>Three Months<br/>Ended<br/>March 31,<br/>2021</b> | <b>Three Months<br/>Ended<br/>March 31,<br/>2020</b> |
|-------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>Operating activities</b>                           |                                                      |                                                      |
| Net loss for the period                               | \$ (1,104,074)                                       | \$ (168,234)                                         |
| Adjustments for:                                      |                                                      |                                                      |
| Amortization of flow-through premium                  | (54,000)                                             | -                                                    |
| Changes in non-cash working capital items:            |                                                      |                                                      |
| Accounts receivable and sales tax receivable          | (77,339)                                             | (10,073)                                             |
| Prepaid expenses                                      | (6,041)                                              | (15,800)                                             |
| Amounts payable and other liabilities                 | 35,808                                               | 61,381                                               |
| <b>Net cash used in operating activities</b>          | <b>(1,205,646)</b>                                   | <b>(132,726)</b>                                     |
| <b>Financing activities</b>                           |                                                      |                                                      |
| Due from related party                                | (8,797)                                              | (3,530)                                              |
| <b>Net cash used in financing activities</b>          | <b>(8,797)</b>                                       | <b>(3,530)</b>                                       |
| <b>Net change in cash and cash equivalents</b>        | <b>(1,214,443)</b>                                   | <b>(136,256)</b>                                     |
| <b>Cash and cash equivalents, beginning of period</b> | <b>3,864,804</b>                                     | <b>174,205</b>                                       |
| <b>Cash and cash equivalents, end of period</b>       | <b>\$ 2,650,361</b>                                  | <b>\$ 37,949</b>                                     |

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

**Class 1 Nickel and Technologies Limited**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

|                                   | Common<br>Shares (#) | Share<br>capital (\$) | Warrants   | Deficit        | Total        |
|-----------------------------------|----------------------|-----------------------|------------|----------------|--------------|
| <b>Balance, December 31, 2019</b> | 90,209,209           | \$ 1,695,586          | \$ -       | \$ (1,566,127) | \$ 129,459   |
| Net loss for the period           | -                    | -                     | -          | (168,234)      | (168,234)    |
| <b>Balance, March 31, 2020</b>    | 90,209,209           | \$ 1,695,586          | \$ -       | \$ (1,734,361) | \$ (38,775)  |
| <b>Balance, December 31, 2020</b> | 105,221,695          | \$ 5,885,428          | \$ 917,429 | \$ (3,300,380) | \$ 3,502,477 |
| Net loss for the period           | -                    | -                     | -          | (1,104,074)    | (1,104,074)  |
| <b>Balance, March 31, 2021</b>    | 105,221,695          | \$ 5,885,428          | \$ 917,429 | \$ (4,404,454) | \$ 2,398,403 |

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

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**Class 1 Nickel and Technologies Limited**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

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**1. Nature of operations and going concern**

*Nature of business*

Class 1 Nickel and Technologies Limited ("Class 1" or the "Company") was incorporated on December 12, 1989 as "871900 Ontario Limited" under the laws of the Province of Ontario. The principal business of the Company is mining exploration and development of minerals and base metals in Canada. The corporate head office of the Company is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1. On August 20, 2020, the Company commenced trading on the Canadian Securities Exchange under the stock symbol "NICO".

*Going concern uncertainty*

At each reporting year, management assesses the basis of preparation of the financial statements. These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the three months ended March 31, 2021, the Company incurred a net loss of \$1,104,074 (three months ended March 31, 2020 - \$168,234) and had negative operating cash flows of \$1,205,646 (three months ended March 31, 2020 - \$132,726). The Company has an accumulated deficit of \$4,404,454 since inception (December 31, 2020 - \$3,300,380) and does not have sufficient cash as at March 31, 2021 to meet its expected ongoing obligations over the next twelve months after deducting the \$3,355,000 committed to be spent on capital exploration expenditures ("CEE") under terms of the flow through financings. As at March 31, 2021, the Company has spent on CEE \$513,533 (see note 8). These factors raise significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financings or through other arrangements. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

The impact of the global and local restrictions has not caused a significant delay in the operations of the Company, however the exploration activities did experience a brief interruption due to municipal lockdown orders.

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**Class 1 Nickel and Technologies Limited**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2021**  
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**Unaudited**

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**2. Significant accounting policies**

*Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May 20, 2021. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

*New standards not yet adopted*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2021 or later periods:

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

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishments of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

**3. Accounts receivable**

|                                             | <b>As at<br/>March 31,<br/>2021</b> | As at<br>December 31,<br>2020 |
|---------------------------------------------|-------------------------------------|-------------------------------|
| Harmonized sales tax recoverable - (Canada) | \$ 207,225                          | \$ 129,886                    |
| Total                                       | \$ 207,225                          | \$ 129,886                    |

**Class 1 Nickel and Technologies Limited**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

**4. Mining interests**

**Alexo-Dundonald Project**

The “Alexo-Dundonald Project” is an exploration stage, past-producing nickel-copper-cobalt sulphide project, located approximately 45 kilometers northeast of the city of Timmins, Ontario, Canada. The Alexo-Dundonald Project combines the Alexo-Kelex and Dundonald properties and consists of 29 patented claims (19 with both mining and surface rights, nine with mining rights only and one with surface rights only), 40 leased claims (31 with both mining and surface rights and nine with mining rights only), 21 single cell mining claims and five boundary cell mining claims. The Company owns all the outstanding equity of Legendary Ore Mining Corporation, which holds a 100% interest in the mining claims, leases and properties comprising the Alexo-Dundonald Project, subject to certain tenure agreements and any rights or claims asserted in connection with historic royalty agreements granted in respect of the Alexo-Kelex and Dundonald properties.

The Alexo deposit was discovered in 1907, and between the years 1913 to 1919, 51,851 tonnes grading 4.5% nickel and 0.7% copper was extracted and sent to Sudbury, Ontario, for processing. Canadian Arrow Mines Ltd shipped 6,000 tonnes grading 2.46% nickel, 0.31% copper, and 0.07% cobalt as part of a 10,000 tonne bulk sample permit held at the time, and started the reclamation of the project as part of a Closure Plan approved in 2004 and amended in 2011.

Under the purchase agreements for the Alexo-Kelex and Dundonald properties, the Company must incur an aggregate of \$1,500,000 on the Alexo-Dundonald Project by November 9, 2021, of which the Company must incur at least \$750,000 on the Alexo-Kelex property by October 18, 2021, otherwise the properties may be re-acquired by the vendors thereof.

**4. Mining interests (continued)**

Alexo-Kelex Property

The Company has spent the following on the Alexo-Kelex Property:

|                            | <b>Three Months<br/>Ended<br/>March 31,<br/>2021</b> | <b>Three Months<br/>Ended<br/>March 31,<br/>2020</b> |
|----------------------------|------------------------------------------------------|------------------------------------------------------|
| Administrative costs       | \$ 4,051                                             | \$ -                                                 |
| Exploration and evaluation | 82,888                                               | -                                                    |
| Field equipment            | 658                                                  | -                                                    |
|                            | <b>\$ 87,597</b>                                     | <b>\$ -</b>                                          |

Dundonald Property

The Company has spent the following on the Dundonald Property:

|                            | <b>Three Months<br/>Ended<br/>March 31,<br/>2021</b> | <b>Three Months<br/>Ended<br/>March 31,<br/>2020</b> |
|----------------------------|------------------------------------------------------|------------------------------------------------------|
| Administrative costs       | \$ 4,051                                             | \$ -                                                 |
| Exploration and evaluation | 82,888                                               | -                                                    |
| Field equipment            | 658                                                  | -                                                    |
|                            | <b>\$ 87,597</b>                                     | <b>\$ -</b>                                          |



**Class 1 Nickel and Technologies Limited**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2021**  
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**6. Mining interests (continued)**

**Somanike Project**

The Company has an option (the "Somanike Option") to acquire a 100% interest in the rights held by Vanicom Resources Limited, in an option to acquire the Somanike property, an exploration stage nickel-copper mine project, including the past-producing Marbridge Nickel Sulphide Mine located near Val d'Or, Quebec. The Company is concentrated on advancing the Alexo-Dundonald Project for the current time being and will continue to evaluate this option on an on-going basis. Prior to exercising the Somanike Option, the Company must complete 750m of drilling on certain mining claims held by Globex Mining Enterprises Inc. which comprise a portion of the Somanike property.

In August 2020, the Company issued an aggregate of 234,935 common shares (valued at \$160,000) to satisfy all outstanding share issuances required by the Company. In order to earn its 100% undivided interest in the Somanike Property the Company must make cash payments of \$25,000 due on or before June 15, 2022 and \$50,000 in cash due on or before June 15, 2023. In February 2021, the Company paid \$75,000 and \$327,800 to earned 100% of interest and for reimbursement expenditures made on Somanike Property as part of the acquisition cost.

|                            | <b>Three Months<br/>Ended<br/>March 31,<br/>2021</b> | <b>Three Months<br/>Ended<br/>March 31,<br/>2020</b> |
|----------------------------|------------------------------------------------------|------------------------------------------------------|
| Acquisition costs          | \$ 402,800                                           | \$ -                                                 |
| Administrative costs       | 338                                                  | -                                                    |
| Exploration and evaluation | 299,547                                              | 58,356                                               |
| Field equipment            | 32,002                                               | -                                                    |
|                            | <b>\$ 734,687</b>                                    | <b>\$ 58,356</b>                                     |

Total expenditures all properties:

|                                | <b>Three Months<br/>Ended<br/>March 31,<br/>2021</b> | <b>Three Months<br/>Ended<br/>March 31,<br/>2020</b> |
|--------------------------------|------------------------------------------------------|------------------------------------------------------|
| Acquisition costs              | \$ 402,800                                           | \$ -                                                 |
| Administrative costs           | 8,440                                                | -                                                    |
| Exploration and evaluation     | 465,323                                              | 58,356                                               |
| Field equipment                | 33,318                                               | -                                                    |
| Total exploration expenditures | <b>\$ 909,881</b>                                    | <b>\$ 58,356</b>                                     |

**Class 1 Nickel and Technologies Limited**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

**5. Share capital**

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value ("Common Shares"). All issued shares are fully paid.

b) Common Shares issued

|                                               | <b>Number of<br/>common<br/>shares</b> | <b>Amount</b>       |
|-----------------------------------------------|----------------------------------------|---------------------|
| Balance, December 31, 2019 and March 31, 2020 | 90,029,209                             | \$ 1,695,586        |
| Balance, December 31, 2020 and March 31, 2021 | <b>105,221,695</b>                     | <b>\$ 5,885,428</b> |

**6. Warrants**

The following table reflects the continuity of warrants for the three months March 31, 2021 and 2020:

|                                               | <b>Number of<br/>warrants</b> | <b>Weighted<br/>average<br/>exercise price</b> |
|-----------------------------------------------|-------------------------------|------------------------------------------------|
| Balance, December 31, 2019 and March 31, 2020 | -                             | \$ -                                           |
| Balance, December 31, 2020 and March 31, 2021 | <b>3,177,100</b>              | <b>\$ 1.02</b>                                 |

The following table reflects the actual share purchase warrants issued and outstanding as of March 31, 2021:

| <b>Expiry date</b>               | <b>Grant date<br/>fair value (\$)</b> | <b>Remaining<br/>contractual<br/>life (years)</b> | <b>Number of<br/>warrants<br/>outstanding</b> | <b>Exercise<br/>price (\$)</b> |
|----------------------------------|---------------------------------------|---------------------------------------------------|-----------------------------------------------|--------------------------------|
| November 4, 2023 <sup>(2)</sup>  | 467,196                               | 2.60                                              | 1,718,445                                     | 1.00                           |
| November 4, 2023 <sup>(1)</sup>  | 8,441                                 | 2.60                                              | 31,047                                        | 1.00                           |
| November 13, 2023 <sup>(2)</sup> | 372,151                               | 2.62                                              | 1,207,232                                     | 1.05                           |
| November 13, 2023 <sup>(1)</sup> | 69,641                                | 2.62                                              | 220,376                                       | 1.00                           |
|                                  | <b>917,429</b>                        |                                                   | <b>3,177,100</b>                              |                                |

(1) Broker finder warrants exercisable into units consisting of 1 common share and 1 warrant. Each additional warrant is exercisable at \$1 until November 4 and 13, 2023

(2) Exercisable into units consisting of 1 common share and 1 warrant. Each additional warrant is exercisable at \$1.00 and \$1.05 until November 4 and 13, 2023, respectively.

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**Class 1 Nickel and Technologies Limited**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2021**  
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**7. Related party transactions**

As at March 31, 2021, the Company has \$16,142 (December 31, 2020 - \$7,345) in amounts due from a company with common shareholder of the Company.

During the three months ended March 31, 2021, the Company incurred \$25,000 (three months ended March 31, 2021 - \$nil) in directors fees. As of March 31, 2021, the Company owe the directors \$25,000 (December 31, 2020 - \$nil) these amounts are recorded in accounts payable and accrued liability.

Key management includes directors and other key personnel, including the CEO, President and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three months ended March 31, 2021, the Company paid or accrued professional fees of \$2,250 (three months ended March 31, 2020 - \$7,663) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. MSSI also provides bookkeeping and other services to the Company and charged \$9,201 for the services (three months ended March 31, 2020 - \$5,413). As at March 31, 2021, MSSI was owed \$2,087 (December 31, 2020 - \$nil) with respect to services provided. The balance owed was recorded in the statement of financial position in accounts payable and accrued liabilities.

As at March 31, 2021, directors of the Company, beneficially owns 53,220,788 common shares carrying approximately 50.6% of the voting rights attached to all common shares.

**8. Commitments and contingencies**

*Matachewan First Nation ("MFN")*

The Company entered into a signed Memorandum of Understanding ("MOU") whereby the Company recognizes the traditional values of the MFN and commits the Company to consult and establish a mutually beneficial cooperative and productive relationship to advance the Alexo-Dundonald Nickel Project. The agreement also provides MFN opportunity to participate in the benefits of the Project through business opportunities, employment and training, financial compensation, and consultation on environmental matters.

*Environmental contingencies*

The Company's exploration activities are subject to various federal, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

*Flow-through shares*

As a March 31, 2021, pursuant to the issuance of 3,682,386 flow-through shares during November and December 2020, the Company is required to incur qualifying expenditures of approximately \$3,355,000 by December 31, 2022. As of March 31, 2021, the Company has fulfilled approximately \$513,533 of the total commitment. For the three months ended March 31, 2021, the company has recorded amortization of flow-through premium of \$54,000 in the condensed interim consolidated statements of loss and comprehensive loss.

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**Class 1 Nickel and Technologies Limited**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2021**  
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**9. Subsequent event**

On April 22, 2021, the Company announced entered into an agreement with Echelon Capital Markets ("Echelon"), as sole agent to sell on a best efforts private placement basis, a minimum of \$2,000,000 of units (the "Offering"), that will consist of common shares that qualify as flow-through shares (the "Offered Securities").

The Offered Securities will be issued in 2 tranches:

- Tranche 1 - will consist of a minimum of \$2,000,000 Offered Securities to be issued at a price of \$0.60 to residents outside of Canada (the "FT Units"). Each FT Unit will be comprised of one common share and one common share purchase warrant (the "FT Warrants"). Each FT warrant will entitle the holder to acquire one common share at a price of \$0.80 for 3 years following of the closing date.
- Tranche 2 - will consist of a minimum of \$2,000,000 Offered Securities to be issued at a price of \$0.65 to residents of Quebec (the "Quebec FT Units"). Each Quebec FT Unit will be comprised of one common share and one common share purchase warrant (the "Quebec FT Warrants"). Each Quebec FT warrant will entitle the holder to acquire one common share at a price of \$0.85 for 3 years following of the closing date.

The Company has granted Echelon an option to purchase up to an additional 15% of the Offered Securities, in any combination of FT Units and Quebec FT Units, exercisable at any time until 48 hours prior to closing. Echelon will receive a cash commission equal of 7% of the gross proceeds and the Company will issue to Echelon compensation options equal to 7% of the number of Offered Securities sold under the Offering. Each compensation options will entitle the holder to subscribe one common share unit ("Broker Unit") at \$0.60 per unit for 3 years from the closing date. Each Broker Unit will consist of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one common share of the Company at a price \$0.80 for a period of 3 years following the closing of the offering.

The Offering is scheduled to close on May 19, 2021 and is subject to certain conditions and the receipt of all regulatory and other approvals including the approval of the Canadian Securities Exchange and securities regulatory authorities.