

TRENCH SOLUTIONS INC.

FILING STATEMENT

CHANGE OF BUSINESS INVOLVING THE ACQUISITION BY TRENCH SOLUTIONS INC. OF THE GORILLA LAKE PROPERTY OPTION

Dated as of October 26, 2020

Neither the TSX Venture Exchange (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Change of Business described in this Filing Statement.

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APPENDIX A FINANCIAL STATEMENTS OF TRENCH SOLUTIONS INC.

CERTIFICATE OF TRENCH SOLUTIONS INC.

ACKNOWLEDGEMENT – PERSONAL INFORMATION

FORWARD LOOKING INFORMATION

This Filing Statement contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “does not expect”, “is expected”, “estimates”, “intends”, “anticipates”, “does not anticipate”, or “believes”, or variations of such words and phrases or states that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken to occur or be achieved.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Trench Solutions or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although Trench Solutions has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which the Resulting Issuer may, upon completion of the Transaction, carry on business; business opportunities that may be presented to, or pursued by the Resulting Issuer upon completion of the Transaction; the Resulting Issuer’s ability to successfully integrate acquisitions; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in the Resulting Issuer’s credit rating; the occurrence of natural disasters, hostilities, acts of war or terrorism; and the ongoing global pandemic involving the novel coronavirus. The factors identified above are not intended to represent a complete list of the factors that could affect Trench Solutions or the Resulting Issuer. Additional factors are noted under the heading “*Risk Factors*”.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Filing Statement. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Filing Statement. All subsequent forward-looking information attributable to Trench Solutions or the Resulting Issuer herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. Trench Solutions and the Resulting Issuer do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Filing Statement or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Filing Statement. Terms and abbreviations used in the financial statements of Trench Solutions and the Resulting Issuer in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

- “Affiliate”** a company is an “Affiliate” of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is “controlled” by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;
- “Apollo”** means Apollo Innovative Solutions Inc., a corporation subsisting under the BCBCA;
- “Arm’s Length Transaction”** means a transaction which is not a Related Party Transaction;
- “Associate”** when used to indicate a relationship with a Person, means (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity, (d) in the case of a Person who is an individual, (i) that Person’s spouse or child, or (ii) any relative of that Person or of his spouse who has the same residence as that Person; but (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the Exchange with respect to that Member firm, Member corporation or holding company;
- “BCBCA”** means the *Business Corporations Act* (British Columbia);
- “Board of Directors”** means the Board of Directors of Trench Solutions or the Resulting Issuer as applicable;
- “Change of Business”** means a transaction or series of transactions which will redirect an issuer’s resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of the issuer’s market value, assets or operations, or which becomes the principal enterprise of the issuer;
- “Closing”** means the closing of the Transaction;
- “Closing Date”** means the date on which the Closing occurs;

“Company”	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
“Control Person”	means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;
“Exchange”	means the TSX Venture Exchange;
“Filing Statement”	means this filing statement, together with all appendices attached hereto and including the summary hereof;
“Final Exchange Bulletin”	means the bulletin which is issued by the Exchange following closing of the Transaction and the submission of all Post-Approval Documents which evidences the final Exchange acceptance of the Transaction;
“Forward Stock Split”	means the forward split of the Trench Solutions Shares on a 3:1 basis;
“IFRS”	means the International Financial Reporting Standards;
“Insider”	if used in relation to an issuer, means: (a) a director or senior officer of the issuer; (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or (d) the issuer itself if it holds any of its own securities;
“Listing”	means the listing of the Resulting Issuer Shares on the Exchange following Closing;
“MD&A”	means management’s discussion and analysis;
“Named Executive Officer” or “NEO”	has the meaning ascribed to it in Form 51-102F6 – <i>Statement of Executive Compensation</i> under National Instrument 51-102 entitled “ <i>Continuous Disclosure Obligations</i> ”;
“NI 43-101”	means National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> ;
“Non-Arm’s Length Party”	means (a) in relation to a company: a Promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any such Persons; and (b) in relation to an individual, any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person;
“Odyssey”	means Odyssey Trust Company;

“Option”	means the option granted by Apollo to Trench Solutions pursuant to the Option Agreement;
“Option Agreement”	means the mining option agreement between Trench Solutions and Apollo dated August 13, 2020, pursuant to which, on the Option Agreement Closing Date, Apollo will grant Trench Solutions an option to acquire a 100% interest in and to three mineral dispositions comprising the Gorilla Lake Uranium Project, located in the Athabasca basin of Northern Saskatchewan;
“Option Agreement Closing Date”	means the date that is the fifth (5 th) Business Day following receipt of the Final Exchange Bulletin;
“Person”	means a company or individual;
“Post Approval Documents”	means the documents prescribed as such by Exchange Policy 5.2 – <i>Changes of Business and Reverse Takeovers</i> ;
“Promoter”	has the meaning ascribed to it in the <i>Securities Act</i> (British Columbia);
“Property”	means the mineral dispositions comprising the Gorilla Lake Uranium Project located in the Athabasca basin of Northern Saskatchewan;
“Related Party Transaction”	has the meaning ascribed to that term under Multilateral Instrument 61-101 – <i>Protection of Minority Security Holders in Special Transactions</i> , and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction;
“Resulting Issuer”	means Trench Metals Corp., after giving effect to the Transaction;
“Resulting Issuer Shares”	means the common shares in the capital of the Resulting Issuer;
“Resulting Issuer Warrants”	means collectively the outstanding share purchase warrants of the Resulting Issuer to purchase an aggregate of 24,007,500 Resulting Issuer Shares, after giving effect to the Forward Stock Split, at a price of \$0.07 per share until September 6, 2022.
“Royalties”	means the three-and-one-half percent (3.5%) net smelter returns royalties on commercial production from the Property, of which two-and-one-half percent (2.5%) is owing in favour of Cloverfield Investments Inc. and one percent (1.0%) is owing in favour of Voleo Trading Systems Inc. (formerly, Logan Resources Inc.);
“Stock Option Plan”	means the Trench Solutions incentive stock option plan, as approved by the Trench Solutions Shareholders at its most recent annual general meeting, which will continue to be used as the stock option plan for the Resulting Issuer;
“Technical Report”	means the independent NI 43-101 technical report entitled “ <i>Technical Report on the Gorilla Lake Property</i> ” prepared for Trench Solutions, authored by Dave Billard, P.Geo., and dated October 8, 2020;

“Transaction”	means, collectively, (i) the closing of the Option Agreement; (ii) the Forward Stock Split; and (iii) the change of name of Trench Solutions to “Trench Metals Corp.”;
“Trench Solutions”	means Trench Solutions Inc., a corporation subsisting under the BCBCA;
“Trench Solutions Shareholders”	means the holders of the Trench Solutions Shares;
“Trench Solutions Shares”	means the Class “A” Common Shares in the capital of Trench Solutions as constituted prior to completion of the Transaction; and
“Trench Solutions Warrants”	means collectively the outstanding share purchase warrants of Trench Solutions to purchase an aggregate of 8,002,500 Trench Solutions Shares at a price of \$0.21 per share until September 6, 2022.

All dollar amounts in this Filing Statement are expressed in Canadian dollars unless otherwise indicated.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Trench Solutions and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Certain capitalized words and terms used in this Summary are defined in the Glossary of Terms.

THE OPTION AGREEMENT

On August 13, 2020, Trench Solutions entered into the Option Agreement with Apollo, pursuant to which Apollo will, on the Option Agreement Closing Date, grant Trench Solutions the right to acquire three mineral dispositions comprising the Property. In order to exercise this right and acquire the mineral dispositions comprising the Property, Trench Solutions is required to make a series of cash payments to Apollo and incur exploration expenditures on the Property, as follows: (i) a cash payment of \$50,000 upon the Option Agreement Closing Date; (ii) incurring exploration expenditures of \$100,000 on the Property before the first anniversary of the Option Agreement Closing Date; (iii) a cash payment of \$250,000 and incurring exploration expenditures of \$100,000 on the Property before the second anniversary of the Option Agreement Closing Date; and (iv) a cash payment of \$400,000 and incurring exploration expenditures of \$100,000 on the Property before the third anniversary of the Option Agreement Closing Date. Following acquisition of the Property, Trench Solutions will assume responsibility for the Royalties. *See “Part II - Information Concerning the Property”.*

The Option Agreement is an option only, and Trench Solutions is not obligated to complete the payments and incur the expenditures set forth above. The Option Agreement provides Trench Solutions with the flexibility to acquire additional acreage in the vicinity of the Property in the event initial exploration work conducted on the Property proves successful.

CHANGE OF BUSINESS

The Option Agreement constitutes a Change of Business for Trench Solutions under the policies of the Exchange. Upon completion of the Transaction, the Resulting Issuer will be engaged in the business of mineral exploration and development and will become a Tier 2 Mining Issuer under the policies of the Exchange under the name “Trench Metals Corp.” and the trading symbol “TMC”. *See “Part III - Information Concerning the Resulting Issuer”.*

FORWARD STOCK SPLIT

In connection with the completion of the Transaction, Trench Solutions will complete the Forward Stock Split. Trench Solutions currently has 12,022,245 Trench Solutions Shares issued and outstanding and, upon completion of the Transaction, will have 36,066,735 Resulting Issuer Shares issued and outstanding.

NAME CHANGE

Trench Solutions will change its name to “Trench Metals Corp.” immediately prior to or upon completion of the Transaction.

INTERESTS OF INSIDERS

Insiders of Trench Solutions will be treated in the same manner as all other Trench Solutions Shareholders in connection with the Transaction.

ARM'S LENGTH TRANSACTION

The Transaction is an Arm's Length Transaction under the policies of the Exchange.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

The Resulting Issuer is expected to have approximately \$839,538 in working capital available on Closing. In the 12 months following completion of the Transaction, the Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives which are summarized in the table appearing below.

	Estimated Amount
Sources of Funds:	
Estimated working capital as at September 30, 2020 ⁽¹⁾	\$839,538
Total Sources	\$839,538
Uses of Funds:	
Costs related to the Transaction ⁽²⁾	\$55,000
Property Payment	\$50,000 ⁽³⁾
Property work program	\$444,500 ⁽⁴⁾
General and administrative expenses for the first 12 months ⁽⁵⁾	\$175,000
Unallocated working capital to fund ongoing operations	\$115,038
Total Uses	\$839,538

Notes:

- (1) Based on the estimated working capital of Trench Solutions at September 30, 2020 in the amount of \$839,538.
- (2) Consisting of an estimate for legal fees, filing fees, accounting fees and other professional advisory fees related to the Transaction.
- (3) Due and owing to Apollo upon the Option Agreement Closing Date per the Option Agreement.
- (4) To complete the work program for the Property as recommend by the Technical Report, and to satisfy exploration expenditures per the Option Agreement.
- (5) Comprised of: \$60,000 (communication fees); \$50,000 (professional fees); \$15,000 (listing and filing fees); \$10,000 (travel); and \$40,000 (salaries, signing bonuses and director fees).

Based on current projections, the Resulting Issuer's working capital available for funding ongoing operations is expected to meet its expenses for a minimum period of 12 months commencing immediately after the completion of the Transaction.

For additional information, see “*Part III - Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to affect the planned activities of the Resulting Issuer. For these reasons, management of Trench Solutions considers it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See “*Forward-Looking Information*”.

PROPOSED DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

Concurrently with completion of the Transaction, Trench Solutions anticipates Edwards Lyons will be appointed as a director of the Resulting Issuer.

The Board of Directors of the Resulting Issuer (after completion of the Transaction) will consist of Messrs. Edward Lyons, Simon Cheng, Mark Ferguson and Scott Davis. Officers of the Resulting Issuer will consist of Simon Cheng as Chief Executive Officer and Scott Davis as Chief Financial Officer and Corporate Secretary.

SELECTED FINANCIAL INFORMATION

Upon completion of the Transaction, the Resulting Issuer will have approximately \$839,538 in working capital. The issued share capital of the Resulting Issuer will be 36,066,735 Resulting Issuer Shares (See “*Part III - Information Concerning the Resulting Issuer –Capitalization*”).

The following table contains certain financial information regarding the Resulting Issuer. The following information should be read in conjunction with the financial statements and reports thereon included in this Filing Statement, being the audited financial statements of Trench Solutions for the years ended October 31, 2019 and 2018 and the unaudited interim financial statements of Trench Solutions for the nine months ended July 31, 2020, all of which are attached as Appendix A hereto.

	Balance Sheet as at July 31, 2020
Total assets	\$896,433
Total long and short term liabilities	\$10,018

MARKET FOR SECURITIES AND MARKET PRICE

The Trench Solutions Shares are listed on the Exchange under the trading symbol “TST” and were halted from trading on August 14, 2020 pending Closing of the Transaction. The closing market price of the Trench Shares on August 13, 2020, the last day on which there could have been a trade of Trench Solutions Shares prior to the trading halt, was \$0.55. It is anticipated that the Resulting Issuer Shares will begin trading on the Exchange upon completion of the Transaction under the symbol “TMC”.

CONFLICTS OF INTEREST

Some of the individuals proposed for appointment or acting as directors or officers of the Resulting Issuer upon the completion of the Transaction are also directors, officers and/or Promoters of other reporting and non-reporting issuers. As of the date of this Filing Statement and to the knowledge of the directors and officers of Trench Solutions, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment or acting as directors or officers following the completion of the Transaction. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

INTEREST OF EXPERTS AND OTHERS

The audit report of Trench Solutions described or included in this Filing Statement for the fiscal year ended October 31, 2019 are provided by Manning Elliott LLP, Chartered Professional Accountants. Manning Elliott LLP, Chartered Professional Accountants does not beneficially own, directly or indirectly, any securities, nor does it have any interest in the property of Trench Solutions. Moreover, none of the foregoing Persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

RISK FACTORS

Trench Solutions, and thus the securities of Trench Solutions, should be considered highly speculative investments and the transactions contemplated herein should be considered to be of a high-risk nature. For a comprehensive discussion of the risk factors relating to the Resulting Issuer, see “*Risk Factors*”.

CONDITIONAL APPROVAL OF EXCHANGE

Trench Solutions has applied to the Exchange to obtain conditional approval for the Transaction. As of the date of this Filing Statement, the Exchange has not provided conditional approval of the Transaction, and such approval is necessary to consummate the Transaction. Acceptance of the Transaction by the Exchange will be subject to Trench Solutions fulfilling all of the requirements of the Exchange. There is no assurance that Trench Solutions will be able to meet all of such requirements. If Trench Solutions is unable to meet all of such requirements, the Transaction will not be completed.

RISK FACTORS

There are a number of risk factors associated with Trench Solutions and the Transaction. An investment in the securities of the Resulting Issuer involves significant risks. Investors should carefully consider the risks described below and the other information contained in this Filing Statement before making an investment in the Resulting Issuer. Additional risks and uncertainties not presently known to Trench Solutions or that Trench Solutions currently consider immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the Trench Solutions Shares to decline. If any of the following or other risks occur, the Resulting Issuer’s business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Trench Solutions Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

RISK FACTORS RELATED TO THE TRANSACTION

Failure to obtain all Regulatory Requirements for Completion of the Transaction

Completion of the Transaction is subject to, among other things, the acceptance of the Exchange and the receipt of all necessary regulatory approvals. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of Trench Solutions or the trading price of Trench Solutions Shares after completion of the Transaction. Unless the failure to obtain required regulatory or third-party approvals or consents would have a material adverse effect on either Trench Solutions or, upon completion of the Transaction, the Resulting Issuer, the parties will be required to complete the Transaction notwithstanding the failure to receive such consents and approvals.

Following Completion of the Transaction, the Resulting Issuer may Issue Additional Equity Securities

Following completion of the Transaction, the Resulting Issuer may issue equity securities to finance its activities, including to finance acquisitions. If the Resulting Issuer were to issue Resulting Issuer Shares, existing holders of such shares may experience dilution in the Resulting Issuer. Moreover, if the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

GENERAL RISKS

Limited Operating History

Trench Solutions has no history of earnings or profitability. The likelihood of success of the Resulting Issuer must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business. The Resulting Issuer will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Resulting Issuer will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Negative Operating Cash Flow and Dependence on Third Party Financing

Trench Solutions does not have a source of operating cash flow and there can be no assurance that the Resulting Issuer will ever achieve profitability. Accordingly, it is dependent on third party financing to continue exploration activities, maintain capacity and satisfy contractual obligations. The amount and timing of expenditures will depend on a number of factors, including in material part the progress of ongoing exploration, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the entering into of any strategic partnerships and the acquisition of additional property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Resulting Issuer's properties.

Uncertainty of Additional Funding

As stated above, the Resulting Issuer will be dependent on third party financing, whether through debt, equity, or other means. There is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Resulting Issuer. Volatile resource markets, a claim against the Resulting Issuer, a significant event disrupting the Resulting Issuer's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or

other means on favourable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Resulting Issuer.

Competitive Conditions

The Resulting Issuer will actively compete for resource acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial resources than the Resulting Issuer. The Resulting Issuer's competitors will include major integrated mining companies and numerous other independent mining companies and individual producers and operators.

Reliance Upon Management

The Resulting Issuer will be dependent upon the continued support and involvement of its principals and management. Should the Resulting Issuer lose the services of one or more of the principals or management, the ability of the Resulting Issuer to achieve its objectives could be adversely affected.

Title to Properties

The Resulting Issuer will diligently investigate all title matters concerning the ownership of all mining claims and plans to do so for all new claims and rights to be acquired. Any newly acquired options entitling the Resulting Issuer to acquire mining properties may be affected by undetected defects in title, such as the reduction in size of the mining titles and other third party claims affecting the Resulting Issuer's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mining titles. Mining properties sometimes contain claims or transfer histories that examiners cannot verify. Upon the exercise of the Option, a successful claim that the Resulting Issuer does not have title to any of its mining properties could cause the Resulting Issuer to lose any rights to explore, develop and extract any ore on that property, without compensation for its prior expenditures relating to such property.

Conflicts of Interest

The Board of Directors may become directors of other reporting companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Resulting Issuer may participate, the Board of Directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Resulting Issuer and the Board of Directors will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board of Directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Resulting Issuer will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA. The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or transaction of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or transaction with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Resulting Issuer has no other procedures or mechanisms to deal with conflicts of interest.

Permits and Licences

The operations of the Resulting Issuer will require licences and permits from various governmental and nongovernmental authorities. The Resulting Issuer will obtain all necessary licences and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances.

There can be no assurance that the Resulting Issuer will be able to obtain all necessary licences and permits required to carry out exploration, development and extraction operations on its mining properties. See *Part III: "Information concerning the Property"*.

Environmental and other Regulatory Requirements

Upon the exercise of the Option, environmental and other regulatory requirements will affect the future operations of the Resulting Issuer, including exploration and development activities and commencement of production on the Resulting Issuer's mining properties. Such projects will require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing exploration, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Resulting Issuer believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the Resulting Issuer's mining properties and there can be no assurance that the Resulting Issuer will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of ore extraction facilities at the Resulting Issuer's mining properties on terms which enable operations to be conducted at economically justifiable costs. See *Part III: "Information concerning the Property"*.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, exploration policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. This may affect both the Resulting Issuer's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Risk of Global Outbreaks of Contagious Diseases

Risk of global outbreaks of contagious diseases, including the outbreak of a novel coronavirus have the potential to significantly and adversely impact operations and business of the Resulting Issuer. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. Trench Solutions is continuously evaluating the uncertainty and impact of the outbreak on its ability to operate due to

employee absences, the length of travel and quarantine restrictions imposed by governments of affected countries, information technology constraints, government interventions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

There can be no certainty that COVID-19, or other infectious illness, and the restrictive measures implemented to slow the spread of the virus will not materially impact operations or personnel of the Resulting Issuer. It is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the business of the Resulting Issuer, the results of operations or the ability to raise funds at this time.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings.

Liquidity

The Resulting Issuer cannot predict at what prices the Resulting Issuer Shares will trade upon completion of the Transaction, and there can be no assurance that an active trading market in the Resulting Issuer Shares will develop or be sustained. Acceptance of the Exchange has not yet been obtained. There is a significant liquidity risk associated with an investment in the Resulting Issuer Shares.

Dividends

At the present time it is unlikely shareholders will receive a dividend on the Resulting Issuer Shares.

MINING RELATED RISKS

No Known Mineral Reserves or Mineral Resources

There are no known bodies of commercial minerals on the Property. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that the Resulting Issuer will be successful in its search for mineral resources and mineral reserves.

Exploration Risks

The Property is in early exploration stages and is without a known body of commercially exploitable ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. The discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting exploration programs may be substantial and the likelihood of success is

difficult to assess. There is no assurance that the Resulting Issuer's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, most of which factors are beyond the control of the Resulting Issuer and may result in the Resulting Issuer not receiving adequate return on investment capital.

PART I - INFORMATION CONCERNING TRENCH SOLUTIONS

The following information is presented prior to giving effect to the Transaction. See “Part III - Information Concerning the Resulting Issuer” for business, financial and share capital information relating to the Resulting Issuer.

NAME AND INCORPORATION

The full name of Trench Solutions is “Trench Solutions Inc.”

The head office of Trench Solutions is located at Suite 510, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6. The registered and records office of Trench Solutions is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

On July 31, 2012, Trench Solutions was incorporated under *Business Corporations Act* (Alberta) under the name “Hombre Capital Inc.” On March 27, 2015, the name of Trench Solutions was changed from “Hombre Capital Inc.” to “Novateqni Corporation.”. On June 24, 2019, the name of Trench Solutions was changed from “Novateqni Corporation” to “Novateqni Technology Corporation”. On December 11, 2019, Trench Solutions changed its name to “Trench Solutions Inc.” and completed a continuation under the BCBCA.

Trench Solutions currently has no subsidiaries.

On Closing, it is anticipated that the Resulting Issuer will change its name to “Trench Metals Corp.”

GENERAL DEVELOPMENT OF BUSINESS

History

On January 22, 2013, Trench Solutions was listed on the Exchange as a Capital Pool Company (as such term is defined in Exchange Policy 2.4). On September 19, 2014, Trench Solutions completed its Qualifying Transaction (as such term is defined in Exchange Policy 2.4), being the arm’s length acquisition of Novateqni Hong Limited for aggregate consideration of \$2,100,000, and subsequently was listed and commenced trading on the Exchange as a Tier 2 Technology Issuer.

The Trench Solutions Shares are listed on the Exchange under the trading symbol “TSI”. Trading in the Trench Solutions Shares was halted on August 14, 2020. The closing price of the Trench Solutions Shares on the last day the Trench Solutions Shares traded before the halt (August 13, 2020) was \$0.55. Trading in the Trench Solutions Shares remains halted as of the date of this Filing Statement.

On June 25, 2019, Trench Solutions consolidated its common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. On September 6, 2019, Trench Solutions completed a non-brokered private placement of 8,002,500 units, at a price of \$0.16 per unit, for gross proceeds of \$1,280,400. Each unit consisted of one Trench Solutions Share and one Trench Solutions Warrant.

Option Agreement

On August 13, 2020, Trench Solutions entered into the Option Agreement with Apollo, pursuant to which Apollo will, on the Option Agreement Closing Date, grant Trench Solutions the right to acquire three

mineral dispositions comprising the Property. In order to exercise this right and acquire the mineral dispositions comprising the Property, Trench Solutions is required to:

- (i) make cash payments totaling \$700,000, as follows:
 - a. \$50,000 upon the Option Agreement Closing Date;
 - b. an additional \$250,000, on or before, the date which is twenty-four (24) months from the date of the Option Agreement Closing Date;
 - c. an additional \$400,000, on or before, the date which is thirty-six (36) months from the date of the Option Agreement Closing Date;
- (ii) incur expenditures on the Property of not less than \$300,000, as follows:
 - a. \$100,000, on or before, the date which is twelve (12) months from the date of the Option Agreement Closing Date;
 - b. an additional \$100,000, on or before, the date which is twenty-four (24) months from the date of the Option Agreement Closing Date; and
 - c. an additional \$100,000, on or before, the date which is thirty-six (36) months from the date of the Option Agreement Closing Date.

If Trench Solutions does not timely make all of the payments and complete all of the expenditures at the times set out above, then the Option shall terminate without notice. Notwithstanding the foregoing, Trench Solutions has the right to accelerate exercise of the Option by Trench Solutions by making all of the cash payments and expending all of the expenditures described above.

Following acquisition of the Property, Trench Solutions will assume responsibility for the Royalties. *See "Part II - Information Concerning the Property"*.

The Option Agreement is an option only, and Trench Solutions is not obligated to complete the payments and incur the expenditures set forth above. The Option Agreement provides Trench Solutions with the flexibility to acquire additional acreage in the vicinity of the Property in the event initial exploration work conducted on the Property proves successful.

Existing Business

As at the date of this Filing Statement, Trench Solutions no longer has any active business operations or sources of revenue and is currently in the process of searching for and evaluating new business opportunities.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Annual Financial Information

A summary of selected financial information of Trench Solutions for the years ended October 31, 2019 and 2018 is as follows and should be read in conjunction with Trench Solutions' audited consolidated financial statements for the years ended October 31, 2019 and 2018 attached as Appendix A: (Figures in US Dollars)

	Financial Year Ended October 31, 2019 (audited)	Financial Year Ended October 31, 2018 (audited)
Total revenues	Nil	2,388,321
Total expenses	\$222,404	\$259,195
Net income/(loss) and comprehensive income/(loss) for the year	\$(41,778) / \$(42,212)	\$(428,454) / \$(388,737)
Basic and diluted loss per share	\$(0.01)	\$(0.12)
Total assets	\$741,483	\$123,268
Total current liabilities	\$35,100	\$356,354
Total long-term financial liabilities	Nil	Nil
Cash dividends declared per share	Nil	Nil
Amounts deferred in connection with the Transaction	Nil	Nil

Notes:

- (1) The information presented is derived from the respective interim and annual audited consolidated financial statements which have been prepared by management and are in accordance with IFRS and presented in Canadian dollars.
- (2) Per share information has been retroactively adjusted to reflect the June 25, 2019 consolidation on a ten-for-one basis.

Management's Discussion and Analysis

Trench Solutions' MD&A for the year ended October 31, 2019 and for the nine-month interim period ended July 31, 2020 are attached as Appendix "A" hereto.

DESCRIPTION OF SECURITIES

Common Shares

The authorized capital of Trench Solutions consists of an unlimited number of Class "A" common shares. As of the date of the Filing Statement, there are 12,022,245 Trench Solutions Shares issued and outstanding, each Trench Solutions Share carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Trench Solutions Shares. The holders of Trench Solutions Shares are entitled: (i) to dividends, if and, as and when declared by the Board of Directors subject to the rights of the holders of Class "B" preferred shares; (ii) to one vote per share at meetings of the shareholders of Trench Solutions; (iii) and, upon liquidation, subject

to the rights of the holders of Class “B” Preferred Shares, to receive the remaining property and assets of Trench Solutions.

Preferred Shares

The authorized capital of Trench Solutions consists of an unlimited number of Class “B” preferred shares. As of the date of this Filing Statement, there are nil Class “B” preferred shares issued and outstanding in the capital of Trench Solutions. The holders of Class “B” preferred shares are not entitled to receive notice of, attend or vote at any general meetings of shareholders of Trench Solutions and do not have any voting rights except to receive notice of, attend and vote at class meetings of the holders of the Class “B” preferred shares or as required or provided by the BCBCA. The holder of Class “B” preferred shares are entitled to dividends, if, as and when declared, however, no dividends shall be declared and paid on or set apart for payment on the Trench Solutions Shares unless the dividends on all the Class “B” preferred shares have been declared and paid or set apart for payment; the Board of Directors may declare and authorize the payment of such dividends exclusively on the Class “B” preferred shares. In the event of liquidation, the holders of Class “B” preferred shares take priority with regards to the return of capital and distribution of assets, where such holders receive an amount equal to the amounts paid up on the Class “B” preferred shares together with all declared and unpaid dividends thereon, if any. Trench Solutions may, by notice of redemption, at any time and at the sole discretion of the Board of Directors, redeem all or any Class “B” preferred shares. A holder of Class “B” preferred shares may at any time demand that Trench Solutions redeem all or any part of the Class “B” preferred shares held by such holder.

STOCK OPTIONS

As of the date of this Filing Statement, there are nil incentive stock options of Trench Solutions issued and outstanding.

Stock Option Plan

Trench Solutions has implemented a 10% “rolling” stock option plan which is re-approved on a yearly basis by shareholders. The Stock Option Plan reserves, for issue pursuant to stock options, a maximum of common shares equal to 10% of the outstanding Trench Solutions Shares from time to time, with no mandatory vesting provisions. It provides that the Board of Directors of Trench Solutions may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, consultants and employees of Trench Solutions, non-assignable and non-transferable options to purchase common shares. The Board of Directors of Trench Solutions, subject to the policies of the Exchange, may determine and impose terms upon which each option shall become vested in respect of the common share that may be acquired under such option. The option price under each option shall be not less than the Discounted Market Price (as such term is defined in policies of the Exchange) on the date the option is granted.

The options are exercisable up to ten years from the date of grant, so long as the optionee maintains the optionee’s position with Trench Solutions. The number of common shares reserved from issue to any one person in any twelve-month period under the Stock Option Plan may not exceed 5% of the outstanding common shares at the time of the grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange). The number of Trench Solutions Shares reserved for issue to any Consultant and any Employee conducting Investor Relations Activities (as defined by the Exchange) in any twelve-month period under the Stock Option Plan may not exceed 2% of the outstanding common shares at the time of grant.

All options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee's employment, office or position as director, if terminated for just cause; (c) ninety (90) days (or such other period of time as permitted by any rule or regulation of the Exchange) following the date of termination of an optionee's position as a director or officer, if terminated for any reason other than the optionee's disability or death; and (d) thirty (30) days following the date of termination of an optionee's position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee's disability, death, or just cause.

The Stock Option Plan also contains provisions for adjustment in the number of common shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the common shares, or an amalgamation, merger or other relevant change in the Trench Solutions' corporate structure, or any other relevant change in Trench Solutions' capitalization.

As of the date of the Filing Statement, there are nil incentive stock options of Trench Solutions granted under the Stock Option Plan.

PRIOR SALES

During the twelve-month period prior to the date of this Filing Statement, Trench Solutions has issued the following securities:

Date	Number and Type of Securities	Issue / Exercise Price	Aggregate Issue / Exercise Price	Consideration Received
July 31, 2019	225,000 Trench Solutions Shares ⁽¹⁾	\$0.18 per Share	\$40,500	Cash
September 6, 2019	8,002,500 Trench Solutions Shares ⁽²⁾	\$0.16 per Share	\$1,280,400	Cash
September 6, 2019	8,002,500 Trench Solutions Warrants ⁽²⁾	\$0.21 per Warrant	\$1,680,525	Not Applicable

Note:

- (1) Issued in connection with the exercise of incentive stock options.
- (2) Issued in connection with a non-brokered private placement of units at a price of \$0.16 per unit.

STOCK EXCHANGE PRICE

The following table sets out trading information for the Trench Solutions Shares for the periods indicated.

Trading Periods	High	Low	Trading Volume
August 2020 ⁽¹⁾	\$0.650	\$0.550	20,260
July 2020	\$0.650	\$0.135	1,551,860
June 2020	\$0.140	\$0.140	13,920
May 2020	\$0.170	\$0.130	57,165
February 2020 – April 2020	\$0.210	\$0.110	266,800
November 2019 – January 2020	\$0.220	\$0.120	7,296,210
August 2019 – October 2019	\$0.240	\$0.140	328,816
May 2019 – July 2019	\$0.320	\$0.190	2,381,694
February 2019 – April 2019	\$0.400	\$0.200	99,900
November 2018 – January 2019	\$0.400	\$0.300	99,945
August 2018 – October 2018	\$0.600	\$0.350	438,802

Notes:

- (1) Trading of Trench Solutions Shares was halted on August 14, 2020 upon the announcement of the Transaction.
- (2) Information has been retroactively adjusted to reflect the June 25, 2019 consolidation on a ten-for-one basis.

EXECUTIVE COMPENSATION

In accordance with the provisions of applicable securities legislation, Trench Solutions had two “Named Executive Officers” during the financial year ended October 31, 2019, namely Simon Cheng, Chief Executive Officer and Corporate Secretary of Trench Solutions, and Scott Davis, Chief Financial Officer of Trench Solutions. For the purpose of this Filing Statement, “named executive officer” of Trench Solutions means an individual who, at any time during the year, was:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the financial year ended October 31, 2019 whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

Compensation Discussion and Analysis

The Board of Directors of Trench Solutions does not have a compensation committee as the Board of Directors is responsible for determining all forms of compensation, including long-term incentive compensation in the form of stock options, to be granted to the chief executive officer and the directors, and for reviewing the chief executive officer's recommendations respecting compensation of the other officers of Trench Solutions. In its review and determination of executive compensation, the Board of Directors strives to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board of Directors considers: i) recruiting and retaining executives critical to the success of Trench Solutions and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and Trench Solutions Shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

Trench Solutions does not have written employment agreements with its Named Executive Officers (as defined above).

Option-Based Awards

The Stock Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The Stock Option Plan is an important part of Trench Solutions' long-term incentive strategy for its NEOs, as well as for its other directors, officers, other management, employees and consultants (collectively, "eligible persons"), permitting them to participate in any appreciation of the market value of the Trench Solutions Shares over a stated period of time. The Stock Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to Trench Solutions' long-term growth, performance and success as well as increases in shareholder value. The Board of Directors reviews the grant of stock options to NEOs from time to time, based on various factors such as the NEO's level of responsibility and role and importance in Trench Solutions achieving its corporate goals, objectives and prospects. Previous grants of options are taken into account when considering new grants of stock options to NEOs.

Use of Financial Instruments

Trench Solutions does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Simon Cheng and Scott Davis are the NEOs of Trench Solutions for the purposes of the following disclosure. Simon Cheng and Scott Davis are not employees of Trench Solutions. They provide or have provided their services as officers of Trench Solutions in their capacity as consultants to Trench Solutions. The compensation for the NEOs, received directly or indirectly, for the financial years ended October 31, 2019 and 2018 are as follows:

NEO SUMMARY OF COMPENSATION TABLE

Name and principal position	Period ended	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽⁴⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term incentive plans			
Simon Cheng ⁽¹⁾ CEO and Corporate Secretary	2019 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	5,000	5,000
	2018 ⁽³⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scott Davis ⁽²⁾ CFO	2019 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	9,588	9,588
	2018 ⁽³⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) Mr. Cheng was appointed as Chief Executive Officer and Corporate Secretary on June 24, 2019.
- (2) Mr. Davis was appointed as Chief Financial Officer on June 24, 2019.
- (3) Represents fiscal year ended.
- (4) Deemed fair value of options granted during the period, based on the Black-Sholes Merton model.

Incentive Plan Awards

Trench Solutions has in effect the Stock Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of Trench Solutions and to enable Trench Solutions to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for Trench Solutions Shareholders. Trench Solutions has no equity incentive plans other than the Stock Option Plan.

During the year ended October 31, 2019, no incentive stock options were outstanding under the Stock Option Plan.

Termination and Change of Control Benefits

Trench Solutions does not currently have any contract, agreement, plan or arrangement, that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in Trench Solutions or a change in the NEO's responsibilities.

Director Compensation

There are no formal plans other than the Stock Option Plan pursuant to which options to purchase securities of Trench Solutions were or may be granted to executive officers. Trench Solutions grants incentive stock

options from time to time to its directors, officers, consultants and employees in accordance with Exchange Policy at the discretion of its Board of Directors.

During the financial year ended October 31, 2019, Trench Solutions did not provide any compensation to its directors and no options were granted under the Stock Option Plan to directors.

ARM'S LENGTH TRANSACTION

The Transaction is an Arm's Length Transaction within the meaning of the policies of the Exchange.

CONDITIONAL LISTING APPROVAL

Trench Solutions has applied to the Exchange to obtain conditional approval for the Transaction. As of the date of this Filing Statement, the Exchange has not provided conditional approval of the Transaction, and such approval is necessary to consummate the Transaction. Acceptance of the Transaction by the Exchange will be subject to Trench Solutions fulfilling all of the requirements of the Exchange. There is no assurance that Trench Solutions will be able to meet all of such requirements. If Trench Solutions is unable to meet all of such requirements, the Transaction will not be completed.

LEGAL PROCEEDINGS

Trench Solutions is not currently a party to any actual or pending material legal proceedings to which it is or is likely to be a party or of which any of its assets are or are likely to be subject. Management of Trench Solutions is currently not aware of any legal proceedings contemplated against it.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The independent auditor of Trench Solutions is Manning Elliott LLP, Chartered Professional Accountants located at Suite 1700, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

The transfer agent and registrar of Trench Solutions is Odyssey Trust Company located at Suite 323, 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

MATERIAL CONTRACTS

Except for the Option Agreement, and contracts entered into in the ordinary course of business, Trench Solutions is not a party any material contracts.

The Option Agreement will be available for inspection at the registered office of Trench Solutions located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, during ordinary business hours from the date hereof until completion of the Transaction and for a period of 30 days thereafter.

PART II - INFORMATION CONCERNING THE PROPERTY

Source of Information and Data

The following is a summary of the Technical Report for the Property, located in Saskatchewan, Canada. The Technical Report is available in its entirety on SEDAR at www.sedar.com and readers should review it in its entirety for a full description of the Property.

Definitions contained in this Part and not otherwise defined in this Filing Statement, shall have the meanings ascribed to such definitions in the Technical Report.

PROPERTY DESCRIPTION AND LOCATION

Property Location

The Gorilla Lake Property comprises 6,949.8 ha in the Northern Mining District of Saskatchewan, NTS topographic sheets NTS 074K/05, 06, 12 (Figure 1). The project lands consist of 3 contiguous claims centred approximately around UTM NAD83 (Z12) 585,000 m E, 6,482,000 m N (Latitude 58.577° N, Longitude -109.548° E). The nearest communities are La Loche, 210 km south and Fort McMurray, Alberta 225 km southwest. The City of Saskatoon lies approximately 700 km to the southeast. The Property is transected by and extension of Highway 955 which was built to service the now decommissioned Cluff Lake Mine.

Property Description

The Gorilla Lake Property comprises three mineral claims that substantially cover an initial two claims (S-107580, S-107581) purchased 100% by Apollo on May 21, 2018 from Voleo Trading Systems Inc. (Voleo) (formerly, Logan Resources Ltd.). The claims had previously been held under option by ALX Resources Corp. who returned the claims to Logan despite having spent in excess of an estimated \$1.5 million and 13 years exploring the claims. Apollo substantially re-staked the claims under the MARS (Mineral Administration Registry Saskatchewan) online staking system on February 28, 2019. (Figure 2, Table 1, **Note to Figure 2:** *MARS utilizes a grid based system and its implementation with the previous ground based system results in gaps between pre-MARS legacy and MARS claims. Mineral ownership of the gaps is awarded to the legacy owners as a “deemed” disposition by the administrators of MARS, Apollo’s original claims included the adjoining “deemed” dispositions*).

Figure 1: Location Map

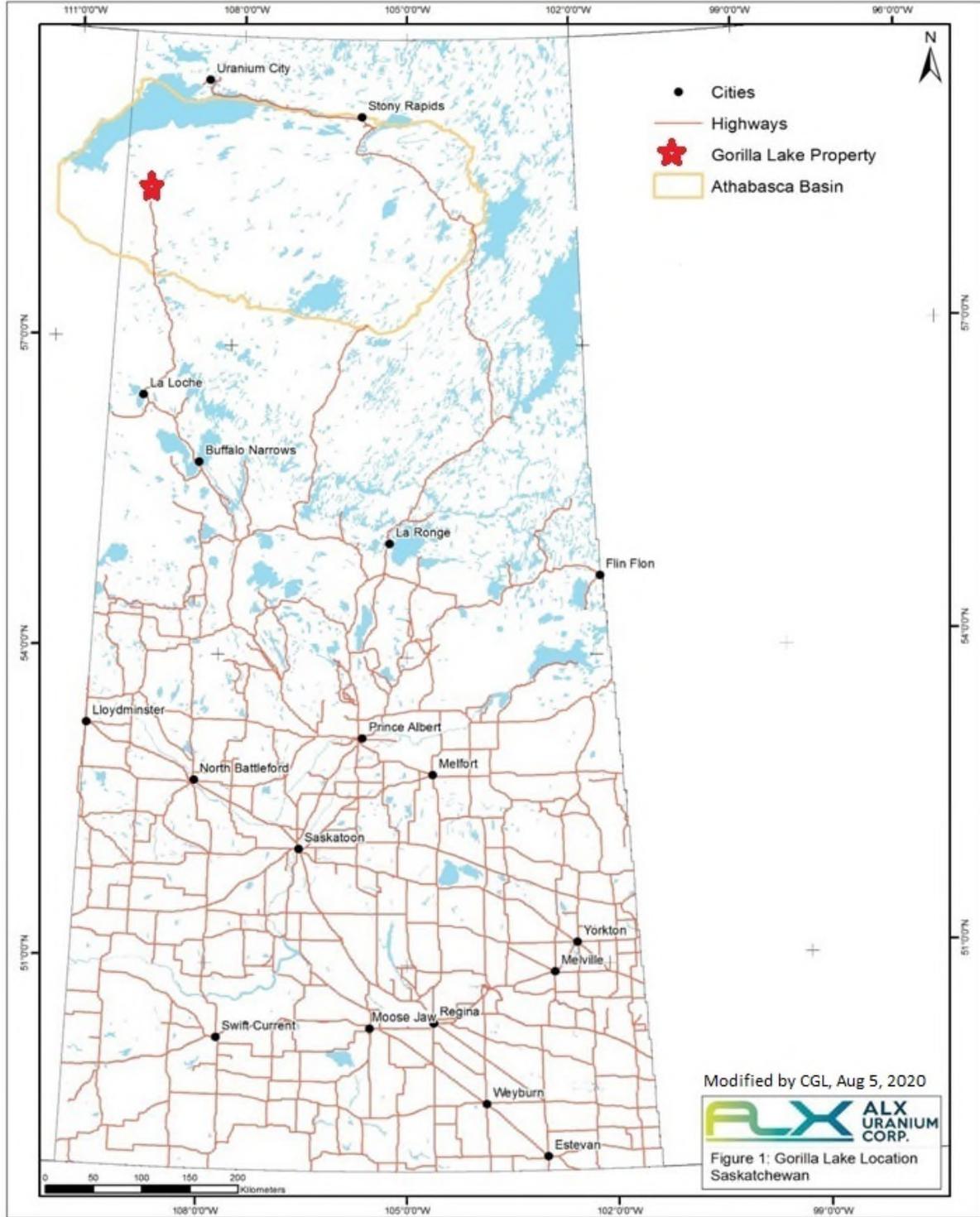
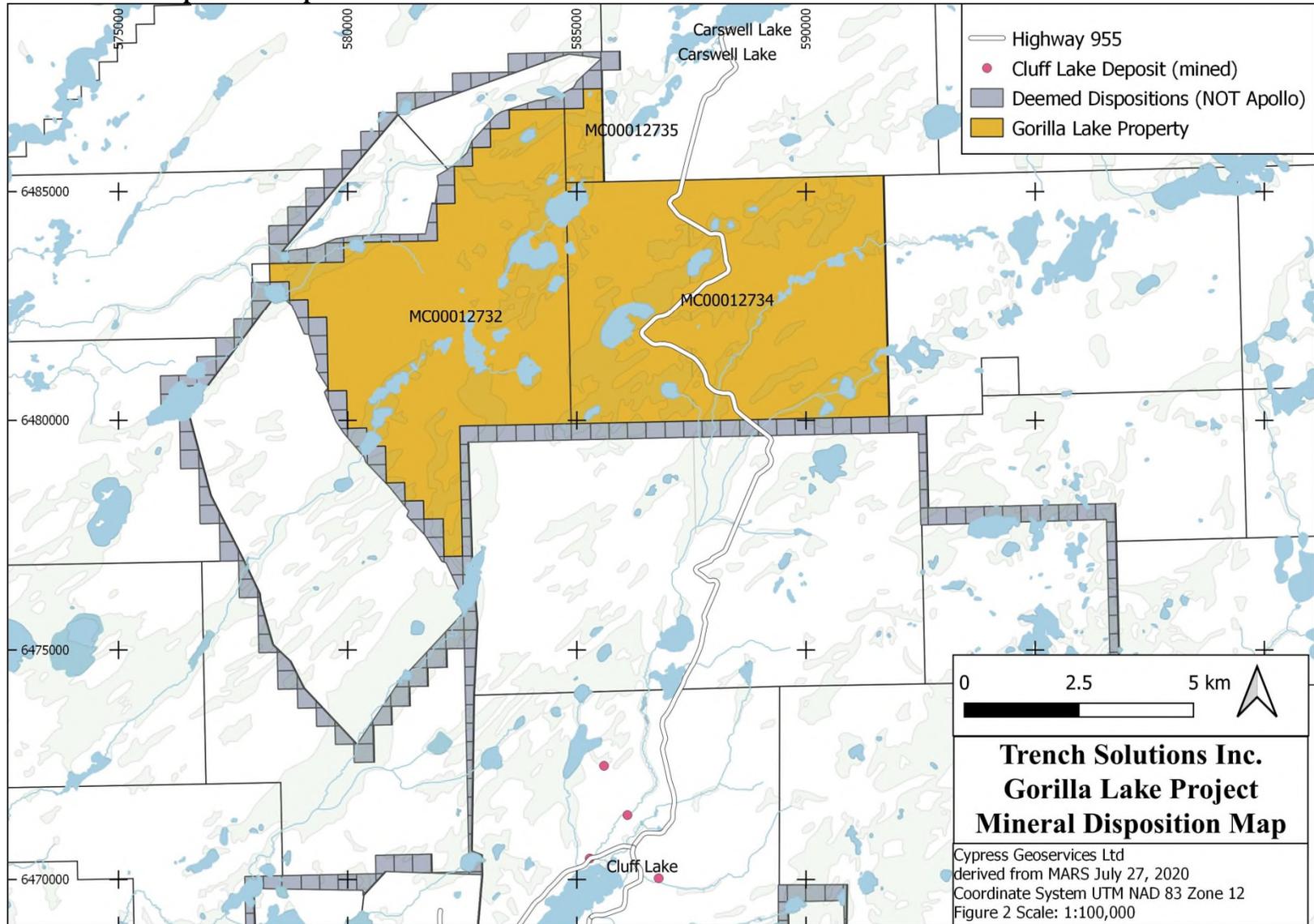


Figure 2: Mineral Disposition Map



All claims are currently in good standing at the time of writing. It should be noted that the Government of Saskatchewan granted all claims active in the Province as of March 18, 2020, a one-year assessment credit as a response to impacts on exploration due to the COVID-19 pandemic.

The mineral lands are currently 100% owned by Apollo. The surface is 100% provincially crown owned. At the time of acquisition, there were no back in rights or payments associated with the mineral claims, with the exception of the 1% Net Smelter Return Royalty (NSR) payable to Voleo and a 2.5% NSR payable to Cloverfield Investments Inc. Apollo has legal access to conduct mineral exploration on the Property as granted by the Government of Saskatchewan “Mineral Tenure Registry Regulations, 2012”.

On August 13, 2020 Apollo entered into the Option Agreement whereby Trench Solutions may earn a 100% interest in the Gorilla Lake Property by making cash payments of \$700,000 and completing work commitments of \$300,000 as follows:

- Cash payment of \$50,000 on the Option Agreement Closing Date;
- an additional cash payment of \$250,000, on or before the date which is twenty (24) months from the Option Agreement Closing Date;
- an additional cash payment of \$400,000, on or before the date which is thirty (36) months from the Option Agreement Closing Date;
- make expenditures of \$100,000, on or before the date which is twelve (12) months from the Option Agreement Closing Date;
- make additional expenditures of \$100,000, on or before the date which is twenty (24) months from the Option Agreement Closing Date; and
- make additional expenditure of \$100,000, on or before the date which is thirty (36) months from the Option Agreement Closing Date.

Except for the royalty obligations noted above, no other back in rights or covenants are known to exist.

Table 1: Mineral Disposition Summary

Claim #	Area (ha)	Effective	Annual	Credits*	Expires
MC00012732	3144.7	28/05/2019	\$47,170.50	\$47,170.50	29/05/2022
MC00012734	3055.588	28/05/2019	\$45,833.82	\$45,833.82	29/05/2022
MC00012735	149.51	28/05/2019	\$2,242.65	\$2,242.65	29/05/2022
3 Claims	6,349.8		\$95,246.97		

*Credit for COVID-19 applied

Adjacent and surrounding claims are held by Stewart Devereau, Orano Canada (formerly Areva), Luke Schuss, Rio Tinto Canada and an Orano Canada/Far West Mining/ HXC Corp. Joint Venture, but no covenants or restrictions are known to exist on the claims from these entities. There are no known environmental liabilities associated with the Property. The author knows of no other significant factors and risks that may affect access, title, or the right or ability to perform work on the Property. No permits for exploration activities are currently in place, but the Author does not have reason to believe there should be any unusual delay in obtaining these permits.

In order to conduct ground work at the Property, the operator must be registered with the Saskatchewan government and comply with the Saskatchewan Environment Exploration Guidelines and hold the

appropriate Temporary Work Camp Permit, Forest Product Permit and Aquatic Habitat Protection Permit. The operator must also comply with the Federal Department of Fisheries and Oceans that administers its own Guidelines for the Mineral Exploration Industry. The environmental liabilities associated with the activities to date are consistent with low impact exploration activities. The mitigation measures associated with these impacts are accounted for within surface exploration permits and authorizations that may be granted in the future.

Exploration and mining in Saskatchewan is governed by the Mineral Tenure Registry Regulations, and administered by the Mines Branch of the Saskatchewan Ministry of the Economy. Mineral claims are acquired using an online mineral staking system (MARS) and by submitting a recording fee of \$0.60 per ha. A mineral claim does not grant the holder the right to mine minerals except for exploration purposes. Subject to completing necessary expenditure requirements, mineral claims can be maintained for a maximum of twenty-one years. Beginning in the second year, and continuing to the tenth anniversary of staking a claim, the annual expenditure required to maintain claim ownership is \$15 per ha. and thereafter it is \$25. In order to mine minerals, the mineral claim must be converted to a mineral lease by applying to the mining recorder. Surface rights for mining operations are Crown owned and require a surface lease from the Province of Saskatchewan. A surface lease is issued for a maximum of 33 years, and may be extended as required.

ACCESSIBILITY, CLIMATE, INFRASTRUCTURE AND PHYSIOGRAPHY

The Gorilla Lake Property is accessible by Highway 955 from the service community of La Loche with extensive trails on the Property that are accessible by most surface vehicles. There are no lakes of significance on the Property so access by water is not practical. There is an outfitter camp at Carswell Lake at the terminus of Highway 955 approximately 7 km north that can be used to house exploration crews. The old Cluff Lake airstrip lies 8 km to the south and remains serviceable. The nearest commercial services available are at Big Bear Contracting where fuel, lodging and aircraft services are seasonally available; otherwise La Loche is the nearest year around comprehensive service centre connected to the south by paved road, paved airstrip and grid power. The nearest hospital is in La Loche, Saskatchewan, and the nearest STARS air ambulance service base is in Edmonton, Alberta. The nearest RCMP detachment is also located in La Loche.

A ready supply of labour is available from communities throughout northern Saskatchewan. Mines in the region typically utilize a one week in – one week out schedule thus reducing the negative impacts of creating company town sites. Saskatchewan is the focus of Canada's uranium mining and exploration industry and as such is well positioned to provide whatever services the industry may require. The mineral extractive industry in Saskatchewan has a high level of acceptance and support throughout the provincial population, as well as by local and provincial governments.

The climate is considered to be sub-arctic with warm summers and cold winters. Summer temperatures may exceed 30⁰ C occasionally but are typically in the low to mid 20's, while winter temperatures of -30⁰ to -45⁰ C are not unusual. During the period of freeze up, from December to April, accessibility in the area is enhanced by frozen muskeg and lakes. Break up typically begins in April and ends approximately mid to late May. The operating season at the Gorilla Lake Property is close to year round depending on the type of work that is proposed. While geological mapping, prospecting and certain geochemical sampling are

only feasible when there is no snow cover, typically between late May to October, other operations such as geophysical surveys and diamond drilling can be completed year around except where there are limitations imposed by lakes and swamps during the periods of spring break-up and autumn freeze-up dependant on the surface conditions. Airborne geophysical surveys can be carried out without regard to season.

Table 2 Weather Statistics for Cluff Lake, Saskatchewan, 1981-2010

From: Environment Canada, Climate Normals Station Data

http://climate.weather.gc.ca/climate_normals/results_1981_2010_e.html?searchType=stnProv&lstProvince=SK&txtCentralLatMin=0&txtCentralLatSec=0&txtCentralLongMin=0&txtCentralLongSec=0&stnID=3360&dispBack=0

Average Temperatures (°C)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Daily Mean	- 20.4	- 16.4	-9.5	0.5	8.8	14.6	16.9	15.6	9.0	1.1	- 11.0	- 17.6	-0.7
Daily Maximum (°C)	- 15.4	- 11.0	-3.3	6.1	14.9	20.8	22.7	21.3	13.6	4.6	-7.3	- 13.3	4.5
Daily Minimum (°C)	- 25.5	- 21.8	- 15.6	-5.1	2.7	8.4	11.1	9.9	4.3	-2.4	- 14.6	- 21.9	-5.9
Average Precipitation													
Rainfall (mm)	0.1	0.5	1.8	6.6	24.0	58.6	88.2	71.7	50.7	15.8	0.8	0.6	319.3
Snowfall (cm)	24.3	21.9	21.4	9.7	2.0	0.0	0.0	0.0	1.2	19.4	36.4	26.5	162.8
Precipitation (mm)	18.9	18.1	19.8	15.8	26.0	58.6	88.2	71.7	51.9	33.6	27.9	20.6	451.0

The Gorilla Lake Property lies within the Athabasca Plain ecoregion of the Boreal Shield ecozone (Saskatchewan Conservation Data Centre, 2014). The Property is characterized by generally subdued topography with less than 10 m of local relief, which is typical of the terrain of the Athabasca Basin. Elevations range from 330 to 380 m above sea level across the Property. Throughout the area there is a distinctive north- easterly trend to the landforms arising from the passage of glacial ice from the northeast to the southwest. Nearly 50% of the Property is covered by peat bog and muskeg extending in a southwest to northeast direction across the Property. The remainder tends to be covered by a thin veneer of glacial till, along with outwash and aeolian sands and local eskers. There are only a few small lakes and ponds within the Property, none of which are large enough for use by float-equipped fixed-wing aircraft.

Figure 3: Road Through Property – looking Northwest (creek is fordable)



The sandy areas are typically covered by caribou moss and jack pine, with poplar and birch present along slopes and over bouldery terrain. Willows, alders, black spruce and tamarack grow in the lower wetter terrains. Major wildlife species include: moose, caribou, black bears, and timber wolves. Red and silver foxes and lynx are also common. A variety of birds inhabit the area, the majority being migratory. The year round species include ravens, Canada jay (whiskey jack), sparrows, chickadees, spruce and ruffed grouse, and great horned owl. Northern pike is the most common sports fish found in the majority of lakes and lake trout are found in the larger and deeper lakes. The common sucker and whitefish are also common.

HISTORY

The Property has been extensively explored since the late 1950's and it's history is best described by Eriks et al, 2017 who are quoted verbatim below.

“Uranium exploration in Saskatchewan began as early as 1947, when a ban on private uranium prospecting in Canada was lifted after the conclusion of World War II. The northern Saskatchewan uranium province was discovered in the 1950s and Eldorado Nuclear Ltd. began mining at Beaverlodge near Uranium City in 1953. The first uranium mine in the Athabasca Basin was the Rabbit Lake mine; the deposit was discovered in 1968 and was brought into production in 1975. In that year Cluff Lake and Key Lake were discovered on the west and south sides of the basin, and these started up in 1980 and 1983 respectively (World Nuclear Association Information Library, 2017).”

“Uranium exploration in the area of Gorilla Lake has been ongoing since the late 1950s and has included a variety of geophysical, geochemical and drilling programs, which are summarized in Table 3 below.”

Table 3 Historical Mineral Exploration

Year(s) of Work	Assessment Report File	Survey(s) Performed	Company
1958-59	74K05-0001	Aeromagnetic Survey	WS Kennedy (1958) Grubstake
1969	74K05-0008	Reinterpretation of Aeromagnetic survey	Amok Ltd.
1969	74K05-0012	Hydrogeochemical survey	Numac Oil and Gas Ltd.
1969-70	74K05-0002	Diamond drilling (1 hole) Airborne radiometric survey Radon soil gas survey	Numac Oil and Gas Ltd.
1969-73	74K05-0007	Airborne radiometric survey Geological mapping Radon survey Ground magnetic survey	Amok Ltd.
1970-71	74K05-0015	Ground radiometric survey Ground resistivity survey Geochemical survey Radon survey Geological mapping	Amok Ltd. Mokta Canada Ltd.
1971	74K05-0013	Ground magnetometer survey	Numac Oil and Gas Ltd.
1972	74K05-0010	Diamond drilling (6 holes) Geological mapping Geochemical survey Radon survey Ground EM grid survey	Numac Oil and Gas Ltd.
1972	74K05-0022	Geochemical sampling survey Geological and radiometric reconnaissance Ground EM grid survey	Numac Oil and Gas Ltd.
1972-73	74K05-0034	Diamond drilling (36 holes) Radiometrically logged geological mapping Ground radiometric survey	Amok Ltd.
1973	74K-0001	Airborne spectrometer survey	Amok Ltd.
1974	74K05-0046	Diamond drilling (12 holes)	Amok Ltd. Mokta Canada Ltd.

Table excerpted from Eriks et al, 2017

In 2006, with the increase in the price of Uranium and commodities in general Voleo staked the 2 original claim blocks in October of 2004, a substantial part of which comprise the current dispositions. They targeted the Gorilla Lake Property based on five decades of exploration and the presence of strong structural zones, known uranium mineralization and clay alteration in drill holes as well as numerous airborne and ground EM conductors. An 80% interest in the Property was optioned from Voleo by ESO Uranium Corp, a predecessor company to ALX Resources, in 2005. The initial work that was performed by ESO/ALX up to the winter of 2017 is described as excerpted from Erik's et al (2017) report below.

“In 2006, ALX (“ESO”) drilling (8 holes, 1,673 m) encountered extensions to known mineralization intersected by Amok Ltd. in 1981 (0.85% U_3O_8 over 2.5 m in hole CAR-425, Vanderhorst et al., 1981) in two of the six holes drilled. Drill hole CLU-06-01 intersected 0.46% U_3O_8 over 1.5 m from 174.0 to 174.5 m. Drill hole CLU-06-07 intersected two zones of uranium mineralization: one zone returned 0.17% U_3O_8 over 7.0 m from 153.0 to 160.0 m, including 0.82% U_3O_8 over 1.0 m and a second zone contained 0.20% U_3O_8 over 2.0 m from 175.0 to 177.0 m (Beckett, 2006).

These step-out holes confirmed the presence of uranium in the area of previous hole CAR-425. The uranium mineralization intersected in drill holes CLU-01 and CLU-07 is associated with a virtually untested structure extending over at least 700 metres. This structure represents a prime target for further drilling.

Additionally, in this area the basement has been overturned and lies above the sandstone. The possibility for unconformity uranium mineralization therefore also exists in this area.

In 2005, Fugro Airborne Surveys completed an airborne magnetic and MEGATEM survey over the Cluff Lake area that included the Gorilla Lake Property (Fugro Airborne Surveys, 2005).

The Total Field Magnetic Intensity from the airborne magnetic survey is shown on Figure 8. Of particular interest is a magnetic “button” anomaly approximately 1,500 metres south of Gorilla Lake shown as a distinct green blob in centre of the Total Magnetic Intensity RTP on Figure 8. The Total Magnetic Intensity Tilt Angle presented on Figures 7 also shows this magnetic “button” anomaly south of Gorilla Lake.

In 2016, a gravity survey was carried out in the northern portion of the Gorilla Lake Property. This gravity survey identified two significant gravity anomalies to the east and west of Gorilla Lake and confirmed a third geophysical anomaly approximately 1,500 metres south of Gorilla Lake.”

In the winter of 2017, ALX carried out a 4 hole, 1,116 metre diamond drilling program to test targets on the Gorilla Lake Property. The holes were designed to follow up along strike to the northeast of mineralization intersected in historical holes CLU-01 (0.46% U_3O_8 over 1.5 m) and CLU-07 (0.17% U_3O_8 over 7.0 m) drilled in 2006, as well as a circular, magnetic anomaly coincident with a distinct northeast-southwest striking gravity low, 1,500 metres south of Gorilla Lake.

Holes GL17-001 to GL17-003 targeted mineralization near historical holes CLU-01 and CLU-07. Overturned basement lithologies in conjunction with thick packages (141 to 158 m thick) of sulphide-bearing graphitic pelitic gneiss along with weakly radioactive, highly graphitic and hematitic sections of fault gouge were intersected. These intercepts occurred near the graphitic pelitic gneiss and pelitic to granitic gneissic contacts above the underlying Athabasca sandstone.

Drill hole GL17-004 did not encounter radioactive material, however, possible basement units were intersected. Dark grey, very fine-grained narrow intervals of Cluff breccia were intersected along with pervasively weakly mineralized hematized, moderately foliated to migmatitic, biotite-rich quartzofeldspathic to granitic gneisses.

Despite having spent in excess of \$1,500,000 over 14 years exploring the Property (2,789 m diamond drilling and geophysics, total assessment requirements of approximately \$1,593,000, Table 4), ALX to relinquished the Property to Logan after having decided not to maintain the required 2 years annual assessment required by the option agreement (ALX News Release, May 9, 2018) .

Table 4 Estimated Gorilla Expenditures by ALX using Assessment Criteria*

Period	Years	\$ / ha	\$ Annual	Total Assessment	Notes
2004-05	1	\$0	\$0	0	No assessment in initial year
2005-13	8	\$12	\$90,624	\$724,992	assessment under previous regulations
2013-14	1	\$15	\$113,280	\$113,280	New rates under MARS
2014-18	4	\$25	\$188,800	755,200	claims over 10 years old, \$25 per ha
Total				\$1,593,472	

*Using Saskatchewan Mineral Disposition Regulations 1986 and 2012.

GEOLOGY

Regional Geology

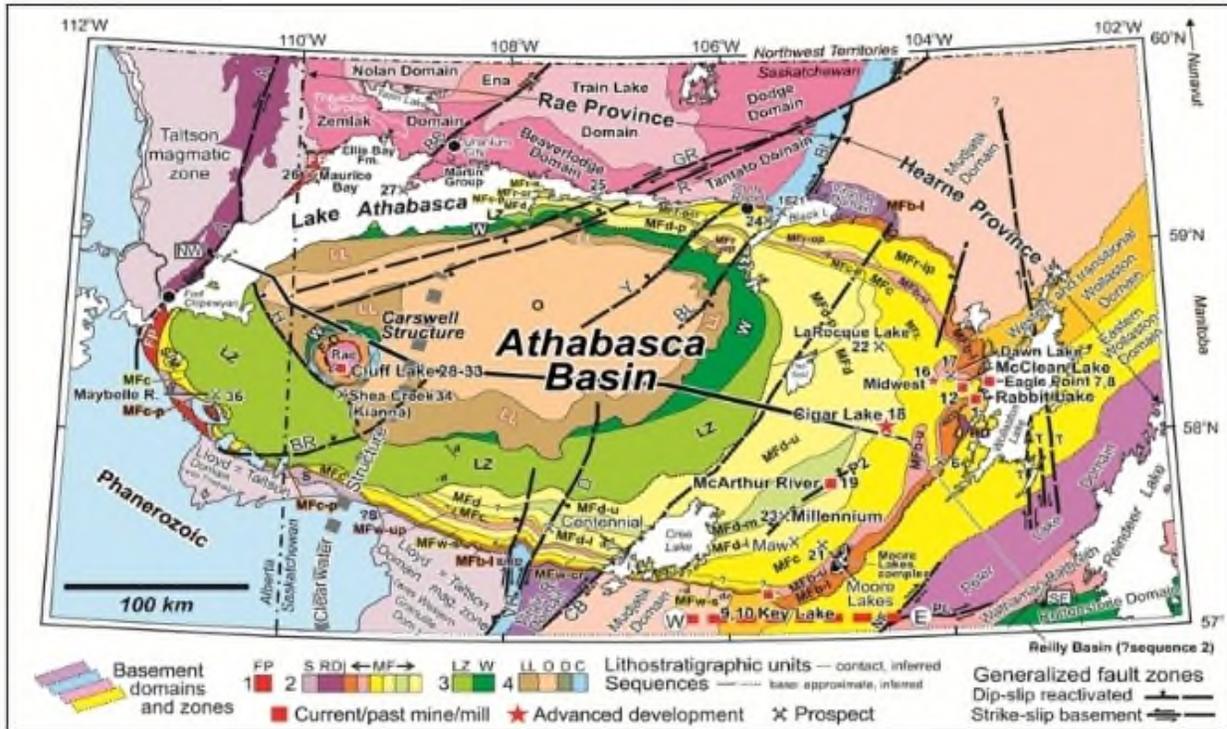
The Gorilla Lake Property is located within the Carswell meteorite impact structure of the Athabasca Basin of Northern Saskatchewan, where crystalline rocks of the southern Rae Province are exposed in an uplifted central core about 19 km in diameter. The ensuing text draws extensively from Armitage, 2013.

The Athabasca Basin is of Helikian age and occurs within the southwestern part of the Churchill Structural Province of the Canadian Shield. The 100,000 square km basin is filled with unmetamorphosed sediments dominated by, variably hematized siliciclastic, conglomeratic sandstone. In the western centre of the basin around the Carswell meteorite impact structure a sequence of dolostones and basement granitoids to granitoid gneisses are exposed. A maximum depth of 1,500 m has been established through diamond drilling. The Athabasca Basin is interpreted to have been filled over a 200 Ma period in four major depositional sequences coalescing into a single basin (Ramaekers et al., 2007). The Athabasca Basin unconformably overlies northeast-trending Archean to Paleoproterozoic crystalline basement rocks (Figure 6). The unconformity is relatively flat lying with a gentle dip towards the centre of the basin in the east and a steeper dip in the north, south and west

The Archean to Paleoproterozoic crystalline basement underlying the Athabasca Basin forms part of the Churchill craton that was strongly deformed and metamorphosed during the Hudsonian Orogeny (Lewry and Sibbald, 1977, 1980; Annesley, et al., 1997, 1999, 2005). The crystalline basement is comprised of three major lithotectonic zones; the Talston Magmatic Zone, the Rae Province and the Hearne Province. The basement underlying the Athabasca Basin is primarily the Rae and Hearne Provinces. The Talston Magmatic Zone underlies the Athabasca Basin on its far west side, extends from northern Alberta to Great

Slave Lake in the Northwest Territories and is dominated by a variety of plutonic rocks and older basement portions of the basin.

Figure 4: Regional Geology, Athabasca Basin and Environs



(from Jefferson et al. 2007)

The Rae Province is comprised of five domains as well as a column of material comprising the core of the Carswell meteorite impact structure. The Zemplak Domain is dominantly comprised of highly deformed and metamorphosed migmatitic gneisses, the Beaverlodge Domain of greenschist to amphibolite facies supracrustal rocks and meta-igneous rocks and the Tantato Domain is separated into two structural packages termed the lower and upper decks (Hanmer et al., 1994). The upper deck to the south, is dominated by psammitic to pelitic migmatite with lesser mafic granulite (Hanmer, 1997), whilst the lower deck is comprised of a tonalite batholith to the east and granitoid orthogneiss to the west (Hanmer, 1997). The Lloyd Domain consists mainly of granodioritic orthogneiss with lesser psammo-pelite to pelite, intercalated psammite, quartzite, amphibolites and ultramafics (Lewry and Sibbald, 1977; Card, 2002). Rocks of the Clearwater Domain are largely unexposed but are presumed to be K-feldspar rich granite and granitoid gneiss based on drill core and limited exposure (Sibbald, 1974; Card, 2002). The Carswell impact structure is characterized by a core of granitoid gneiss, pelitic diatexite, pegmatite and mafic gneiss.

The Hearne Province is made up of the Wollaston, Mudjatik and Virgin River domains, including the Mudjatik-Wollaston Transition zone (WMTZ), and the Hearne and Rae provinces are separated by the northeast trending Virgin River shear zone. The Virgin River and Mudjatik domains are lithologically similar, comprised of interbedded psammitic to pelitic gneisses and granitoid gneiss with lesser mafic granulite, quartzite, calc-silicate and iron formation and are separated based on differing structural styles. Linear structures dominate the Virgin River Domain and dome and basin structures dominate the Mudjatik Domain. It has been proposed by Card however, that the distinction between the two domains be largely abandoned (Card, 2012). The Wollaston Domain is separated from the Mudjatik Domain based on an

increased proportion of metasedimentary rocks (Yeo and Delaney, 2007) and a change from dome and basin structures to linear structures (Lewry and Sibbald, 1977). The Wollaston Domain is comprised of variably graphitic Paleoproterozoic metasedimentary gneiss and Archean granitoid gneiss.

Major fault zones in the basement are generally northeast to east-trending and include the Snowbird tectonic zone, Grease River shear zone, Black Bay fault, Cable Bay shear zone, Beatty River shear zone and Tabernor fault zone. Faulting causes offsets in all lithologies from Archean to Helikian age. Both normal and reverse faults occur within the Wollaston and Athabasca Groups. The most recognizable faults have a north-northeast trend and belong to the Tabernor fault system. Northeast-trending faults are present, but are difficult to recognize because of their coincidence with the regional foliation and glacial trends.

Carswell Structure

The following section is largely adapted from ALX's August 20, 2014 N.I. 43-101 technical report entitled "Technical Report on the Middle Lake Property, Carswell Structure, Northwest Saskatchewan, Canada" by C.T. Harper (2014).

The Carswell Structure, located in the western part of the Athabasca Basin, is a circular-shaped structure comprising an uplifted central core of crystalline basement rocks approximately 19 km in diameter (Figure 4). This is surrounded by a 5 km wide ring of strongly deformed Athabasca Group conglomerates and sandstones which show both normal and overturned faulted contacts with the basement rocks along the core margin. A second, 4 to 5 km wide circular component occupies a down-faulted annular depression, which hosts occurrences of the uppermost Douglas and Carswell formations of the Athabasca Group. This depression lies outward of the sandstone ring, attaining an outer diameter of about 39 km, marking the outer limit of the Carswell Structure. The annular depression is characterized by impact generated arcuate (concentric) faults along which the rocks are drag folded, locally overturned, truncated and offset by radial faults and re-activated faults related to the formation of the Carswell Structure (Harper, 1983). The basement rocks and Athabasca sandstones are cut by several varieties of breccias related to the formation of the Carswell Structure, and are grouped together as the Cluff Breccias.

Rocks in the basement core belong to two main groups, an older, possibly Archean granitoid gneiss complex and a younger metasedimentary dominated supracrustal assemblage (Harper, 1982, 1983). Both groups contain abundant (up to 60%) granitic pegmatite. The granitoid gneiss complex comprises mainly granodioritic gneisses with dioritic and felsic gneisses, amphibolite and minor gabbro. The supracrustal assemblage comprises quartzofeldspathic gneisses of psammitic, feldspathic psammite, and arkosic compositions, psammopelitic to pelitic gneisses, with minor iron formation and amphibolite of suspected volcanic origin.

The Athabasca Group rocks within the structure comprise basal conglomerate, sandstone and interlayered mudstone/siltstone of the Fair Point Formation along the southern and western margins of the basement core. Interlayered mudstone and sandstone make up the Douglas Formation and micritic, oolitic and stromatolitic dolomites form the Carswell Formation. Together they represent about 700 m of section, sitting on top of at least 1200 m of sandstones.

The Cluff Breccias related to the Carswell impact comprise varicoloured, polymictic breccias occurring as veins, dykes and other bodies from a few millimeters to tens of metres thick and up to several hundred metres long. They are classed into several subtypes, notably impact melt rocks having a volcanic-like character, impact or fall back breccias, and pseudotachylite (Harper, 1983, 1996). They all contain clasts ranging from microscopic to tens of centimetres across, which are predominantly of basement rock types, as well as rare sandstone clasts and melt fragments. In addition to impact melt related breccias and the

multi-ring character, and uplift, there are a variety of shock metamorphic features such as planar deformation lamellae in quartz, shatter cones and striations, fractured cobbles, and in situ high temperature melting of individual minerals, which are all characteristic of meteorite impact structures (Harper, 1983).

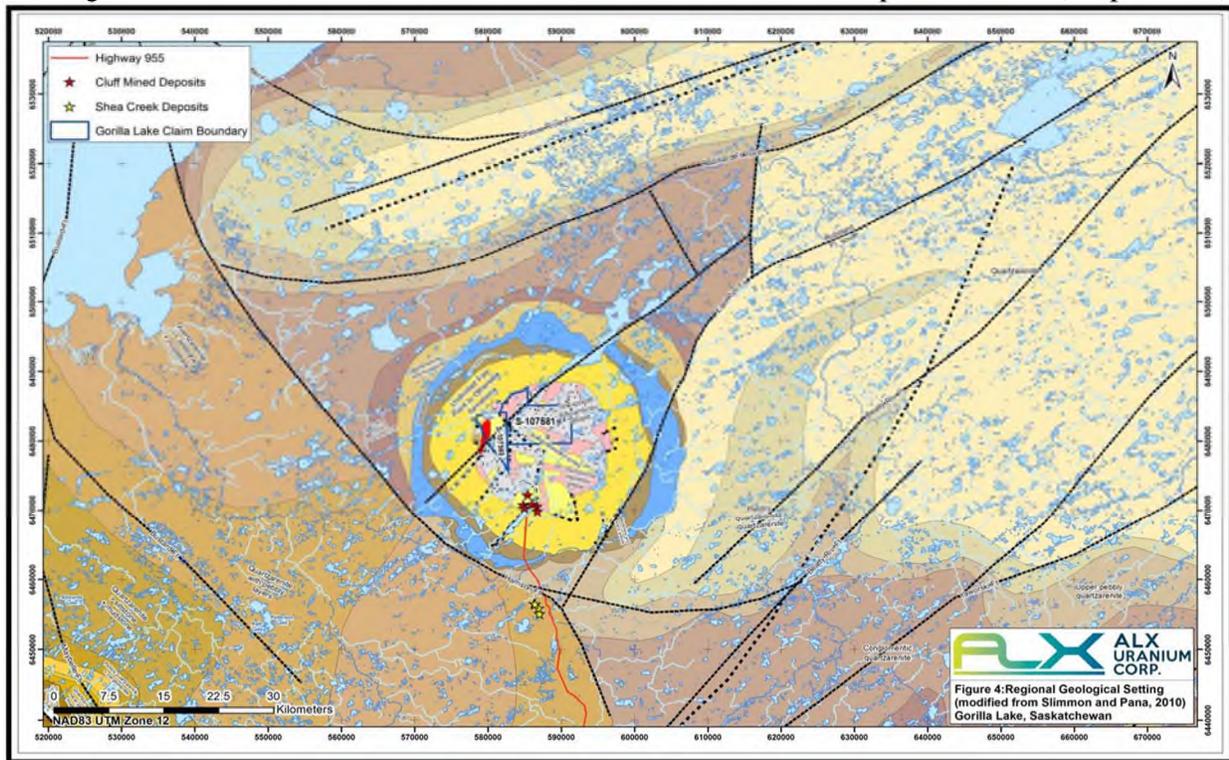


Figure 5: Carswell Structure Geology (from ALX report Eriks et al 2017)

Property Geology

The following section was taken directly from ALX's Gorilla Lake Property Winter 2017 Diamond Drilling Program Report by Eriks et al as adapted from Harper, 2014.

“The Gorilla Lake Property lies northwest of the Cluff Lake mine area (Figure 5) and in part straddles the basement-Athabasca contact in an area where there is a prominent protrusion of the basement rocks extending several kilometres out into the adjacent Athabasca Ring. The faulted contacts extend well into the basement core and bring the Athabasca very close to the position of Gorilla Lake on the northwestern side of the protrusion. The basement geology is dominated by the supracrustal assemblage and comprises quartzofeldspathic gneisses of psammitic to arkosic origin, graphitic psammopelitic to pelitic gneisses typically containing garnet, cordierite and sillimanite, and minor amphibolite and rare iron formation, along with locally voluminous anatectic pegmatite. Where the Property is underlain by granitoid rocks, there tends to be a higher magnetic signature than the metasedimentary gneisses; however, some of the quartzofeldspathic gneisses can also produce a higher magnetic signature when enough magnetite is present.

The Athabasca Group comprises basal conglomerate along with sandstone and red siltstone-mudstone of the Fair Point Formation which are overlain by sandstones of the

Manitou Falls Formation. Athabasca Group rocks are generally overturned near the basement contact or are in fault contact with the basement rocks.

Cluff Breccias, generally as narrow veins, occur throughout the Property. These rocks are reddish brown to greenish brown, aphanitic to fine grained, typically vesicular and or amygaloidal, the vesicles being partially to completely filled by quartz, calcite and chlorite, and contain a variety of basement rock clasts. Pseudotachyllitic breccias are more commonly observed in drill core as narrow veins less than 1 cm, but can be up to several metres thick. They are typically grey to black and very clast rich with a comminuted to devitrified glassy matrix. Clasts range from millimetric to tens of centimetres in size.

Linear structural features include northeast and generally east-west structures interpreted as faults. Fault intersections are an important locus for basement-hosted uranium mineralization. Some of these features may be reactivated pre-impact structures, whereas others may be strictly impact related; their distinction is not always an easy task.

Potential bedrock sources of the uraniferous boulders in the Gorilla Lake area are modeled upon the Cluff Lake-style deposits located within basement core of the Carswell Structure possibly associated with Athabasca sandstone inliers, and at the Carswell basement core-Athabasca Group contact. Electromagnetic (EM) conductors are not seen as an essential exploration target on the Property, as the deposits at Cluff Lake contained lesser quantities of graphite and pyrite compared to the Triple R (Patterson Lake South) and Key Lake deposits. Transition areas from high to low magnetic susceptibility are considered a favourable setting for uranium mineralization as this may represent granitic to granitic pegmatite domes in contact with quartzofeldspathic and pelitic gneisses. Additionally, structures that act as boundaries between low magnetic and moderately magnetic zones are targeted and are significant because boulders of mineralized meta-sediments (low magnetic response) and mineralized intrusives (moderate to high magnetic signature) were found during historical boulder prospecting.”

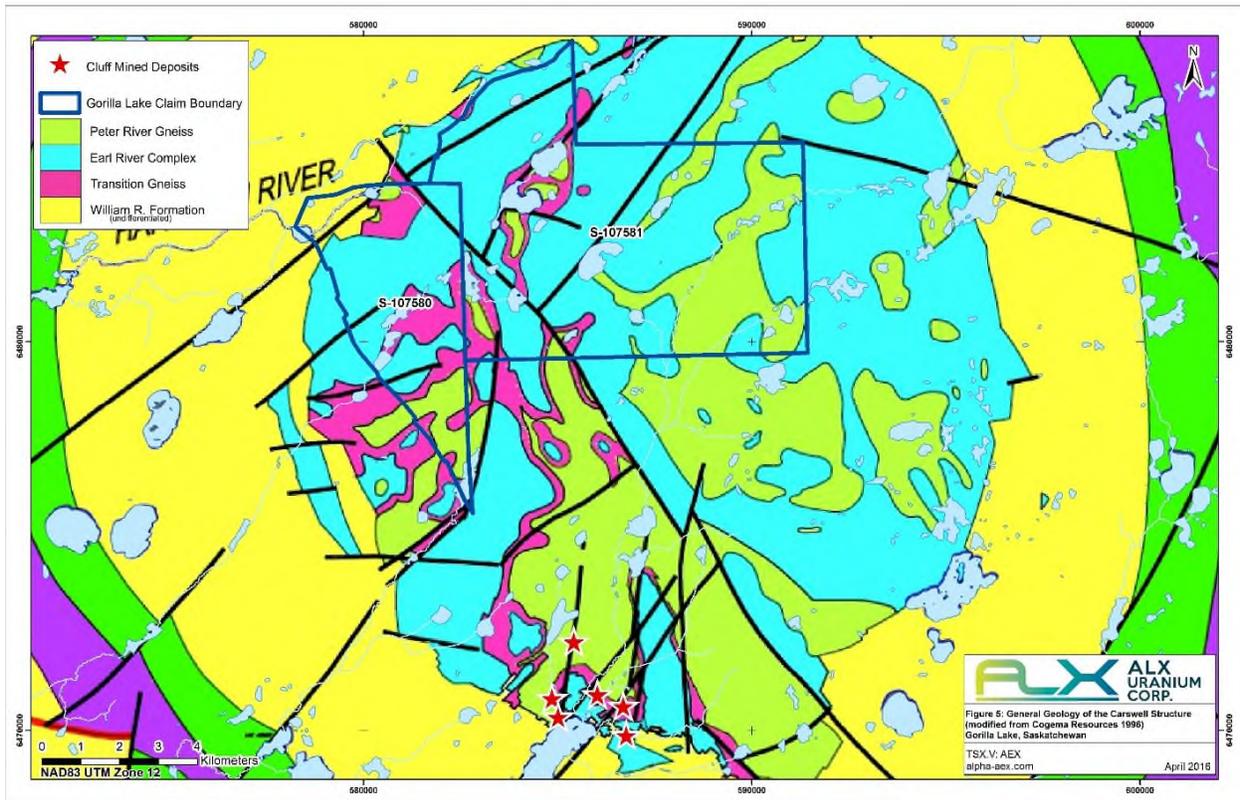


Figure 6: Gorilla Lake Property Geology (from ALX report Eriks et al, 2017)

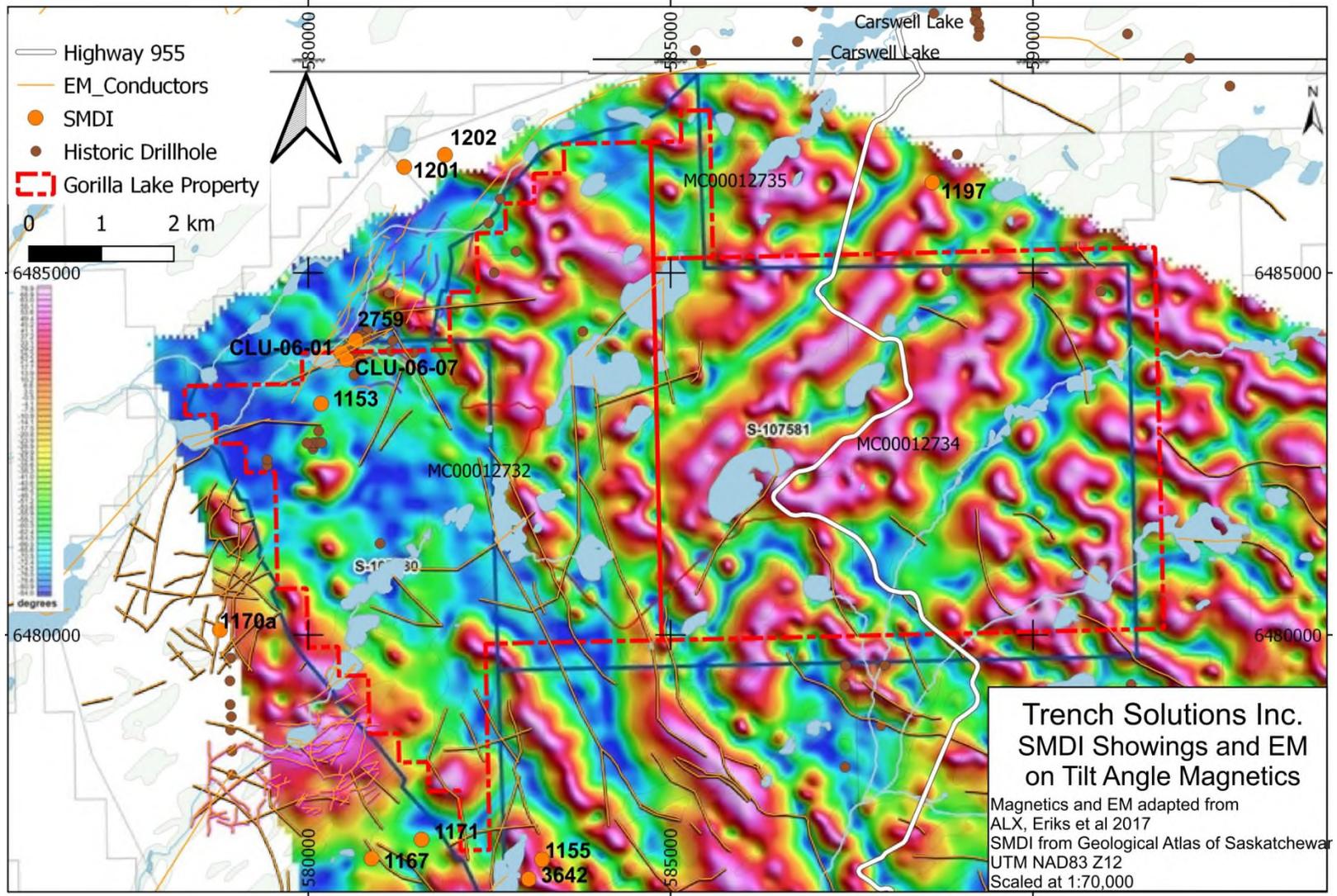
MINERALIZATION

No significant zones of uranium mineralization have been identified on the Property to date. There are however, several minor sub-economic uranium occurrences within a kilometer of and within the Property. These showings are summarized in Table 3 and illustrated on Figures 7 and 8 with detailed descriptions available in the Saskatchewan Mineral Database Index (SMDI) http://www.economy.gov.sk.ca/SMDI_search and Geological Atlas of Saskatchewan http://www.infomaps.gov.sk.ca/website/SIR_Geological_Atlas/viewer.htm. The two mineralized holes drilled by ALX in 2006 are also listed in the table.

Table 5: Gorilla Lake Property SMDI Listing

SMDI	Location	Commodity Type	Name
1153	MC00012732 (Gorilla Lake Property)	Uranium	Bridgette Area Radioactive Boulder 79-DY-8
2729	Immediately adjoining MC00012732 to the north	Uranium	Banana Lake Uranium Zone
1201	S-104629 (Orano)	Uranium	H7 Uranium Occurrence
1202	S-104629 (Orano)	Uranium	C1 Uranium Occurrence, H-2 Uranium Occurrence
1197	MC-00014074 (Deveau)	Uranium	Lac Escargot
1155	S-107643 (Rio Tinto)	Uranium	Laure Area Trenched Radioactive Garnetite Outcrop
3642	S-107643 (Rio Tinto)	Uranium	Drill Hole BR3
1171	CBS 6810 (Orano, HXC, Far West)	Uranium	Bulldog Lake Radioactive Occurrence
1167	CBS 6810 (Orano, HXC, Far West)	Uranium	R3 Uranium Occurrence
1170a	CBS 6810 (Orano, HXC, Far West)	Uranium	Bulldog Lake Radioactive Paragneiss Outcrop
CLU-06-01	MC00012732 NAD83 Z12 580,529E 6,483,798	Uranium	CLU-06-01 (0.46% U ₃ O ₈ / 1.5 m at 174.0m
CLU-06-07	MC00012732 NAD83 Z12 580,461E 6,483,891	Uranium	CLU-06-07 0.17% U ₃ O ₈ / 7.0 m at 153.0 m, and 0.20% U ₃ O ₈ / 2.0 m

Figure 7: Gorilla Lake SMDI Showings and EM on Tilt Angle Magnetics



DEPOSIT TYPES

Portions of the following discussion is taken from publicly available documents disclosed by the operators of the properties described herein and by other publicly available literature. **The Author has not been able to verify the information that has been provided with respect to any of the deposits described herein. This information is not necessarily indicative of any mineralization that may occur on the Gorilla Lake Property.**

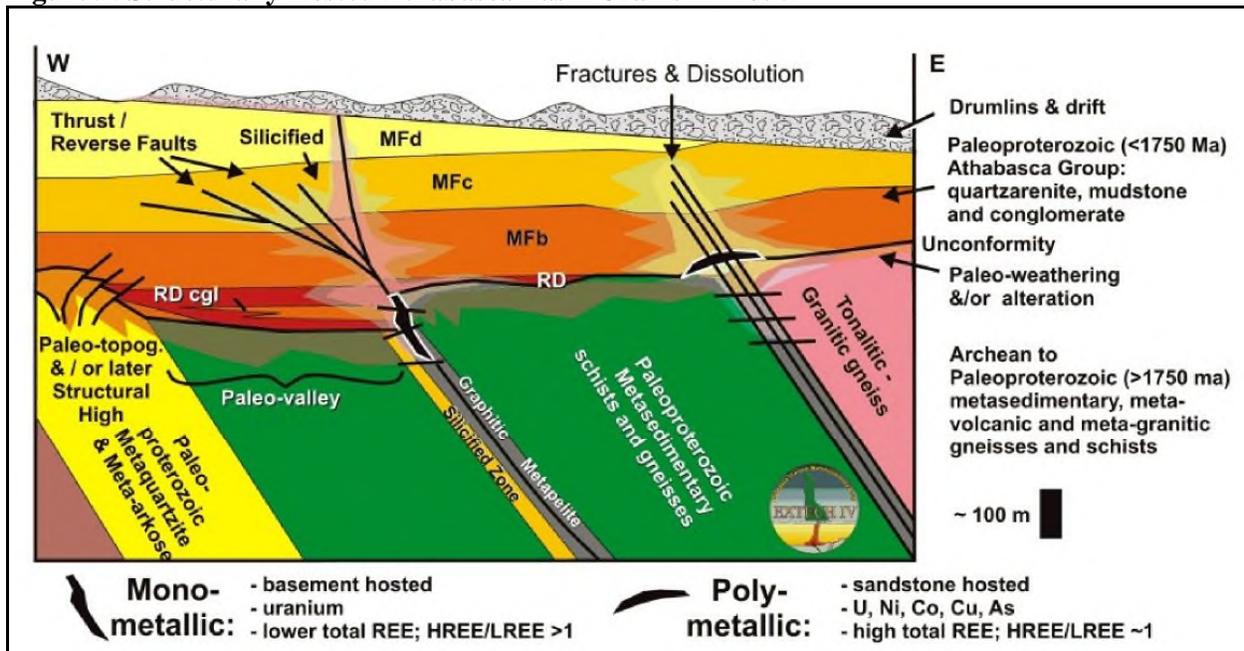
The main deposit types being explored for are basement-hosted and unconformity-related Athabasca Basin deposits, similar to those found at the historic Cluff Lake deposits of Amok/Cogema and the nearby Shea Creek deposit.

The Athabasca Basin arguably hosts the world's largest and richest known uranium deposits including McArthur River and Cigar Lake. McArthur River has a proven reserve of 384,400 tonnes grading 23.81% U_3O_8 and probable reserve of 677,800 tonnes grading 12.30% U_3O_8 for a total of 385.5 million lbs U_3O_8 proven and probable, with production of 230.5 million lbs U_3O_8 since 2000 (Bronkhorst et al, 2012) Cigar Lake has proven reserves of 233,600 tonnes grading 22.3% U_3O_8 and probable reserves of 303,500 tonnes grading 15.2% U_3O_8 for a total of 216.7 million lbs U_3O_8 (Bishop et al, 2012).

The deposits are typically located at the sub-Athabasca unconformity, and are hosted in both the Athabasca Group sandstones above the unconformity, and in the Paleoproterozoic metamorphic supracrustal rocks and intrusives of the Archean Hearne Craton basement. Surficial indicators such as radioactive boulders, geochemical anomalies, and geophysical signatures were responsible for the initial discoveries in the 1960s and 1970s. With the development of these early deposits, an exploration model based on targeting electromagnetic conductors related to graphitic metasedimentary rocks and structural complexity was developed.

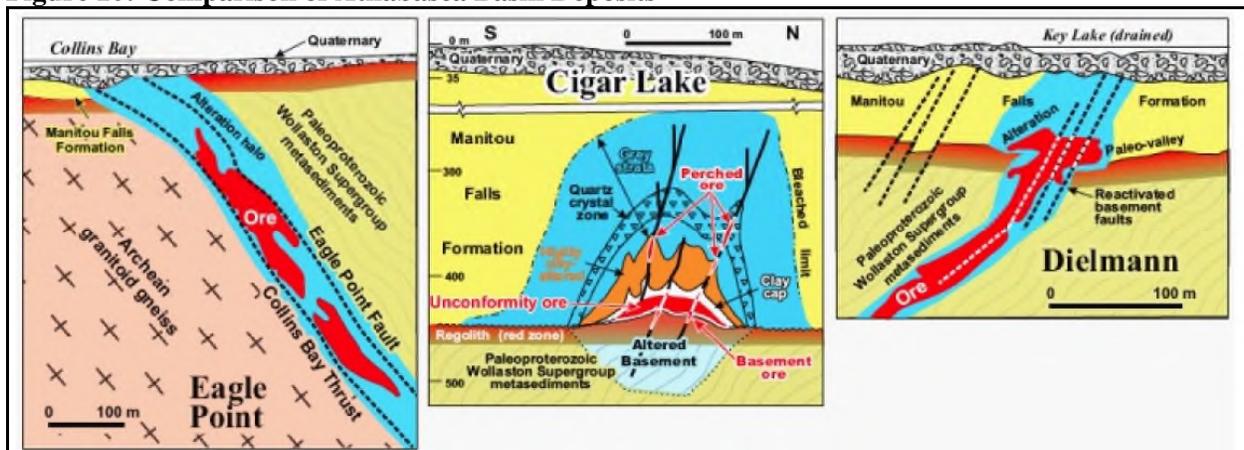
The uranium zones are structurally controlled both with relation to the sub-Athabasca unconformity, and the basement fault and fracture-zones. Uranium deposits in the Athabasca Basin that occur in proximity to the Athabasca unconformity can be characterized as polymetallic (U-Ni-Co-Cu, Pb, Zn and Mo) or monometallic (Figure 18; Jefferson et al., 2007). Examples of polymetallic deposits include the Key Lake, Cigar Lake, Collins Bay A, Collins Bay B, McClean, Midwest, Sue and Cluff Lake deposits (Figure 10). Monometallic deposits are completely or partially basement-hosted deposits localized in, or adjacent to, faults in graphitic gneiss and calc-silicate units. Monometallic deposits contain traces of metals besides uranium and include completely basement-hosted deposits developed for up to 500 m below the unconformity or deposits that may extend from the unconformity downward along faults in, or adjacent to, graphitic gneiss and/or calc-silicate units such as the McArthur River and Eagle Point deposits (Jefferson et al., 2007).

Figure 9: Structurally Hosted Athabasca Basin Uranium Model



(from Jefferson et al., 2007)

Figure 10: Comparison of Athabasca Basin Deposits



(from Jefferson et al., 2007: Eagle Point – Basement Hosted Mineralization; Cigar Lake– Sandstone Hosted Mineralization; Key Lake Dielmann– Sandstone and Basement Hosted Mineralization)

EXPLORATION PROGRAM

The project is in the planning stages of exploration and as such, neither Trench Solutions nor Apollo has yet to carry out an exploration program. No significant expenditures have been made by Trench Solutions with the exception of the production of this report. The Author also conducted a field visit to the Gorilla Lake Property on August 10 and 11, 2020, to carry out preliminary observations at several sites on the Property.

DRILLING

The project is in the planning stages of exploration and as such, neither Trench Solutions nor Apollo has yet to carry out a drilling program on the Property. The last drilling that was undertaken was in 2017 by ALX Uranium Corp. A review of their procedures by the Author, has concluded that, in his opinion, ALX carried out a technically competent and comprehensive drilling program.

SAMPLE PREPARATION, ANALYSIS AND SECURITY

The project is in the planning stages of exploration and as such, neither Trench Solutions nor Apollo has yet to collect any samples on the Property. A review by the Author of the procedures regarding sample preparation, analysis and security by ALX Uranium indicates that the work was carried out to a high degree of competency and veracity.

DATA VERIFICATION

At this early stage of exploration on the Property, no formal Quality Assurance/Quality Control (QA/QC) protocol has been established by Trench Solutions. The Author has not carried out any data verification procedures to date as no exploration has yet to be performed either Trench Solutions or Apollo on the Property and there has been no exploration or drilling data collected by Trench Solutions. The historic data that has been compiled is largely of non-NI 43-101 compliant nature, however in the opinion of the Author it is sufficient for use in the planning of preliminary exploration programs.

MINERAL PROCESSING AND METALLURGICAL TESTING

The project is at an early stage of exploration, therefore no studies have been carried out.

MINERAL RESOURCE ESTIMATES

The project is at an early stage of exploration, therefore no studies have been carried out.

ADJACENT PROPERTIES

The following discussion is taken from publicly available documents disclosed by the operator of the properties described herein, especially as in the “Technical Report on the Middle Lake Property, Carswell Structure, Northwest Saskatchewan, Canada” by C.T. Harper (2014) as referenced in the ensuing text and Section 26.1 of this report entitled “Industry References”.

The Author has not been able to verify the information that has been provided with respect to any of the deposits described herein. This information is not necessarily indicative of any mineralization that may occur on the Gorilla Lake Property.

The Author has not been able to verify the information that has been provided with respect to the Cluff Lake, Shea Creek, Triple R and Arrow Deposits. This information is not necessarily indicative of mineralization on the Gorilla Lake Property.

The most significant adjacent properties are those of the Cluff Lake Mine Complex which lie approximately 8 km south of the Gorilla Lake Property and collectively produced approximately 62.5 million pounds of uranium between 1980 and 2002. The uranium, deposits exploited in the Carswell Structure are typical of

unconformity style uranium deposits found in both the eastern and western Athabasca Basin, both as sub-unconformity deposits and basement hosted deposits. The deposits may also be sub-divided into simple and complex mineralogy styles. The deposits that were mined are summarized below as adapted from Harper, 1983; Tona et al, 1985 and Saskatchewan Geological Survey, 2003. **It should be noted that reserve estimates as described are non-NI-43-101 compliant and have been taken from sources that predate those standards. The standards used were not specified by the respective authors.** All uranium grades related to the Cluff Lake deposits are quoted as % U which may be converted to % U_3O_8 by multiplying by a factor of 1.179.

- The D Zone Deposit, of complex mineralogy was the original discovery at Cluff Lake and was the richest of the deposits with production of 110,000 tonnes of ore at an average grade of 3.79% U. (Tona et al, 1985) In addition, 7,969 troy ounces of gold was recovered from the D Zone. (Saskatchewan Geological Society, 2003). The deposit was shallow dipping at 30° north, was 140 metres long, 25 metres wide and 7 metres thick and lay between the basement regolith and the basal Athabasca group sediments. Massive mineralization lay within siltstones as well as nearby a basement mylonite/tectonic zone. The mineralogy consisted of uraninite and coffinite with native gold, gold and lead tellurides, native selinite, clausthalite, bismuth, nickel, cobalt, galena, chalcopyrite, pyrite and pyrrohotite-smythite. (Harper, 2014)
- The Claude Ore Body was a shallow (90 m deep) 600 m by 200 m deposit of simple mineralogy which was estimated to contain 640,000 tonnes of ore at an average grade of 0.35% U. The deposit was basement hosted within quartzo-feldspathic and non-graphitic pelitic rocks of the Peter River gneiss accompanied by pegmatites and Cluff Breccia. The deposit was controlled by a steeply north dipping east-west fault zone of 5 to 10 m width. Mineralization was hosted by pitchblende pods in fault gouges as well as in an intersecting network of pitchblende veins as well as, to a lesser extent within Cluff Breccias. The mineralization consisted of uraninite and coffinite accompanied by minor galena, pyrite, chalcopyrite within alteration zones of hematization and chloritization-argillization.
- The OP Deposit was discovered by an exploratory decline which identified two intersecting thrust faults with fresh Peter River pelitic gneisses thrust over basal Athabasca conglomerate and sandstone and overturned regolith and Athabasca sandstone over basement gneiss. Mineralization occurs at the junction of the faults as well as in sub-vertical fracture zones. Mineralization consists of uraninite with chalcopyrite, galena and pyrite. The deposit contained 55,000 tonnes with an average grade of 0.28% U.
- The Dominique-Peter deposit is found entirely within basement rocks near a shallow mylonite zone that is displaced by three sets of steeply dipping, northeast, east-northeast and northwest dipping faults within the Peter River pelitic gneisses and localized Cluff Breccia. Mineralization is found within the first two fault zones within most of the lithologies and is likely controlled by the proximity to the unconformity (Harper, 2014). Mineralization is composed of a uraninite-polymetallic assemblage and uraninite-dravite-sulphide assemblage associated with magnesium to iron chlorite alteration. The deposit was found 120 to 300 metres below surface over and 800 by 600 metre area. The deposit was estimated at 1.761 million tonnes grading 0.66% U for a total of 11,600 tonnes U (30.14 million pounds U_3O_8).

- The Dominique-Janine North and South Deposits were found on the west side of the Dominique within the Earl River Gneiss complex, related to the sub-Athabasca unconformity. The deposits were small at 874 tonnes of ore at 0.38% U and 5,510 tonnes of ore at 0.58% U respectively.

Other more recent uranium discoveries, for which NI 43-101 resource estimates exist have been made over the past several years on the west side of the Athabasca Basin, since Cluff Lake ceased operation. Their geological framework is similar to the Cluff Deposits, but without the influence of the Carswell Structure. They are summarized as follow:

- Shea Creek Deposits of UEX-Orano comprise the Kianna Anne and Collette, approximately 15 km south of Cluff Lake, and contain a combined NI 43-101 compliant resource estimate using a cut-off grade of 0.30% U_3O_8 ; including 63.57 million pounds U_3O_8 in the Indicated mineral resource category comprising 1,872,600 tonnes grading 1.54% U_3O_8 and 24.53 million pounds of U_3O_8 in the Inferred mineral resource category comprising 1,068,900 tonnes grading 1.04% U_3O_8 . (Eriks et al 2013)
- Arrow Deposit of Nexgen Energy lies approximately 80 km southeast of the Cluff Lake operation and contains a combined NI 43-101 compliant resource estimate in 4 zones using a cut-off grade of 0.25% U_3O_8 ; including 256.6 million pounds U_3O_8 in the Indicated mineral resource category comprising 2,883,000 tonnes grading 4.04% U_3O_8 and 91.7 million pounds of U_3O_8 in the Inferred mineral resource category comprising 4,844,000 tonnes grading 0.86% U_3O_8 . (O'Hara et al, 2018)
- Triple R Deposit of Fission Energy Corp. lies approximately 85 km southeast of the Cluff Lake operation and contains a combined NI 43-101 compliant resource estimate in 5 zones using a cut-off grade of 0.25% U_3O_8 ; including 102.4 million pounds U_3O_8 in the Indicated mineral resource category comprising 2.22 million tonnes grading 2.1% U_3O_8 and 32.8 million pounds of U_3O_8 in the Inferred mineral resource category comprising 1.22 million tonnes grading 1.22% U_3O_8 . (Cox et al, 2019)

OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data or information available necessary to make the technical report understandable and not misleading. To the Authors' knowledge, there are no significant risks or uncertainties that could reasonably be expected to affect the exploration potential of the Gorilla Lake Property. There are no significant risks or uncertainties that would reasonably be expected to affect the information that has been collected to date on the Property. The Property is an early stage of exploration and therefore it is unknown what kind of success any future exploration programs may encounter.

INTERPRETATION AND CONCLUSIONS

Despite the fact that the area has seen in excess of 50 years of exploration, the Gorilla Lake Project remains an attractive uranium exploration target at this time. The Property lies in relatively close proximity to several past producing uranium mines of the Cluff Lake district, and is underlain by prospective lithologic and structural elements that are prospective for the discovery of uranium mineralization. The discovery of 3 significant uranium deposits in recent years (Shea Creek, Arrow, Triple R) in the western Athabasca Basin illustrates that despite long term exploration efforts, new discoveries continue to be made.

The Gorilla Lake Property has been extensively explored over the past 50 years as part of efforts by the predecessor companies to Orano and more recently by ALX and its predecessors. Much of the work over the past however, has focused primarily on exploration along the north-western margin of the claims with the exception of property-wide airborne EM-magnetic programs. This is likely due to the early success in intersecting sub-economic mineralization early on in the program as well as the presence of a well defined magnetic low in the area. It should be noted however that there does not appear to have been much effort expended on exploring the bulk of the Property to the east, despite the presence of some prominent EM conductive units within areas that appear from the magnetics to be significant litho-structural targets, even though they are less prominent as those explored to date.

Despite the aforementioned comments, the north-western margin of the Gorilla Lake Property remains prospective from a uranium exploration prospective. The area is underlain by a significant magnetic low in conjunction with significant EM conductors confirmed by drilling as graphitic meta-pelitic gneisses. Drilling to date has focussed on shallow targets to date, with no significant focus being made on deeper basement hosted uranium targets. As the Athabasca Basin uranium exploration model has developed over the years, it has become apparent that many of the deposits extend to a significant degree, sometimes hundreds of metres, into the basement rocks.

RECOMMENDATIONS

The merits of the Gorilla Lake Property are, in the opinion of the author, sufficient to justify significant exploration expenditures on the property. In this light, the following Phase One Exploration Program is warranted as illustrated in Tables 6 and 7 and the ensuing text. The program will entail diamond drilling with anticipated future phases of exploration, in part dependent on these results.

Phase One Exploration Program

Drilling to date has focused on shallow targets to date, with no significant focus being made on deeper basement hosted uranium targets. As the Athabasca Basin uranium exploration model has developed over the years, it has become apparent that many of the deposits extend to a significant degree, sometimes hundreds of metres, into the basement rocks. In light of this observation, a program of deeper drilling is warranted on the northeastern targets, using the drilling carried out by ESO and ALX in 2006 and 2017 as a basis for this deeper targeting. In addition, there is a relatively untested segment of EM conductor that has yet to be tested southwest of the previous EXO/ALX drilling. Two to three holes totalling a minimum of 1,200 metres are proposed as illustrated on Figures 11 and 12 and Table 6. The cost of this Phase One Exploration Program is budgeted at \$404,150 not including overhead.

The initial hole, Site A, is planned as a confirmation hole drilled on the scissor fence comprising holes GL17-001 to 003. This first hole will be drilled vertically to serve as confirmation for the alteration, structure and weak mineralization intersected in GL17-001, approximately 150 metres below surface and on the trace of an airborne EM conductor. The hole is planned to drill past the 300-metre depth to test for prospective geology, structure and mineralization down to 600 metres below surface. The deepest drilling to date on the project area remains 250 to 300 metres below surface and the geology and economic potential below level this remains enigmatic. The results of this deeper test will in part influence the remainder of this drilling program. The cross sectional plan for this hole is shown on Figure 7.

Site B is a 240-metre southwest step-out from Site A. This proposed hole is targeting and lies on the airborne EM conductor that GL17-001 intersected. Site B is to be the second hole drilled in this proposed program. It will be testing for prospective geology, alteration and mineralization on the above mentioned conductor. The hole is budgeted for 300 metres, however should Site A be prospective below 300 metres, or should Site B have prospective features below this level then the hole will continue to its logical conclusion. No

cross sectional plan has been prepared as there are no relevant holes drilled nearby that may be used as a base.

Site C is a 320 metre southwest step-out from Site B, targeting the same features as the previous two proposed holes. This hole may not be drilled dependent on how the initial two holes respond and their final depth. Unknown budgetary efficiencies may occur however and allow for additional metreage to be allotted to this potential third hole. Similar to Site B, no cross sectional plan has been prepared for this hole as there are no relevant holes nearby for a base.

Table 6: Gorilla Lake Proposed Diamond Drill Holes

Site	Easting	Northing	Azimuth/Dip	Length (m)	Rational
A	580,485	6,483,865	000/-90	600	Vertical hole to test the weakly radioactive interval, alteration and structure in GL17-001 which was drilled as scissor section along with GL17-002 and 003. The hole is also planned to test for prospective geology and structure below 250 metre depth. To date the deepest drilling to date on the project area remains 250 to 300 metres below surface. This hole is proposed to test 600 m below surface or -275 m asl as shown on Figure 7, Proposed Site A Cross Section
B	580,270	6,483,765	000/-90	300 to 600	A 240 metre southwest step-out from Site A. The hole is to test the airborne EM conductor that the GL17-001 to 003 fence intersected in the vicinity of planned hole A. The drill hole could be lengthened dependent on the geology and structure of the Site A hole. No cross section is provided as there are no relevant holes drilled within the area to be tested.
C	579,980	6,483,625	000/-90	300	A 560 metre southwest step-out from Site A. The hole is to test the airborne EM conductor that the GL17-001 to 003 fence intersected in the vicinity of planned hole A. The drill hole may be moved or cancelled dependent on the geological results the previous two holes. No cross section is provided as there are no relevant holes drilled within the area to be tested.

*All co-ordinates are UTM Nad83 Zone 12, drill hole length may vary due to geology/findings.

Figure 11: Proposed Diamond Drilling Program

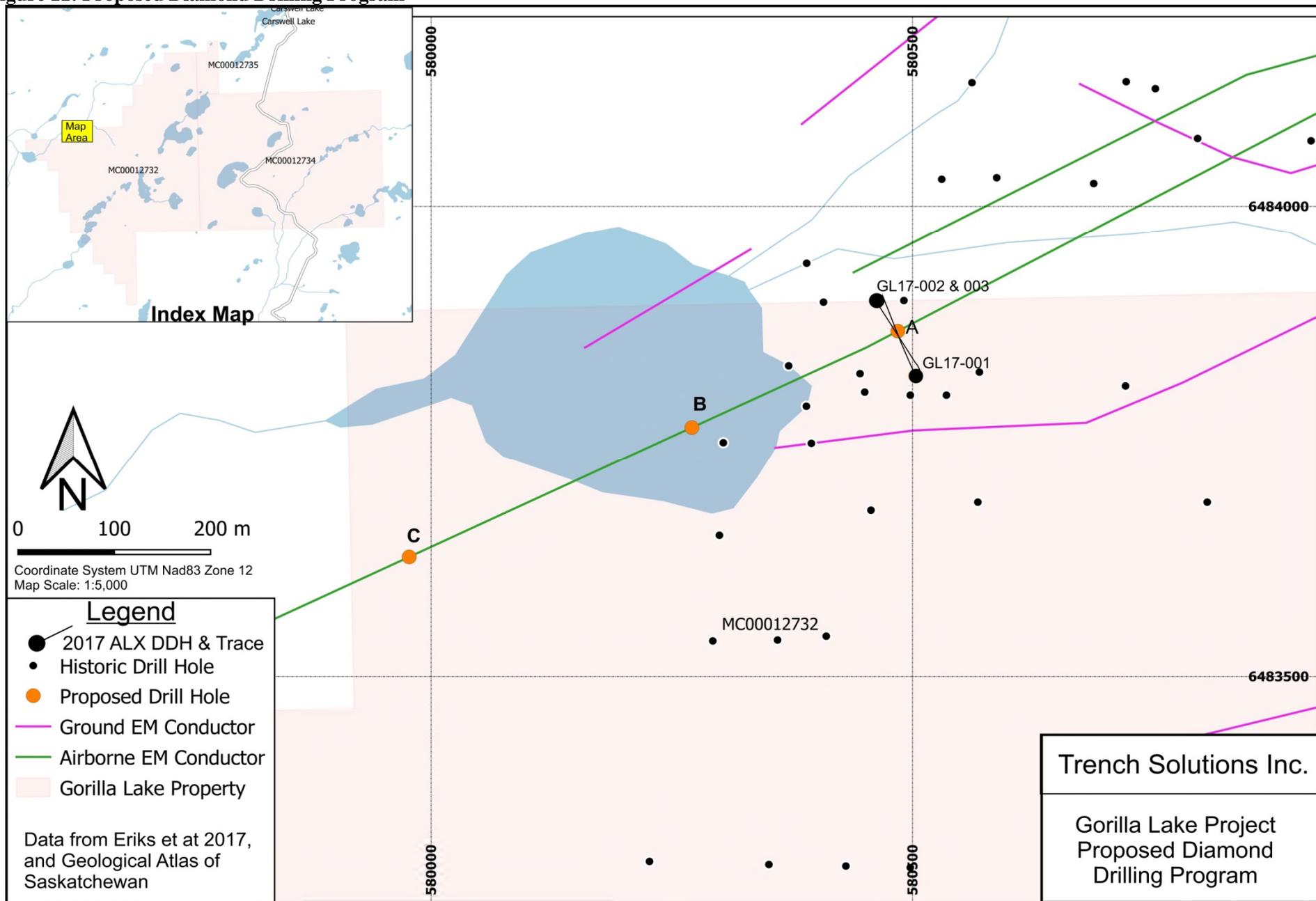


Figure 12: Proposed Site A Cross Section

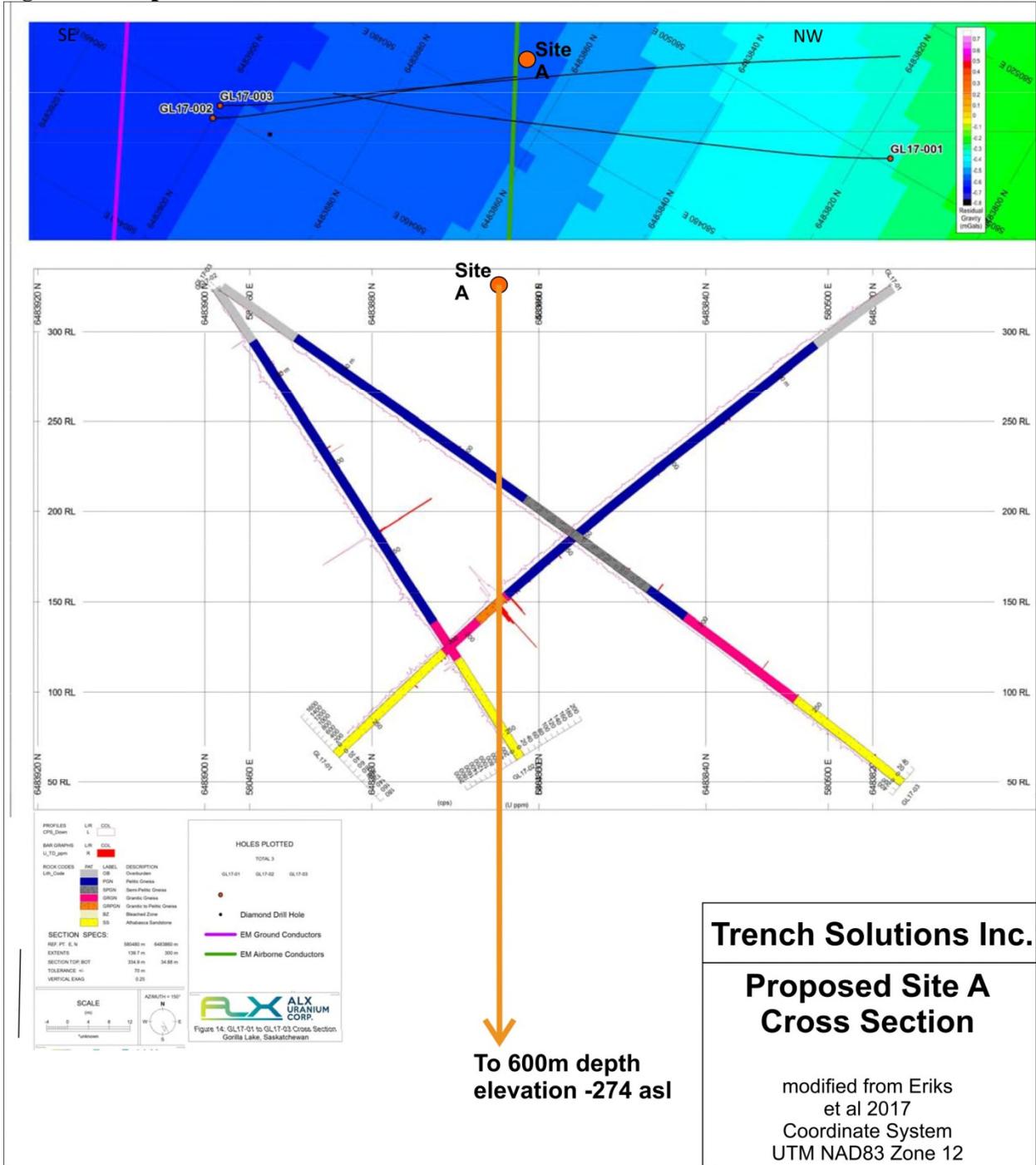


Table 7: Exploration Budget

Activity	Amount	Unit Cost	Cost
Drilling			
Drill Mobilization (each)	1	\$15,000	\$15,000
Board and lodging (8 to 10 crew)	21	\$2,700	\$56,700
Geologist	21	\$800	\$16,800
Geological Assistant	21	\$350	\$7,350
Transport (Trucks, ATV's, snowmobile's)	21	\$500	\$10,500
Radiometric Probe, test and field equipment	21	\$800	\$16,800
Contract drill cost (metres)	1,200	\$210	\$252,000
Geochemistry (samples)	200	\$70	\$14,000
Drill Demobilization (each)	1	\$15,000	\$15,000
Subtotal			\$404,150
Administration	10%		\$40,415
Final Program Total			\$444,565

*note minor rounding on Administration (<\$1.00)

PART III - INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Filing Statement. Following the completion of the Transaction, the Resulting Issuer will carry on the business of mineral exploration and development. Refer to various headings under “Part I – Information Concerning Trench Solutions” and Part II – “Information Concerning the Property” for additional information regarding Trench Solutions and the Property.

NAME AND INCORPORATION

Following the completion of the Transaction, it is anticipated that the Resulting Issuer will continue to subsist under the BCBCA, under the name “Trench Metals Corp.”

The Resulting Issuer has not made changes to its constating documents and has not acquired the shares of any other companies. The Resulting Issuer does not anticipate making any changes to its constating documents in connection with the completion of the Transaction.

The Resulting Issuer’s registered and records office will continue to be located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and its head office will continue to be located at Suite 510, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6.

INTERCORPORATE RELATIONSHIPS

After giving effect to the Transaction, the Resulting Issuer will have no subsidiaries.

THE OPTION AGREEMENT

On August 13, 2020, Trench Solutions entered into the Option Agreement with Apollo, pursuant to which Apollo will, on the Option Agreement Closing Date, grant Trench Solutions the right to acquire three mineral dispositions comprising the Property. In order to exercise this right and acquire the mineral dispositions comprising the Property, Trench Solutions is required to:

- (i) make cash payments totaling \$700,000, as follows:
 - a. \$50,000 upon the Option Agreement Closing Date;
 - b. an additional \$250,000, on or before, the date which is twenty-four (24) months from the date of the Option Agreement Closing Date;
 - c. an additional \$400,000, on or before, the date which is thirty-six (36) months from the date of the Option Agreement Closing Date;
- (ii) incur expenditures on the Property of not less than \$300,000, as follows:
 - a. \$100,000, on or before, the date which is twelve (12) months from the date of the Option Agreement Closing Date;

- b. an additional \$100,000, on or before, the date which is twenty-four (24) months from the date of the Option Agreement Closing Date; and
- c. an additional \$100,000, on or before, the date which is thirty-six (36) months from the date of the Option Agreement Closing Date.

If Trench Solutions does not timely make all of the payments and complete all of the expenditures at the times set out above, then the Option shall terminate without notice. Notwithstanding the foregoing, Trench Solutions has the right to accelerate exercise of the Option by Trench Solutions by making all of the cash payments and expending all of the expenditures described above.

Following acquisition of the Property, Trench Solutions will assume responsibility for the Royalties. *See “Part II - Information Concerning the Property”.*

The Option Agreement is an option only, and Trench Solutions is not obligated to complete the payments and incur the expenditures set forth above. The Option Agreement provides Trench Solutions with the flexibility to acquire additional acreage in the vicinity of the Property in the event initial exploration work conducted on the Property proves successful.

NARRATIVE DESCRIPTION OF THE BUSINESS

Business Objectives

The Resulting Issuer will be a junior mining exploration company listed on Tier 2 of the Exchange. The Resulting Issuer initially plans to conduct exploration work on the Property as detailed in the Technical Report (*See “Part II - Information Concerning the Property”*).

Milestones

The exercise of the Option and acquisition of the Property (*See Part III – Information Concerning the Resulting Issuer – The Option Agreement*) as well as the initiation and completion the Phase one exploration program on the Property (*See Part II – Information Concerning the Property – Recommendations*) are the Resulting Issuer’s primary near-term milestones.

Exploration and Development

Please refer to “*Part II – Information Concerning the Property – Recommendations*” for: (i) the nature and extent of the proposed exploration and development program that is to be carried out by the Resulting Issuer using the disclosed available funds; (ii) a timetable for the proposed exploration and development program; and (iii) a breakdown of costs for the proposed exploration and development program.

Please refer to “*Part II – Information Concerning the Property – Mineral Resource Estimates*” for a discussion of known mineral reserves or resources on the Property and the exploratory nature of the proposed program.

DESCRIPTION OF THE SECURITIES

The share structure of the Resulting Issuer will be the same as the share structure of Trench Solutions and the rights associated with each Resulting Issuer Share will be the same as the rights associated with each

Trench Solutions Share. See “Part I – Information Concerning Trench Solutions – Description of Securities”.

Common Shares

The authorized capital of the Resulting Issuer will consist of an unlimited number of Class “A” common shares and Class “B” preferred shares with no par value. On Closing, it is anticipated that 36,066,735 Resulting Issuer Shares will be issued and outstanding, as fully paid and non-assessable shares, and no Class “B” preferred shares will be issued and outstanding.

The holders of the Resulting Issuer Shares are entitled: (i) to dividends, if and, as and when declared by the Board of Directors subject to the rights of the holders of Class “B” preferred shares; (ii) to one vote per share at meetings of the shareholders of the Resulting Issuer; (iii) and, upon liquidation, subject to the rights of the holders of Class “B” Preferred Shares, to receive the remaining property and assets of the Resulting Issuer. All common shares to be outstanding after completion of the Transaction will be fully paid and non-assessable and shall not be subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a shareholder to contribute additional capital.

Warrants

Upon Closing, the 8,002,500 Trench Solutions Warrants will continue to be outstanding, which following completion of the Forward Stock Split shall be exercisable to acquire 24,007,500 Resulting Issuer Shares at a price of \$0.07 per share until September 6, 2022.

Options

Upon Closing, nil incentive stock option of the Resulting Issuer will be issued and outstanding. Assuming that 36,066,735 Resulting Issuer Shares will be issued and outstanding upon completion of the Transaction, the Resulting Issuer may grant up to 3,606,673 incentive stock options pursuant to the Stock Option Plan.

Holders of Resulting Issuer Warrants other than the conversion rights described above, will have no claim to dividend rights, voting rights, rights upon dissolution or winding-up of the Resulting Issuer, pre-emptive rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or provisions requiring a holder to contribute additional capital (except upon exercise).

CAPITALIZATION

The following table outlines the expected share capitalization of the Resulting Issuer on completion of the Transaction.

Designation of Security	Amount Authorized	Amount Outstanding as of Closing
Resulting Issuer Shares ⁽¹⁾	Unlimited	36,066,735
Resulting Issuer Warrants ⁽²⁾	N/A	24,007,500
TOTAL		60,074,235

Notes:

- (1) As of the date of this Filing Statement, Trench Solutions has 12,022,245 Trench Solutions Shares issued and outstanding. In connection with the completion of the Transaction, Trench Solutions will complete the Forward Stock Split, and as a result, the Resulting Issuer will have 36,066,735 Resulting Issuer Shares issued and outstanding.
- (2) As of the date of this Filing Statement, Trench Solutions has 8,002,500 Trench Solutions Warrants issued and outstanding. In connection with the completion of the Transaction, Trench Solutions will complete the Forward Stock Split, and as a result, the Resulting Issuer will have 24,007,500 Resulting Issuer Warrants issued and outstanding.

Fully Diluted Share Capital

The following table outlines the expected number and percentage of securities of the Resulting Issuer to be outstanding on a fully diluted basis after giving effect to the Transaction:

	Number of the Resulting Issuer Shares	Percentage of Total
Resulting Issuer Shares held by current Trench Solutions Shareholders	36,066,735 ⁽¹⁾	60.1%
Resulting Issuer Warrants held by current Trench Solutions warrant holders	24,007,500 ⁽²⁾	39.9%
Fully-Diluted	60,074,235	100.00%

Notes:

- (1) As of the date of this Filing Statement, Trench Solutions has 12,022,245 Trench Solutions Shares issued and outstanding. In connection with the completion of the Transaction, Trench Solutions will complete the Forward Stock Split, and as a result, the Resulting Issuer will have 36,066,735 Resulting Issuer Shares issued and outstanding.
- (2) As of the date of this Filing Statement, Trench Solutions has 8,002,500 Trench Solutions Warrants issued and outstanding. In connection with the completion of the Transaction, Trench Solutions will complete the Forward Stock Split, and as a result, the Resulting Issuer will have 24,007,500 Resulting Issuer Warrants issued and outstanding.

Other than as disclosed above, no other securities will be outstanding which are convertible into, or exchangeable for, Resulting Issuer Shares following the completion of the Transaction.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

The Resulting Issuer is expected to have approximately \$839,538 in working capital available on Closing. In the 12 months following completion of the Transaction, the Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives which are summarized in the table appearing below.

	Estimated Amount
Sources of Funds:	
Estimated working capital as at September 30, 2020 ⁽¹⁾	\$839,538
Total Sources	\$839,538
Uses of Funds:	

Costs related to the Transaction ⁽²⁾	\$55,000
Property Payment	\$50,000 ⁽³⁾
Property work program	\$444,500 ⁽⁴⁾
General and administrative expenses for the first 12 months ⁽⁵⁾	\$175,000
Unallocated working capital to fund ongoing operations	\$115,038
Total Uses	\$839,538

Notes:

- (1) Based on the estimated working capital of Trench Solutions at September 30, 2020 in the amount of \$839,538.
- (2) Consisting of an estimate for legal fees, filing fees, accounting fees and other professional advisory fees related to the Transaction.
- (3) Due and owing to Apollo upon the Option Agreement Closing Date per the Option Agreement.
- (4) To complete the work program for the Property as recommend by the Technical Report, and to satisfy exploration expenditures per the Option Agreement.
- (5) Comprised of: \$60,000 (communication fees); \$50,000 (professional fees); \$15,000 (listing and filing fees); \$10,000 (travel); and \$40,000 (salaries, signing bonuses and director fees).

Based on current projections, the Resulting Issuer's working capital available for funding ongoing operations is expected to meet its expenses for a minimum period of 12 months commencing immediately after the completion of the Transaction.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to affect the planned activities of the Resulting Issuer. For these reasons, management of Trench Solutions considers it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See "*Forward-Looking Information*".

Dividends

There will be no restrictions in the Resulting Issuer's articles or elsewhere which would prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. It is not contemplated that any dividends will be paid on the Resulting Issuer Shares in the immediate future following the completion of the Transaction, as it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The Board of Directors will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares are entitled to an equal share in any dividends declared and paid. See "*Forward-Looking Information*".

PRINCIPAL SECURITYHOLDERS

To the knowledge of Trench Solutions, after giving effect to the Transaction, no person will own, directly or indirectly, or exercise control or direction over, more than ten percent (10%) of the outstanding Resulting Issuer Shares.

DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

At Closing, the directors and officers of the Resulting Issuer are expected to be the individuals set out below.

Name, Address, Occupation and Security Holdings

Name and Location of Residence	Position or Office	Principal Occupation During Past 5 Years	Director of Trench Solutions Since ⁽¹⁾	Number and Percentage of Resulting Issuer Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽³⁾
Simon Cheng Burnaby British Columbia	Director, CEO	CEO of Deserving Health International Corp. (a manufacturer and distributor of natural therapeutics products) since January 2020; Director and CEO of PDC Biological Health Group (a distributor of biological skin care products) from July 2013 to April 2016	2019	Nil
Mark Ferguson⁽²⁾ Calgary Alberta	Director	Director of Calveras Resource Corp. (a junior mining and exploration company) from November 2018 to June 2020; Tisdale Resources Corp. (a junior mining and exploration company) since 2018; Red Rock Capital Corp. (a Capital Pool Company) from July 2017 to August 2020; Arbor Metals Corp. (a mining and exploration company) since January 2018	2019	Nil
Scott Davis⁽²⁾ Vancouver British Columbia	Director, CFO and Corporate Secretary	Accountant and Chief Financial Officer of various public companies, including: Glacier Lake Resources Inc. (a junior mining and exploration company) since May 2011; Saturn Oil & Gas Inc. (an energy company) from August 2013 to August 2017; Pacific Link Mining Corp. (a junior mining and exploration company) from April 2015 to November 2018; Guyana Goldstrike Inc. (a junior mining and exploration company) since May 2015; Amador Gold Corp. (a junior mining and exploration company) from June 2015 to February 2016; Goldrush Resources Ltd. (a junior mining and exploration company) from July 2015 to January 2016; Highway 50 Gold Corp. (a junior mining and exploration company)	2019	Nil

		since March 2016; Raindrop Ventures Inc. (a junior mining company) since February 2018; GlobeX Data Ltd. (a technology company) since March 2018; Desert Mountain Energy Corp. (a mining and exploration company) since May 2019; Tudor Gold Corp. (a precious and base metals explorer) since October 2019; Providence Gold Mines Inc. (a junior mining and exploration company) since January 2020; Golden Predator Mining Corp. (a junior mining and exploration company) since March 2020; Taku Gold Corp. (a junior mining and exploration company) since March 2020; and Freeport Resources Inc. (a junior mining and exploration company) since January 2020		
Edward Lyons ⁽²⁾ Victoria British Columbia	Director	Geological Consultant Principal of Tekhne Research Inc. (a mineral exploration consulting and contracting company)	N/A	Nil

Notes:

- (1) The term of office of each director of the Resulting Issuer will expire at the next annual general meeting of the shareholders of the Resulting Issuer.
- (2) Proposed member of the Resulting Issuer's audit committee.
- (3) Percentages shown are based on 36,066,735 Resulting Issuer Shares issued and outstanding immediately following the Closing.

Management

On Closing, the management team of the Resulting Issuer is expected to be comprised of Simon Cheng as Chief Executive Officer and Scott Davis as Chief Financial Officer and Corporate Secretary. It is anticipated that the Board of Directors of the Resulting Issuer will consist of Edward Lyons, Simon Cheng, Mark Ferguson and Scott Davis.

In addition to the information set out in the table above, following is some information about the proposed members of the Board of Directors and management of the Resulting Issuer:

Simon Cheng (age: 40, Director, Chief Executive Officer)

Mr. Cheng has over 10 years of experience in the finance sector as an investment advisor, where he participated mainly in mineral exploration company financings. From 2010 to 2017, Mr. Cheng joined Urban Select Capital Corp. as a consultant, where he incubated and developed a number of mineral exploration projects and companies including Nickel North Exploration Corp. Mr. Cheng has been involved in project development, with an emphasis on capital finance, business agreement negotiations, and corporate development. Mr. Cheng completed the Exploration and Mining for Investment Advisors and Investors course at the British Columbia Institute of Technology in 2008.

In his capacity as Director and Chief Executive Officer, Mr. Cheng will devote approximately 50% of his time to the business and affairs of the Resulting Issuer.

Mark Ferguson (age: 67, Director)

Mr. Ferguson has served as a director and in many cases officer of numerous publicly listed companies. In addition, he has served on many private sector organizations, throughout his career. Mr. Ferguson worked in the trust and finance sector for over 25 years including as Vice-President of Western Region at Montreal Trust and Scotia Bank and Computershare Trust Company of Canada. His career has focused on areas of trust and advisory, corporate finance, sales and marketing, business mergers and acquisitions, reverse-takeovers and business succession. Mr. Ferguson served as a director of Calaveras Resource Corp. (from November 2018 to June 2020) and currently serves as the CFO and director of Tisdale Resources Corp. (since November 2018) and CEO, CFO and director of Arbor Metals Corp. (since January 2018). Mr. Ferguson has an Arts and Science Degree from Mount Royal University and a Bachelor of Arts from the University of Calgary.

In his capacity as Director, Mr. Ferguson will devote as much time as needed to the business and affairs of the Resulting Issuer.

Scott Davis (age: 43, Chief Financial Officer, Corporate Secretary, Director)

Mr. Davis is a partner of Cross Davis & Company LLP Chartered Professional Accountants, a firm focused on providing accounting and management services for publicly-listed companies. Mr. Davis's 22 years of experience includes CFO positions of several companies listed on the Canadian Securities Exchange and the Exchange, including Glacier Lake Resources Inc. (since May 2011), Guyana Goldstrike Inc. (since May 2015), Highway 50 Gold Corp. (since March 2016), iMetal Resources Inc. (since October 2018), Tudor Gold Corp. (since October 2019), Providence Gold Mines Inc. (since January 2020), Golden Predator Mining Corp. (since March 2020), Taku Gold Corp. (since March 2020) and Freeport Resources Inc. (since January 2020); senior management positions, including four years at Appleby as an Assistant Financial Controller, two years at Davidson & Company LLP Chartered Professional Accountants as an Auditor and five years with Pacific Opportunity Capital Ltd. as an Accounting Manager.

Mr. Davis will devote approximately 10% of his time to the Resulting Issuer. Mr. Davis' principal occupation is partner of Cross Davis & Company LLP Chartered Professional Accountants, through which Mr. Davis acts as an officer of various resource companies.

Edward Lyons (age: 74, Director)

Mr. Lyons has been practicing geoscience in the mineral exploration sector for fifty years. Since 2003, he founded and has headed Tekhne Research Inc. which provides technical services for resource projects ranging from small evaluations and opinions to management of large exploration programs. Mr. Lyons has been involved with projects in several different commodities included the exploration of uranium deposits in Newfoundland with S.E.R.U Nucleaire. He has authored or co-authored over twenty NI 43-101 technical reports up to feasibility level and has presented a number of papers at exploration conferences on specifics of the larger projects. Mr. Lyons is a current member in good standing of the Engineers and Geoscientists of British Columbia (EGBC), the Ordre du geologues de Quebec (OGQ), and the Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL).

In his capacity as Director, Mr. Lyons will devote as much time as needed to the business and affairs of the Resulting Issuer.

PROMOTER CONSIDERATION

The directors of the Resulting Issuer are the promoters of the Resulting Issuer. The Resulting Issuer's promoters hold no Trench Solution Shares and are not expected to hold any Resulting Issuer Shares immediately after Closing (See "*Information Concerning the Resulting Issuer – Directors and Officers of the Resulting Issuer*").

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

No proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is or has, within the past 10 years, been a director, officer or Promoter of any Person or issuer that, while such Person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied that Person or issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that Person.

PENALTIES AND SANCTIONS

No proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer or a personal holding corporation of such Persons is or has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions proposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

PERSONAL BANKRUPTCIES

Except as disclosed herein, no proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding corporation of such Persons is or has, within the past 10 years, become bankrupt, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets. Mr. Simon Cheng filed for bankruptcy on November 26, 2010 under the *Bankruptcy and Insolvency Act* and was subsequently discharged from certain debts On September 1, 2011.

CONFLICTS OF INTEREST

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the completion of the Transaction are also directors, officers and/or Promoters of other reporting and non-reporting issuers, including those engaged in technology issuers. As of the date of this Filing Statement and to the knowledge of the directors and officers of Trench Solutions, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers following the completion of the Transaction.

OTHER REPORTING ISSUER EXPERIENCE

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or Promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position(s) Held	Term
Simon Cheng	Deserving Health International Corp.	Non-listed Reporting Issuer	CEO	January 2020 to Present
	1551559 B.C. Ltd.	Non-listed Reporting Issuer	Director	January 2019 to June 2019
	1151560 B.C. Ltd.	Non-listed Reporting Issuer	Director	January 2019 to June 2019
	PDC Biological Health Group (formerly Granja Gold Inc.)	Non-listed Reporting Issuer	Director CEO	July 2013 to April 2016 July 2015 to April 2016
Scott Davis	Glacier Lake Resources Inc.	TSXV	CFO	May 2011 to Present
	Saturn Oil & Gas Inc.	TSXV	CFO	August 2013 to August 2017
	Pacific Link Mining Corp.	NEX	CFO	April 2015 to November 2018
	Guyana Goldstrike Inc.	TSXV	Director, CFO	May 2015 to Present
	Amador Gold Corp.	TSXV	CFO	June 2015 to February 2016
	Goldrush Resources Ltd.	TSXV	CFO	July 2015 to January 2016
	Highway 50 Gold Corp.	TSX-V	Director, CFO	March 2016 to Present
	ESI Environmental Sensors Inc.	TSXV	CFO	June 2016 to July 2018
	Future Farm Technologies Inc.	CSE	CFO	June 2016 to August 2018
	North Sea Energy Inc.	TSXV	CFO	March 2017 to April 2018

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position(s) Held	Term
	East Asia Minerals Corporation	TSXV	CFO	April 2017 to July 2020
	Raindrop Ventures Inc.	CSE	CFO, Director	February 2018 to Present
	GlobeX Data Ltd.	CSE	CFO	March 2018 to Present
	AREV Nutrition Sciences Inc.	CSE	CFO	August 2018 to August 2019
	iMetal Resources Inc.	TSXV	Director, CFO	October 2018 to Present
	Desert Mountain Energy Corp.	TSXV	CFO	May 2019 to Present
	EXMceuticals Inc.	CSE	CFO	June 2019 to December 2019
	DGTL Holdings Inc.	TSXV	CFO	September 2019 to Present
	Tudor Gold Corp.	TSXV	CFO	October 2019 to Present
	Providence Gold Mines Inc.	TSXV	CFO	January 2020 to Present
	Golden Predator Mining Corp.	TSXV	CFO	March 2020 to Present
	encore Energy Corp.	TSXV	CFO	August 2015 to June 2019 March 2020 to Present
	Taku Gold Corp.	CSE	CFO	March 2020 to Present
	Freeport Resources Inc.	TSXV	CFO, Director	January 2020 to Present
Mark Ferguson	Calaveras Resource Corp.	Non-listed Reporting Issuer	Director	November 2018 to June 2020
	P&P Ventures Inc.	Non-listed Reporting Issuer	Director	March 2019 to Present
	Tisdale Resources Corp.	TSXV	CFO, Director	November 2018 to Present
	Red Rock Capital Corp.	NEX	CFO, Director	July 2017 to August 2020
	Arbor Metals Corp.	TSXV	CEO, CFO, Director	January 2018 to Present

PROPOSED EXECUTIVE COMPENSATION

Following is the anticipated compensation, as known, for each of the Resulting Issuer's Named Executive Officers for the 12 month period after giving effect to the Transaction:

Name and principal position	Annual Salary	Share-based awards	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation		Pension value	All other compensation	Total Compensation
				Annual Incentive Plans	Long-term incentive plans			
Simon Cheng, Chief Executive Officer	Nil	Nil	Nil	Nil	Nil	Nil	\$12,000	\$12,000
Scott Davis, Chief Financial Officer and Corporate Secretary	Nil	Nil	Nil	Nil	Nil	Nil	\$12,000	\$12,000

Note:

(1) Determined using the Black Scholes fair market valuation model, for options vesting during the period.

Incentive Plan Awards

Share-based Awards

During the 12-month period post-Transaction, it is not expected that the Resulting Issuer will grant any share-based awards, being awards granted under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock. See *"Forward-Looking Information"*.

Option-based awards

The Resulting Issuer will likely grant future option-based awards, being awards under an equity incentive plan of options, including, for greater certainty, by granting stock options to its directors, officers and employees. The timing, amounts, exercise price of these future option-based awards are not yet determined. Such stock options are expected to be granted under the Stock Option Plan. See *"Part I – Information Concerning Trench Solutions - Stock Option Plan"*.

Pension Plan Benefits

During the 12 month period post-Transaction, it is not expected that the Resulting Issuer will provide for defined benefit plans or defined contribution plans, being plans that provide for payments or benefits at, following, or in connection with retirement, or provide for deferred compensation plans. See *"Forward-Looking Information"*.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Resulting Issuer does not have written employment agreements with the NEO, nor any plans or arrangements in place with any NEO that provide for payment following or in connection with any termination, resignation, retirement, a change of control of the Resulting Issuer or a change in a NEO's responsibilities. Please see "*Part I – Information Concerning Trench Solutions – Executive Compensation – Termination and Change of Control Benefits*".

COMPENSATION OF DIRECTORS

It is anticipated that the directors of the Resulting Issuer will be paid fees for their services, however, the amounts of such fees will be determined at the discretion of the Board of Directors of the Resulting Issuer following completion of the Transaction.

It is also expected that the Resulting Issuer will grant stock options to directors in recognition of the time and effort that such directors devote to the Resulting Issuer. The timing, amounts, exercise price of these future option-based awards are not yet determined.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who: (a) is a director or officer of Trench Solutions or is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the year ended October 31, 2019 for Trench Solutions was a director or officer of Trench Solutions, or (c) is an Associate of any of the foregoing, is either: (i) indebted to Trench Solutions; or (ii) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Trench Solutions.

INVESTOR RELATIONS ARRANGEMENTS

No oral or written agreement has been entered into with any Person for the provision of investor relations services for the Resulting Issuer.

WARRANTS TO PURCHASE SECURITIES

There will be 24,007,500 Resulting Issuer Warrants outstanding immediately following Closing. Other than the foregoing, no other securities will be outstanding which are convertible into, or exchangeable for, Resulting Issuer Shares following the completion of the Transaction. Please see "*Part III – Information Concerning the Resulting Issuer – Description of Securities – Fully Diluted Share Capital*".

There will be nil incentive stock option of the Resulting Issuer issued and outstanding following Closing.

Upon Closing, the Resulting Issuer will have the following share purchase warrants outstanding:

Number of Warrants	Number of Resulting Issuer Common Shares to be issued on exercise of the Warrants	Expiry Date	Exercise Price (\$/share)
8,002,500 ⁽¹⁾	24,007,500	September 6, 2022	\$0.07

Notes:

(1) Issued by Trench Solutions connection with a non-brokered private placement of units at a price of \$0.16 per unit.

There are no assurances that the warrants described above will be exercised in whole or in part.

STOCK OPTION PLAN

The Stock Option Plan of the Resulting Issuer will be the Stock Option Plan of Trench Solutions. For a description of the Stock Option Plan, see the heading “*Part I - Information Concerning Trench Solutions – Stock Option Plan*”.

ESCROWED SECURITIES

To the knowledge of the Resulting Issuer, as of the date of this Filing Statement, there are no securities of the Resulting Issuer that will be held in escrow.

AUDITORS

The auditors of the Resulting Issuer will continue to be Manning Elliott LLP, Chartered Professional Accountants located at Suite 1700, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

TRANSFER AGENT AND REGISTRAR

It is expected that Odyssey, which is currently Trench Solutions’ registrar and transfer agent, will continue to serve as the Resulting Issuer’s registrar and transfer agent. It is expected that transfers of the securities of the Resulting Issuer may be recorded at the register maintained by Odyssey in Vancouver, British Columbia, Canada.

PART IV - GENERAL MATTERS

SPONSOR

Trench Solutions has applied for and received an exemption from the Sponsorship requirements of the Exchange.

EXPERTS

The following opinions or reports have been described or included in this Filing Statement: the audit report of Trench Solutions described or included in this Filing Statement for the fiscal year ended October 31, 2019 are provided by Manning Elliott LLP, Chartered Professional Accountants. Manning Elliott LLP, Chartered Professional Accountants does not: (a) have a direct or indirect interest in Trench Solutions; or (b) beneficially own, directly or indirectly, any securities of Trench Solutions or any Associate or Affiliate of Trench Solutions. In particular, Manning Elliott LLP, Chartered Professional Accountants have advised Trench Solutions that they each independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

Trench Solutions engaged Dave Billard, P.Ge. to prepare the Technical Report. Mr. Billard is a “qualified person” and considered “independent”, as such terms are defined in NI 43-101. All of the scientific and technical mining disclosure contained in this Filing Statement regarding the Property has been reviewed and approved by Mr. Billard. The material under the heading Part II: “*Information Concerning the Property*” is an extract from the Technical Report.

In addition, none of the aforementioned Persons or companies, nor any director, officer or employee of any of the aforementioned Persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any Associate or Affiliate of the Resulting Issuer. See “*Forward-Looking Information*”.

No professional Person who has provided an opinion or report referenced in this Filing Statement currently holds any of the Trench Solutions Shares and, upon completion of the Transaction, will not hold any of the issued and outstanding Resulting Issuer Shares.

Moreover, none of the foregoing Persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

OTHER MATERIAL FACTS

There are no other material facts about Trench Solutions, the Resulting Issuer or the Transaction that are not disclosed elsewhere in this Filing Statement.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Filing Statement have been approved by the Board of Directors of Trench Solutions. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Trench Solutions, Trench Solutions has relied upon information furnished by such person.

APPENDIX A
FINANCIAL STATEMENTS OF TRENCH SOLUTIONS

TRENCH SOLUTIONS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

July 31, 2020 and 2019

(Unaudited – Prepared by Management)

(In Canadian dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim financial statements of Trench Solutions Inc. (the "Company") are the responsibility of the Company's management. The condensed interim financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and reflect management's best estimates and judgments based on information currently available.

Management has developed and is maintaining a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed interim financial statements prior to their submission to the Board of Directors for approval.

The condensed interim financial statements as at July 31, 2020, and for the periods ended July 31, 2020 and 2019, have not been audited by the Company's independent auditors.

TRENCH SOLUTIONS INC.

UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(In Canadian Dollars)

As at,

	July 31, 2020	October 31, 2019	November 1, 2018
Assets			
Current assets			
Cash and cash equivalents	\$ 882,794	\$ 964,759	\$ 8,166
GST receivable	1,577	3,108	8,020
Prepaid expenses	12,062	7,896	30,648
	896,433	975,763	46,834
DUE FROM NOVATEQNI SOUTH AFRICA (PTY) LIMITED	-	-	262,729
DUE FROM NOVATEQNI HONG KONG LIMITED	-	-	317,001
DUE FROM NOVATEQNI USA LLC	-	-	286,541
Total Assets	\$ 896,433	\$ 975,763	\$ 913,105
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	\$ 6,468	\$ 45,161	\$ 104,843
Due to related parties (note 7)	3,550	1,450	46,655
Warrant provision	-	-	32,855
Total Liabilities	10,018	46,611	184,353
Shareholders' Equity			
Share capital (note 5)	3,628,426	3,628,426	2,801,337
Warrants (note 5)	529,370	727,841	184,440
Contributed surplus	1,007,699	809,228	809,228
Deficit	(4,279,080)	(4,236,343)	(3,066,253)
Total Shareholders' Equity	886,415	929,152	728,752
Total Liabilities and Shareholders' Equity	\$ 896,433	\$ 975,763	\$ 913,105

Going Concern (Note 1)

Subsequent Event (Note 11)

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

Approved by the Board of Directors

Signed "Simon Cheng"

Director

Signed "Mark Ferguson"

Director

TRENCH SOLUTIONS INC.

UNAUDITED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(In Canadian Dollars)

	Three months ended July 31,		Nine months ended July 31,	
	2020	2019	2020	2019
Expenses				
Interest expense	\$ -	\$ 6,721	\$ -	\$ 6,721
Listing and filing fees	4,614	28,850	25,749	41,614
Management and consulting fees (note 7)	5,010	15,450	14,505	61,514
Office and general	334	10,508	2,422	32,908
Professional fees (note 7)	7,851	22,504	43,621	49,253
Share-based payments	-	49,589	-	49,589
Travel	-	-	-	8,956
Net loss from operations	(17,809)	(133,622)	(86,297)	(250,555)
Foreign exchange	(933)	(2,847)	(748)	(2,233)
Extinguishment of accounts payable	-	-	44,308	-
Net loss from continuing operations	(18,742)	(136,469)	(42,737)	(252,788)
Loss on disposal of subsidiaries	-	-	-	(905,446)
Loss and comprehensive loss	\$ (18,742)	\$ (136,469)	\$ (42,737)	\$ (1,158,234)
Weighted average number of common shares outstanding – basic and diluted	12,022,045	3,952,347	12,022,045	3,949,104
Basic and fully diluted loss per share from continuing operations	\$ (0.00)	\$ (0.03)	\$ (0.00)	\$ (0.29)
Basic and fully diluted loss per share from discontinued operations	\$ (0.00)	\$ (0.03)	\$ (0.00)	\$ (0.29)

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

TRENCH SOLUTIONS INC.
UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(in Canadian Dollars)

	Number of shares	Number of warrants	Share capital	Warrants	Contributed Surplus	Deficit	Total
Balance – October 31, 2018	3,794,745	317,529	\$2,801,337	\$ 184,440	\$ 809,228	\$(3,066,253)	\$ 728,752
Exercise of stock options	225,000	-	90,089	-	(49,589)	-	40,500
Share-based payments	-	-	-	-	49,589	-	49,589
Net loss for the period	-	-	-	-	-	(1,158,234)	(1,158,234)
Balance – July 31, 2019	4,019,745	317,529	\$2,891,426	\$ 184,440	\$ 809,228	\$(4,224,487)	\$ (339,393)
Balance – October 31, 2019	12,022,245	8,320,029	\$3,628,426	\$ 727,841	\$ 809,228	\$(4,236,343)	\$ 929,152
Warrants expired unexercised	-	(317,529)	-	(198,471)	198,471	-	-
Net loss for the period	-	-	-	-	-	(42,737)	(42,737)
Balance – July 31, 2020	12,022,245	8,002,500	\$3,628,426	\$ 529,370	\$ 1,007,699	\$(4,279,080)	\$ 886,415

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

TRENCH SOLUTIONS INC.
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOW

(in Canadian Dollars)

For the nine months ended July 31,

	2020	2019
Cash used in operating activities		
Net loss from continuing operations	\$ (42,737)	\$ (252,788)
Add (deduct) non-cash items		
Extinguishment of accounts payable	(44,308)	-
Interest expense	-	6,721
Share-based payments	-	49,589
Changes in non-cash working capital:		
Trade and GST receivables	1,531	5,034
Prepaid expenses	(4,166)	18,815
Accounts payable and accrued liabilities	5,615	(23,984)
Due to related parties	2,100	2,100
	(81,965)	(194,513)
Cash used in investing activities		
Cash relinquished on disposal of subsidiaries	-	(39,175)
	-	(39,175)
Cash provided by financing activities		
Proceeds from stock options exercise	-	40,500
Proceeds from loans payable	-	499,667
Repayment of loans	-	(259,220)
	-	280,947
Change in cash and cash equivalents	(81,965)	47,259
Cash and cash equivalents, beginning	964,759	8,166
Cash and cash equivalents, end	\$ 882,794	\$ 55,425

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

TRENCH SOLUTIONS INC.

UNAUDITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended July 31, 2020
(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS

Nature of Business

Trench Solutions Inc (the "Company") was incorporated under the Business Corporations Act (Alberta) on July 31, 2012. Effective March 27, 2015, the Company's name was changed from Hombre Capital Inc ("Hombre") to Novateqni Corporation. Effective June 24, 2019, the Company's name was changed from Novateqni Corporation to Novateqni Technology Corporation. Effective December 11, 2019, the Company's name was changed to Trench Solutions Inc. and completed the continuation under the Business Corporations Act (British Columbia).

The Company is a publicly traded company with registered office of 2200 - 885 West Georgia Street, Vancouver, BC, V6C 3E8 and head office of 510 – 580 Hornby Street, Vancouver, BC, V6C 3B6. The Company's common shares are listed on the TSX Venture Exchange ("TSXV" or the "Exchange") under the symbol TSI and are also listed on the OTCQB under the symbol NVTQF.

The condensed interim financial statements were approved by the Board of Directors on September 10, 2020.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim financial statements for the period ended July 31, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), interpretations of the International Reporting Interpretation Committee ("IFRIC") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting in effect at the closing date of July 31, 2020. These condensed interim financial statements have been prepared using the same accounting policies and methods as were used for the Company's annual financial statements for the year ended October 31, 2019. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended October 31, 2019.

Functional and presentation currency

The functional and presentation currency of the Company is Canadian dollars ("CDN dollars").

Effective November 1, 2019, the Company changed its presentation currency to CDN dollars from US dollars ("USD"). This change in presentation currency was made to better reflect the Company's current activities. The Company applied the change to the presentation currency retrospectively and restated the comparative financial information as if the new presentation currency had always been the Company's presentation currency in accordance with the guidance in International Accounting Standard ("IAS") IAS 21 and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The condensed interim financial statements have been translated in accordance with IAS 21.

Significant accounting judgments and estimates

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

TRENCH SOLUTIONS INC.
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2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

The key sources of these uncertainties that have a significant risk of causing material adjustment to the amounts recognized in the condensed interim financial statements are discussed below:

The Company makes allowance for doubtful accounts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

The Company measures the cost of non-cash stock-based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for non-cash stock-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, risk free interest rate, forfeiture rate, volatility and dividend yield of the share option. The Company measures the cost of non-cash stock-based compensation transactions with consultants by reference to the fair value of the services to be performed.

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

A provision for warranties is recognized when the underlying products are sold. The amount recognized is the best estimate of the costs to be incurred during the warranty period based on historical warranty data and management estimate.

3. CHANGES IN ACCOUNTING POLICIES

Accounting Standards adopted during the period:

IFRS 16 – Leases. According to IFRS 16, all leases will be on the statement of financial position of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company adopted IFRS 16 at November 1, 2019 and the adoption did not impact the condensed interim financial statements as the Company is not party to any lease agreement.

4. LOANS PAYABLE

During the year ended October 31, 2019, the Company entered into unsecured loans with a third party for \$499,934 that accrued interest at 10% per annum. During the year ended October 31, 2019, the Company repaid the loans and interest in full.

5. SHARE CAPITAL

(a) Capital

Authorized: unlimited Class A common shares

As at July 31, 2020, the Company had 12,022,245 shares issued and outstanding.

TRENCH SOLUTIONS INC.
UNAUDITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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5. SHARE CAPITAL (continued from previous page)

During the year ended October 31, 2019:

- The Company issued 225,000 shares from the exercise of stock options for proceeds of \$40,500; and
- The Company issued 8,002,500 units at a price \$0.16 per unit for total proceeds of \$1,280,400. Each unit consisted of one common share and one transferrable common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.21 per share for a period of thirty-six months from the date of issuance of the warrant. The fair value of the warrants is \$543,400.

(b) Stock option plan

The Company adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Class A Common Shares, provided that the number of Class A Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Class A Common Shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

During the period ended July 31, 2020, the Company did not grant any stock options.

During the year ended October 31, 2019, the Company granted 225,000 stock options at a weighted average exercise price of \$0.18 per share and recorded share-based payments of \$49,589.

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

	Number of Stock Options	Weighted Average Exercise Price
Outstanding, October 31, 2018	270,000	\$ 3.10
Granted	225,000	0.18
Exercised	(225,000)	0.18
Forfeited	(270,000)	3.10
Outstanding October 31, 2019 and July 31, 2020	-	\$ -

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended July 31, 2020 and the year ended October 31, 2019:

	Period ended July 31, 2020	Year ended October 31, 2019
Risk-free interest rate	-	1.52%
Share price	-	\$0.24
Expected life of options	-	3 years
Expected annualized volatility	-	207.13%
Expected dividend rate	-	-
Fair value per option	-	\$0.22

TRENCH SOLUTIONS INC.
UNAUDITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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5. SHARE CAPITAL (continued from previous page)

(c) Warrants

In conjunction with a private placement that closed September 6, 2019, the Company issued 8,002,500 warrants. Each warrant can be exercised to acquire one common share at a price of \$0.21 per share for a period of 36 months from the date of issuance of the warrants.

In conjunction with a private placement that closed February 8, 2018, the Company issued 317,529 warrants. Each warrant can be exercised to acquire one common share at a price of \$2.30 per share for a period of 24 months from the date of issuance of the warrants. During the period ended July 31, 2020, the warrants expired unexercised.

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

	Number of Warrants	Weighted Average Exercise Price (\$)	Total (\$)
Outstanding, October 31, 2018	317,529	2.30	184,440
Issued pursuant to private placement of units	8,002,500	0.21	543,400
Outstanding, October 31, 2019	8,320,029	0.29	727,841
Expired	(317,529)	2.30	(198,471)
Outstanding July 31, 2020	8,002,500	0.21	529,370

The weighted average remaining contractual life and weighted average exercise price of warrants outstanding as at July 31, 2020 are as follows:

Number Outstanding	Weighted Average Exercise Price	Average Remaining Contractual Life (years)
8,002,500	\$0.21	2.10

The fair value of the warrants issued during the period ended July 31, 2020 and the year ended October 31, 2019 was determined using the Black-Scholes model based on the following assumptions:

	Period ended July 31, 2020	Year ended October 31, 2019
Risk free interest rate	-	1.42%
Dividend yield	-	Nil
Forfeiture rate	-	0%
Stock price	-	\$0.18
Expected stock volatility	-	130.20%
Weighted-average expected life (years)	-	3.0

TRENCH SOLUTIONS INC.
UNAUDITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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6. FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Instruments and Fair Value Measurements

IFRS 13 – Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position are as follows:

	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
July 31, 2020:					
Cash and cash equivalents	\$ 882,794	\$ –	\$ –		\$ 882,794
October 31, 2019:					
Cash and cash equivalents	\$ 964,759	\$ –	\$ –		\$ 964,759

The Company's risk exposure and the impact on its financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment/contractual obligations. The Company has deposited the cash with reputable Canadian financial institutions, from which management believes the risk of loss is minimized. The Company continuously evaluates that financial condition and credit worthiness of all customers and potential customers in order to mitigate such risk. In the event that losses do occur, all impairments are recognized in income or loss.

Liquidity Risk

Liquidity risk management involves maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit lines. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at July 31, 2020, the Company has current assets of \$896,433 (October 31, 2019 - \$975,763) to settle current financial liabilities of \$10,018 (October 31, 2019 - \$46,611). Accounts payable and accrued liabilities generally have contractual maturities of 30 days and they are all current.

Interest Rate Risk

The Company's current policy is to invest excess cash in short term guaranteed investment certificates issued by its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. The risk the Company will realize a loss as a result of a decline in the fair value of short-term deposits is limited due to the short-term nature of these investments.

Foreign Exchange Risk

The Company raises its capital in Canadian dollars. The Company holds its cash mainly in Canadian dollars. The Company minimizes its exposure to foreign currency risk by minimizing the amount of funds in currencies other than the Canadian dollar. The Company does not undertake currency hedging activities. The Company continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

TRENCH SOLUTIONS INC.
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7. RELATED PARTY TRANSACTIONS

The remuneration expense of directors and other members of key management personnel, or companies under their control, during the period was as follows:

	2020	2019
Professional fees	\$ 13,926	\$ -
Consulting fees	\$ 13,695	\$ 56,532

As at July 31, 2020, the Company owed \$3,550 (October 31, 2019 - \$1,450) to directors of the Company for consulting fees and an accounting firm of which a director and officer of the Company is partner for professional fees.

- i) During the year ended October 31, 2019 a former director of the Company provided loans through companies under his control totaling \$207,515 for working capital which were repaid in full during the year ended October 31, 2019.
- ii) During the year ended October 31, 2018, the former Chief Executive Officer/Director loaned the Company funds for operations. The amount due to the former Chief Executive Officer/Director on October 31, 2018 was \$46,655. The loan was non-interest bearing and had no set repayment terms. During the year ended October 31, 2019 this amount was paid in full.

8. GEOGRAPHICAL SEGMENTED INFORMATION

All assets and liabilities of the Company are in Canada which is the geographical segment the company operates in.

9. CAPITAL DISCLOSURES

The Company's capital is composed of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available in order to support the development of its technology-based solutions. In order to carry out the expansion of the Company's product lines and pay for administrative costs, the Company may spend its existing working capital and may raise additional amounts as needed. The Company is not subject to any externally imposed capital requirements.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the period ended July 31, 2020, 317,529 warrants expired unexercised and \$198,471 was transferred to contributed surplus.

TRENCH SOLUTIONS INC.
UNAUDITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended July 31, 2020
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11. SUBSEQUENT EVENT

On August 13, 2020, the Company entered into a definitive property option agreement with an arm's length party, pursuant to which the Company will be granted the right to acquire a 100% interest on the Gorilla Project, in consideration for a series of cash payments to the vendor and the incurrence of exploration expenditures over a period of 3 years as follows:

- a cash payment of \$50,000 upon receipt of approval of the TSX Venture Exchange (the "Exchange");
- incurring exploration expenditures of \$100,000 on the Gorilla Project before the first anniversary;
- a further cash payment of \$250,000, and incurring additional exploration expenditures of \$100,000 on the Gorilla Project before the second anniversary; and
- a final cash payment of \$400,000, and incurring additional exploration expenditures of \$100,000 on the Gorilla Project before the third anniversary.

Following acquisition of the Gorilla Project, the Company will assume responsibility for certain existing net smelter returns royalties totaling 3.5% (collectively, the "Royalties") on commercial production from the Gorilla Project. The Royalties are presently held by arms-length third-parties. The option agreement constitutes a change of business (the "Change of Business") for the Company under the policies of the Exchange. In connection with completion of the Change of Business, the Company anticipates completing a forward split (the "Forward Split") of its common share capital on a 3:1 basis. The Company currently has 12,022,245 common shares outstanding and, upon completion of the Change of Business and the Forward Split, will have 36,066,735 shares outstanding. Following completion of the Change of Business, it is anticipated that the Company would be listed on the Exchange as a Tier 2 Mining issuer under the name "Trench Metals Corp." and the ticker symbol "TMC". No finders' fees or commissions are payable, and the Company does not anticipate completing a financing, in connection with the Change of Business.

TRENCH SOLUTIONS INC.

Management's Discussion and Analysis

This Management's Discussion & Analysis ("MD&A") was prepared as of September 10, 2020 to assist readers in understanding the financial performance of Trench Solutions Inc. (the "Company") for the period ended July 31, 2020. This MD&A should be read in conjunction with the Company's condensed interim financial statements for the period ended July 31, 2020 and the audited financial statements for the year ended October 31, 2019.

The Company's condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using the Company's reporting currency, the Canadian dollar.

This MD&A contains forward-looking statements. Please see the section "Note Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions used to develop forward-looking information.

The Company

Trench Solutions Inc. was incorporated under the Business Corporations Act (Alberta) on July 31, 2012. Effective March 27, 2015, the Company's name was changed from Hombre Capital Inc ("Hombre") to Novateqni Corporation. Effective June 24, 2019, the Company's name was changed from Novateqni Corporation to Novateqni Technology Corporation. Effective December 11, 2019, the Company's name was changed to Trench Solutions Inc. and completed the continuation under the Business Corporations Act (British Columbia).

The Company is a publicly traded company with registered office of 2200 - 885 West Georgia Street, Vancouver, BC, V6C 3E8 and head office of 510 - 580 Hornby Street, Vancouver, BC, V6C 3B6. The Company's common shares are listed on the TSX Venture Exchange ("TSXV" or the "Exchange") under the symbol TSI and are also listed on the OTCQB under the symbol NVTQF.

Significant Events

In January 2020, the Company's board of directors has commenced a review of the existing intellectual property assets of the Company to determine how these assets can be monetized. Concurrently, the board expects to conduct a review of potential strategic acquisition opportunities for the Company to augment existing intellectual property or provide new product offerings.

In August 2020, the Company has entered into a definitive property option agreement with Apollo Innovative Solutions Inc., pursuant to which the Company will be granted the right to acquire a 100% interest in and to the Gorilla Lake Uranium Project. The Gorilla Project consists of a series of mineral claims located in the Athabasca basin of Northern Saskatchewan which are presently held the Vendor. The Company and the Vendor are at arms length.

Pursuant to the terms of the Option Agreement, the Company will be granted the right to acquire a 100% interest on the Gorilla Project, in consideration for a series of cash payments to the Vendor and the incurrence of exploration expenditures over a period of three years as follows:

- a cash payment of \$50,000 upon receipt of approval of the TSX Venture Exchange (the "Exchange");
- incurring exploration expenditures of \$100,000 on the Gorilla Project before the first anniversary;
- a further cash payment of \$250,000, and incurring exploration expenditures of \$100,000 on the Gorilla Project before the second anniversary; and
- a final cash payment of \$400,000, and incurring exploration expenditures of \$100,000 on the Gorilla Project before the third anniversary.

Following acquisition of the Gorilla Project, the Company will assume responsibility for certain existing net smelter returns royalties totaling three-and-one-half percent (collectively, the "Royalties") on commercial production from the Gorilla Project. The Royalties are presently held by arms-length third parties.

Change of Business

The Option Agreement constitutes a change of business (the "Change of Business") for the Company under the policies of the Exchange. In connection with completion of the Change of Business, the Company anticipates completing a forward split (the "Forward Split") of its common share capital on a three-for-one basis. The Company currently has 12,022,245 common shares outstanding and, upon completion of the Change of Business and the Forward Split, will have 36,066,735 shares outstanding. Following completion of the Change of Business, it is anticipated that the Company would be listed on the Exchange as a Tier 2 Mining issuer under the name "Trench Metals Corp." and the ticker symbol "TMC". No finders' fees or commissions are payable, - 2 - and the Company does not anticipate completing a financing, in connection with the Change of Business.

As the Company is without active operations, is not subject to a cease trade order or trading suspension, the Change of Business is not a related party transaction and no other circumstances exist which may comprise the independence of the Company or other interested parties, in accordance with Exchange Policy 5.2, the Change of Business does not require shareholders approval. Closing of the Change of Business is subject to a number of conditions including receipt of the approval of the Exchange, and the satisfaction of other customary closing conditions. The Change of Business cannot close until approval of the Exchange is obtained. There can be no assurance that the Change of Business will be completed as proposed or at all. Trading in the common shares of the Company will remain halted pending further filings with the Exchange.

Sponsorship

Sponsorship of the Change of Business is required by Exchange Policy 2.2, unless an exemption from the sponsorship requirement is available. The Company will be seeking a waiver of any requirement for a sponsor in connection with the Change of Business.

Proposed Management and Directors

Following completion of the Change of Business, the board of directors of the Company will be reconstituted to consist of Simon Cheng, Scott Davis, Mark Ferguson and Edward Lyons. Management of the Company will consist of Simon Cheng as Chief Executive Officer and Scott Davis as Chief Financial Officer and Corporate Secretary.

Results of Operations

For the nine months ended July 31, 2020

Operating expenses were \$86,297 for the nine months ended July 31, 2020 compared to \$250,555 for the nine months ended July 31, 2019. Details are as follows:

- Interest expense was \$Nil for the nine months ended July 31, 2020 compared to \$6,721 for the nine months ended July 31, 2019.
- Management and consulting fees were \$14,505 for the nine months ended July 31, 2020 compared to \$61,514 for the nine months ended July 31, 2019.
- Travel for the nine months ended July 31, 2020 was \$nil compared to \$8,956 for the nine months ended July 31, 2019.
- Office and general was \$2,422 for the nine months ended July 31, 2020 compared to \$32,908 for the nine months ended July 31, 2019.
- Share-based payments was \$Nil for the nine months ended July 31, 2020 compared to \$49,589 for the nine months ended July 31, 2019.

The decrease in the expenses noted above are the result the of Company implementing cost-saving initiatives in the current period as compared to the same period in the prior year.

On November 1, 2018, the Company no longer controlled the subsidiaries comprising Novateqni USA LLC, Novateqni Hong Kong Limited, and Novateqni South Africa (Pty) Limited control was passed to the purchaser. These subsidiaries were part of the Company's one operating segment. In accordance with IFRS 10, the Company derecognized the

carrying values of the assets and liabilities effective November 1, 2018. The loss on the disposition and de-recognition of the subsidiaries resulted in a loss of \$905,446 during the nine months ended July 31, 2019.

For the three months ended July 31, 2020

Operating expenses were \$17,809 for the three months ended July 31, 2020 compared to \$133,622 for the three months ended July 31, 2019. Details are as follows:

- Interest expense was \$Nil for the three months ended July 31, 2020 compared to \$6,721 for the three months ended July 31, 2019.
- Management and consulting fees were \$5,010 for the three months ended July 31, 2020 compared to \$15,450 for the three months ended July 31, 2019.
- Office and general was \$334 for the three months ended July 31, 2020 compared to \$10,508 for the three months ended July 31, 2019.
- Professional fees were \$7,851 for the three months ended July 31, 2020 compared to \$22,504 for the three months ended July 31, 2019.
- Share-based payments was \$Nil for the nine months ended July 31, 2020 compared to \$49,589 for the nine months ended July 31, 2019.

The decrease in the expenses noted above are the result the of Company implementing cost-saving initiatives in the current period as compared to the same period in the prior year.

Summary of Quarterly Results

	July 2020	April 2020	January 2020	October 2019	July 2019	April 2019	January 2019	October 2018
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$2,488,441
Net (loss)/income	\$ (18,742)	\$ (45,678)	\$ (21,683)	\$ (11,856)	\$ (136,469)	\$ (18,659)	\$ (1,003,106)	\$ 306,783
Net (loss)/income per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.00)	\$ (0.03)	\$ 0.08

The loss of \$1,003,106 in the three months period ended January 2019 was mainly due to the disposal of the subsidiaries.

Financial Condition and Liquidity

On July 31, 2020 the Company had cash on hand totalling \$882,794 and \$964,759 on October 31, 2019. Liabilities for the period ended July 31, 2020 were \$10,018 and \$46,611 on October 31, 2019.

For the period ended July 31, 2020, working capital from continuing operations was \$886,416 compared to \$929,152 for year ended October 31, 2019.

Management considers that the current economic environment is difficult and therefore has moved to an out sourcing model, which has lowered costs and allow the company to handle potential contracts if won by tenders to be more profitable, To the extent necessary, the Company has relied on its ability to raise funds via equity issuances in order to finance its operations. The Company has been successful in raising funds in previous years. However, there can be no assurance the Company will continue to be able to raise funds under suitable terms. In addition, management has instituted measures to preserve cash through significantly decreasing its corporate costs.

Management has concluded that the combination of these circumstances' casts substantial doubt on the ability of the Company to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Contractual Obligations and Off-Balance Sheet Arrangements

The Company is not subject to any contractual obligations or off-balance sheet arrangements, except that in the normal course of business, the Company enters into agreements that include indemnities in favour of third parties. These include engagement letters with advisors and consultants, and service agreements. The Company has also agreed to indemnify our directors and officers in accordance with the Company's constating documents and bylaws. Certain agreements do not contain any limits on the Company's liability and therefore it is not possible to estimate its potential liability under these indemnities. In certain cases, the Company has recourse against third parties with respect to these indemnities.

RELATED PARTY TRANSACTIONS

The remuneration expense of directors and other members of key management personnel, or companies under their control, during the period was as follows:

	2020	2019
Professional fees	\$ 13,926	\$ -
Consulting fees	\$ 13,695	\$ 56,532

As at July 31, 2020, the Company owed \$3,550 (October 31, 2019 - \$1,450) to directors of the Company for consulting fees and an accounting firm of which a director and officer of the Company is partner for professional fees.

- i) During the year ended October 31, 2019 a former director of the Company provided loans through companies under his control totaling \$207,515 for working capital which were repaid in full during the year ended October 31, 2019.
- ii) During the year ended October 31, 2018, the former Chief Executive Officer/Director loaned the Company funds for operations. The amount due to the former Chief Executive Officer/Director on October 31, 2018 was \$46,655. The loan was non-interest bearing and had no set repayment terms. During the year ended October 31, 2019 this amount was paid in full.

Business Risks

The Company is facing a number of risks. (See "Note Regarding Forward-Looking Statements").

The business of Trench Solutions Inc. will involve a high degree of risk and there can be no assurance that it will continue securing contracts. The Company currently predominantly relies on contract bids with the voter registration business and this business is based on tenders through marketing partners.

Financial Risk Factors

Please refer to the condensed interim financial statements for the period ended July 31, 2020.

Critical Accounting Estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key sources of these uncertainties that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are discussed below:

The Company makes allowance for doubtful accounts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

The Company measures the cost of non-cash stock-based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for non-cash stock-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The Company measures the cost of non-cash stock-based compensation transactions with consultants by reference to the fair value of the services to be performed.

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

New and amended IFRS standards that are effective for the current period

Please refer to the condensed interim financial statements for the period ended July 31, 2020.

Capital Management

The Company's capital is composed of cash and shareholders' equity. The Company manages its capital structure and make adjustments to it based on the funds available in order to support the development of its technology-based solutions. The Company is not subject to any externally imposed capital requirements. As at July 31, 2020 the Company's shareholders' equity from continuing operations was \$886,415 compared to \$929,152 on October 31, 2019. As at July 31, 2020 the Company had current liabilities from continuing operations of \$10,018 compared to \$46,611 as at October 31, 2019. The Company will need to raise capital through equity placements and/or long-term debt financing in order to address the current liquidity issue.

Outstanding Share Data

As at the date of this report the Company had the following securities issued and outstanding:

	<u>Number</u>
Class A Common Shares	12,022,245
Stock Options	nil
Warrants	8,002,500

Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada and globally; industry conditions, including governmental regulation; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, skilled personnel and supplies; changes in tax laws; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management’s Responsibility of Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Other MD&A Requirements

Additional disclosure of the Company’s material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

TRENCH SOLUTIONS INC.

(FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)

FINANCIAL STATEMENTS

October 31, 2019 and 2018
(In United States dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Trench Solutions Inc. (formerly "Novateqni Technology Corporation")

Opinion

We have audited the financial statements of Trench Solutions Inc. (the "Company") which comprise the statement of financial position as at October 31, 2019, and the statement of income (loss) and comprehensive income (loss), changes in equity and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The consolidated financial statements of Trench Solutions Inc., for the year ended October 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on February 28, 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify



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our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

The engagement partner on the audit resulting in this independent auditors' report is Alden Aumann.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
February 28, 2020

TRENCH SOLUTIONS INC.

STATEMENTS OF FINANCIAL POSITION

(FORMERLY "NOVATEQNI TECHNOLOGY CORPORATION")

(in United States Dollars)

As at October 31,

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 733,121	\$ 52,560
Trade receivables, net (note 9)	-	3,453
GST receivable	2,362	4,201
Prepaid expenses	6,000	31,390
Inventory (note 4)	-	23,291
Income taxes receivable	-	8,373
Total Assets	\$ 741,483	\$ 123,268
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 33,998	\$ 200,283
Customer deposits	-	97,685
Due to related parties (note 9)	1,102	33,386
Warranty provision	-	25,000
Total Liabilities	35,100	356,354
Shareholders' Equity (Deficiency)		
Share capital (note 6)	3,041,371	2,413,499
Warrants (note 6)	559,115	146,620
Accumulated other comprehensive loss (income)	(38,797)	20,323
Contributed surplus	653,431	653,431
Deficit	(3,508,737)	(3,466,959)
Total Shareholders' Equity (Deficiency)	706,383	(233,086)
Total Liabilities and Shareholders' Equity (Deficiency)	\$ 741,483	\$ 123,268

Going Concern (Note 1)

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

Approved by the Board of Directors

Signed "Simon Cheng"

Director

Signed "Mark Ferguson"

Director

TRENCH SOLUTIONS INC.**STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

(FORMERLY "NOVATEQNI TECHNOLOGY CORPORATION")

(in United States Dollars)

For the years ended October 31,

	2019	2018
Sales	\$ -	\$ 2,388,321
Cost of Sales	-	(1,943,354)
	-	444,967
Expenses		
Bad debt expense	\$ -	8,400
Interest expense	7,606	-
Listing and filing fees	46,103	32,275
Management and consulting fees (note 9)	49,463	99,484
Office and general	25,405	19,050
Professional fees	49,428	70,101
Share-based payments	37,658	-
Travel	6,741	4,885
Warranty provision	-	25,000
	(222,404)	(259,195)
Net income (loss) from operations	(222,404)	185,772
Foreign exchange gain (loss)	(1,859)	(3,251)
Write-off of inventory	(23,291)	-
Net income (loss) from continuing operations	\$ (247,554)	\$ 182,521
Loss from discontinued operations (note 13)	-	(610,975)
Gain on disposal of subsidiaries (note 13)	205,776	-
Net loss	\$ (41,778)	\$ (428,454)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss		
Unrealized foreign exchange gain (loss) on translation	(434)	39,717
Comprehensive loss	\$ (42,212)	\$ (388,737)
Weighted average number of common shares outstanding – basic and diluted (note 7)	4,942,378	3,678,577
Basic and fully diluted (loss) earnings per share from continuing operations (note 7)	\$ (0.05)	\$ 0.05
Basic and fully diluted income (loss) earnings per share from discontinued operations (note 13)	\$ (0.01)	\$ (0.12)

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

TRENCH SOLUTIONS INC.
STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(FORMERLY "NOVATEQNI TECHNOLOGY CORPORATION")
(in United States Dollars)

	Number of shares	Number of warrants	Share capital	Warrants	Accumulated Other Comprehensive Income(loss)	Deficit	Contributed Surplus	Total
Balance – October 31, 2017	3,223,681	-	\$1,865,518	\$ -	\$ (19,394)	\$(3,038,505)	\$653,431	\$ (538,950)
Unrealized foreign exchange loss on translation to presentation currency	-	-	-	-	39,717	-	-	39,717
Issuance of shares for debt	253,535	-	295,826	-	-	-	-	295,826
Issuance of shares	317,529	-	252,155	-	-	-	-	252,155
Issuance of warrants	-	317,529	-	146,620	-	-	-	146,620
Net loss for the year	-	-	-	-	-	(428,454)	-	(428,454)
Balance – October 31, 2018	3,794,745	317,529	2,413,499	146,620	20,323	(3,466,959)	653,431	(233,086)
Unrealized foreign exchange gain on translation to presentation currency	-	-	-	-	(434)	-	-	(434)
Reclassification of accumulated translation on sale of subsidiaries	-	-	-	-	(58,686)	-	-	(58,686)
Issuance of shares	8,002,500	8,002,500	559,457	412,495	-	-	-	971,952
Exercise of stock options	225,000	-	68,415	-	-	-	(37,658)	30,757
Share-based payments	-	-	-	-	-	-	37,658	37,658
Net loss for the year	-	-	-	-	-	(41,778)	-	(41,778)
Balance – October 31, 2019	12,022,245	8,320,029	\$3,041,371	\$ 559,115	\$ (38,797)	\$(3,508,737)	\$653,431	\$ (706,383)

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

TRENCH SOLUTIONS INC.
STATEMENTS OF CASH FLOW
(FORMERLY "NOVATEQNI TECHNOLOGY CORPORATION")
(in United States Dollars)
For the years ended October 31,

	2019	2018
Cash used in operating activities		
Net income (loss) from continuing operations	\$ (41,778)	\$ 182,521
Net (loss) from discontinued operations	-	(610,975)
Add (deduct) non-cash items		
Bad debt expense	-	8,400
Depreciation	-	4,622
Gain on disposal of subsidiaries	(205,776)	-
Write-off of inventory	23,291	-
Share-based payments	37,658	-
Interest expense	7,606	-
Warranty provision	-	25,000
Unrealized foreign exchange	-	(89,718)
Changes in non-cash working capital:		
Trade and GST receivables	3,697	6,265
Inventory (note 4)	-	(13,958)
Prepaid expenses	17,125	(35,297)
Customer deposits	-	36,893
Accounts payable and accrued liabilities	(44,923)	(116,473)
Due to related parties	1,091	-
Income taxes receivable	-	(13,266)
	(202,009)	(615,986)
Cash used in investing activities		
Cash relinquished on disposal of subsidiaries	(75,963)	-
	(75,963)	-
Cash provided by financing activities		
Due from a Director (note 9)	-	33,386
Proceeds from loans payable	379,900	-
Repayment of loans payable	(423,031)	-
Proceeds from issuance of shares	971,952	-
Proceeds from exercise of stock options	30,757	-
Issuance of shares pursuant to private placement	-	398,775
	959,578	(432,161)
Change in cash and cash equivalents	681,605	(183,825)
Effect of foreign exchange on cash	(1,044)	162,573
Cash and cash equivalents, beginning of year	52,560	73,812
Cash and cash equivalents, end of year	\$ 733,121	\$ 52,560

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

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31,
(Expressed in United States Dollars)

1. NATURE OF BUSINESS

Nature of Business

Trench Solutions Inc (the "Company") (formerly "Novateqni Technology Corporation") carried on business in the development and sales of technology-based solutions and related hardware (see also Note 13). The Company was incorporated under the Business Corporations Act (Alberta) on July 31, 2012. Effective March 27, 2015, the Company's name was changed from Hombre Capital Inc ("Hombre") to Novateqni Corporation. Effective June 24, 2019, the Company's name was changed from Novateqni Corporation to Novateqni Technology Corporation. Effective December 11, 2019, the Company's name was changed to Trench Solutions Inc. and completed the continuation under the Business Corporations Act (British Columbia).

The Company is a publicly traded company with registered office of 2200 - 885 West Georgia Street, Vancouver, BC, V6C 3E8 and head office of 510 – 580 Hornby Street, Vancouver, BC, V6C 3B6. The Company's common shares are listed on the TSX Venture Exchange ("TSXV" or the "Exchange") under the symbol TSI and are also listed on the OTCQB under the symbol NVTQF.

The Company previously controlled several consolidated subsidiaries including Novateqni USA LLC, Novateqni Hong Kong Limited, and Novateqni South Africa (Pty) Limited. As discussed in Note 13, the Company lost control of the subsidiaries on November 1, 2019. On that basis the October 31, 2019 financial statements are not longer consolidated.

During the year ended October 31, 2019, the Company consolidated its common shares 10:1 basis. These financial statements reflect this consolidation retroactively.

The financial statements were approved by the Board of Directors on February 26, 2020.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretation ("IFRIC"), effective as of October 31, 2019.

Functional and presentation currency

The presentation currency of the Company is United States dollars ("US dollars" or "US").

The functional currency of the Company is Canadian dollars ("CDN dollars").

Cash and cash equivalents

Cash is comprised of cash on hand and cash held with banks.

Revenue recognition

Revenue is measured at the fair value if the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognized on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and satisfactory acceptance. Customer deposits are cash payments to the Company by the customer, for which the goods have not yet been provided.

The Company also enters in transactions that represent multiple-element arrangements, which may include a combination of software, hardware, and services. These multiple-element arrangements are assessed to determine whether they can be sold separately in order to determine if they can be treated as more than one unit of accounting or element for the purpose of revenue recognition. When there are multiple elements or units of accounting in an arrangement consideration is allocated to the separate units of accounting or elements on a relative fair value basis, as determined by reliable objective evidence of fair value. Objective evidence of fair value is based on the price charged when the elements are sold separately, which is in accordance with the Company's standard prices. If elements cannot be sold separately, revenue recognition is deferred until all elements have been delivered. Interest income is recognized as it accrues using the effective interest method.

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31,
(Expressed in United States Dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any impairment losses. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, generally 24-36 months. Expenditures for repairs and maintenance are charged to expense as incurred. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the Statements of Loss and Comprehensive Loss.

Inventory

Inventory consists of spare parts, work in progress and finished goods which is recorded at the lower of cost and net realizable value. This cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of inventory is determined on a weighted average basis. Net realizable value is based on estimated selling price in the ordinary course of business less any expected selling costs. Inventory is reviewed on a regular basis to ensure the carrying value does not exceed net realizable value. If the carrying value does exceed the net realizable value, a write-down is recognized immediately. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment and development costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Loss and Comprehensive Loss. Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years.

A reversal of an impairment loss is recognized immediately in the Statement of Loss and Comprehensive Loss.

Income taxes

Tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31,
(Expressed in United States Dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Income taxes (continued from previous page)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, and the Company intends to settle tax liabilities and assets on a net basis or to realize the tax assets and liabilities simultaneously.

Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Share-based payment transactions

The Company follows the fair value method of accounting for stock options. The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the BlackScholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Upon exercise the stock options, the consideration received plus the amount previously recorded in contributed surplus is recorded as an increase to share capital.

Foreign currency translation

Foreign currency denominated assets and liabilities are translated at the exchange rate prevailing at the date of the Statement of Financial Position for monetary items. Non-monetary assets and liabilities are translated at the rates prevailing at the transaction date. Revenues and expenses are translated using exchange rates prevailing at the dates of the transaction. Any exchange gain or loss that arises on translation is included in the Statement of Loss and Comprehensive Loss for the year.

The Company translates the accounts of Novateqni and Novateqni South Africa into US dollars using the closing rate of exchange at the period end date for both monetary and non-monetary assets and liabilities and the average exchange rate for the period for revenues and expenses. The Company records the exchange differences on such translation into the presentation currency in unrealized foreign exchange gain on translation of foreign subsidiary in the Statement of Loss and Comprehensive Loss. This amount is reflected on the Statement of Financial Position as part of the accumulated other comprehensive loss.

Warrants

The Company accounts for warrants issued as part of a unit offering financing using the relative fair value method. Under this method, the value of warrants issued is measured at fair value at the issue date using the Black-Scholes Option-Pricing Model and recorded as share capital if and when the warrants are exercised.

Modification of share purchase warrants

The Company may modify the terms of share purchase warrants originally granted. When modifications exist, the Company will maintain the original fair value of the of the share purchase warrant.

Financial instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

At initial recognition, all financial instruments are classified in one of the following categories depending on the purpose for which the instruments were acquired:

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31,
(Expressed in United States Dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Financial instruments (continued from previous page)

Financial assets

Fair value through profit or loss - This category comprises assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried on the Statement of Financial Position at fair value with changes in fair value recognized in the Statement of Loss and Comprehensive Loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is any objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the Statement of Financial Position at fair value with changes in fair value recognized in the Statement of Loss and Comprehensive Loss.

Other financial liabilities - This category includes accounts payables and accrued liabilities which are recognized at amortized cost.

The Company's financial instruments include cash and cash equivalents, trade receivables, accounts payable, due to and customer deposits. Cash is classified as fair value through profit or loss. Trade receivables are classified as loans and receivables. Accounts payable and accrued liabilities, due to director and customer deposits, are classified as other financial liabilities. The carrying value of these instruments approximates their fair values due to their short-term nature. Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

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.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the assets or liabilities that are not based on observable market date. The Company's cash is measured based on Level 1.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Earnings (Loss) per share

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

TRENCH SOLUTIONS INC. (FORMERLY "NOVATEQNI TECHNOLOGY CORPORATION")

NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31,

(Expressed in United States Dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key sources of these uncertainties that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are discussed below:

The Company makes allowance for doubtful accounts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

The Company measures the cost of non-cash stock-based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for non-cash stock-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, risk free interest rate, forfeiture rate, volatility and dividend yield of the share option. The Company measures the cost of non-cash stock-based compensation transactions with consultants by reference to the fair value of the services to be performed.

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

A provision for warranties is recognized when the underlying products are sold. The amount recognized is the best estimate of the costs to be incurred during the warranty period based on historical warranty data and management estimate.

Non-Current Assets Held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset or disposal group and the sale expected to be completed within one year from the date of the classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell ("FVLCTS"). If the FVLCTS is lower than the carrying amount, an impairment loss is recognized in the statement of operations. Costs to sell are the incremental costs directly attributable to the disposal of an asset or disposal group, excluding finance costs and income tax expense. Non-current assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the Company's balance sheet.

TRENCH SOLUTIONS INC. (FORMERLY "NOVATEQNI TECHNOLOGY CORPORATION")

NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31,
(Expressed in United States Dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Non-Current Assets Held for Sale and Discontinued Operations (continued from previous page)

A disposal group qualifies as a discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operations; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (iii) is a subsidiary acquired exclusively with a view to resale. A component of the Company comprises an operation and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as in the statement of income (loss) and comprehensive income (loss).

3. CHANGES IN ACCOUNTING POLICIES

Accounting Standards adopted during the year

On January 1, 2018, the Company adopted IFRS 9 - *Financial Instruments* ("IFRS 9") which replaced IAS 39 - *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard using the retrospective approach outlined in the standard. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities except for equity securities as described below. The standard also had negligible impact on the carrying amounts of the Company's financial instruments at the transition date.

The following summarizes the significant changes in IFRS 9 compared to IAS 39:

- (i) IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9. The change did not impact the carrying amounts of any of the Company's financial assets on the transition date.
- (ii) The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of the Company's financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings and the negligible historical level of customer default.

Future Accounting Pronouncements

Accounting Standards issued but not yet effective:

IFRS 16 – Leases. According to IFRS 16, all leases will be on the statement of financial position of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not early adopted IFRS 16 and this standard will not have an affect on its financial statements.

4. INVENTORY

Inventory consist of the following components as at October 31, 2019 and October 31, 2018

	2019	2018
Work in Progress	\$ -	23,291

During the year ended October 31, 2019, the inventory cost of \$23,291 was relinquished as part of the disposal of the subsidiaries.

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended October 31,
(Expressed in United States Dollars)

5. LOANS PAYABLE

During the year ended October 31, 2019, the Company entered into unsecured loans with a third party for \$379,900 (\$499,934 CAD) (2018 - \$nil) that accrues interest at 10% per annum. As at October 31, 2019, the Company had recorded interest payable of \$7,606 (2018 - \$nil). The loan and accrued interest were repaid during the year.

6. SHARE CAPITAL**(a) Capital**

Authorized: unlimited Class A common shares

As at October 31, 2019, the Company had 12,022,245 shares issued and outstanding.

During the year ended October 31, 2019:

- The Company issued 225,000 shares from the exercise of stock options for proceeds of \$30,757 and;
- The Company issued 8,002,500 units at a price of \$0.122 (\$0.16 CDN) per unit for total proceeds of \$971,952 (\$1,280,400 CDN). Each unit consisted of one common share and one transferrable common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.21 CDN per share for a period of thirty-six months from the date of issuance of the warrant. The fair value of the warrants is \$543,400 CDN (\$412,495).

During the year ended October 31, 2018:

- The Company issued 253,535 shares in settlement of loans in the amount of \$295,826 (\$380,302 CDN) to the former chief executive officer and;
- The Company issued 317,529 units at a price of \$1.17 CDN per unit for total proceeds of \$428,923 (\$539,800 CDN). Each unit consisted of one common share and one transferrable common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$1.75 (\$2.30 CDN) per share for a period of twenty-four months from the date of issuance of the warrant. The fair value of the warrants is \$198,471 CDN (\$146,620).

(b) Stock option plan

The Company adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Class A Common Shares, provided that the number of Class A Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Class A Common Shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

During the year ended October 31, 2019, the Company granted 225,000 stock options at a weighted average exercise price of CDN\$0.18 per share and recorded share-based payments of \$37,658 (\$49,589 CAD).

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

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Outstanding, October 31, 2018	270,000	\$ 3.10
Granted	225,000	0.18
Exercised	(225,000)	0.18
Forfeited	(270,000)	3.10
Outstanding October 31, 2019	-	\$ -

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31,
(Expressed in United States Dollars)

6. SHARE CAPITAL (continued from previous page)

(b) Stock option plan (continued from previous page)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the years ended October 31, 2019 and 2018:

	2019	2018
Risk-free interest rate	1.52%	-
Share price	\$0.24	-
Expected life of options	3 years	-
Expected annualized volatility	207.13%	-
Expected dividend rate	-	-
Fair value per option (CDN)	\$0.22	-

(c) Warrants

In conjunction with a private placement that closed September 6, 2019, the Company issued 8,002,500 warrants. Each warrant can be exercised to acquire one common share at a price of \$0.21 CDN per share for a period of 36 months from the date of issuance of the warrants.

In conjunction with a private placement that closed February 8, 2018, the Company issued 317,529 warrants. Each warrant can be exercised to acquire one common share at a price of \$2.30 CDN per share for a period of 24 months from the date of issuance of the warrants.

A summary of the Company's warrant activity is as follows

	Number of Warrants	Weighted Average Exercise Price (CDN\$)	Total (\$USD)
Outstanding October 31, 2017	-	-	-
Issued pursuant to private placement of units	317,529	\$ 2.30	146,620
Outstanding, October 31, 2018	317,529	\$ 2.30	146,620
Issued pursuant to private placement of units	8,002,500	\$ 0.21	412,495
Outstanding, October 31, 2019	8,320,029	\$ 0.29	627,434

The weighted average remaining contractual life and weighted average exercise price warrants outstanding and of warrants exercisable as at October 31, 2019 are as follows:

Exercise Price (CDN)	Warrants Outstanding			Warrants Exercisable	
	Number Outstanding	Weighted Average Exercise Price (CDN)	Average Remaining Contractual Life (years)	Number Exercisable	Weighted Average Exercise Price (CDN)
\$0.29	8,320,029	\$0.29	3.72	317,529	\$2.30
Total	317,529	\$2.30	3.72	317,529	\$2.30

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended October 31,
(Expressed in United States Dollars)

6. SHARE CAPITAL (continued from previous page)**(c) Warrants** (continued from previous page)

The fair value of the warrants issued during the year ended October 31, 2019 and 2018 was determined using the Black-Scholes model based on the following assumptions:

	2019	2018
Risk free interest rate	1.42%	1.83%
Dividend yield	Nil	Nil
Forfeiture rate	0%	0%
Stock price (CDN)	\$0.18	\$2.50
Expected stock volatility	130.20%	118.36%
Weighted-average expected life (years)	3.0	2.0

7. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share for the year ended October 31, 2019 was based on the loss from continuing operations attributable to common shareholders of \$247,554 (2018 – earnings \$182,521) and the weighted average number of common shares outstanding of 4,942,378 (2018 – 3,678,577). Diluted earnings (loss) per share did not include the effect of 8,320,029 warrants (2018 – 317,529) and nil options (2018 – 270,000) as they are anti-dilutive.

8. FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on its financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment/contractual obligations. The Company has deposited the cash with reputable Canadian financial institutions, from which management believes the risk of loss is minimized. The Company is not subject to concentration of credit risk as it had no trade receivables for the year ended October 31, 2019 (2018 – 3,453). The Company continuously evaluates that financial condition and credit worthiness of all customers and potential customers in order to mitigate such risk. In the event that losses do occur, all impairments are recognized in income or loss.

Liquidity Risk

Liquidity risk management involves maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit lines. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at October 31, 2019, the Company has current assets of \$741,483 (2018 - \$123,268) to settle current financial liabilities of \$35,100 (2018 - \$356,354). Accounts payable and accrued liabilities generally have contractual maturities of 30 days and they are all current.

Interest Rate Risk

The Company's current policy is to invest excess cash in short term guaranteed investment certificates issued by its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. The risk the Company will realize a loss as a result of a decline in the fair value of short-term deposits is limited due to the short-term nature of these investments.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at October 31, 2019, the Company had \$741,483 in current assets (2018 – \$123,268) and \$35,100 in current liabilities (2018 - \$356,354) denominated in Canadian dollars. A 10% change in exchange rates would cause an increase/decrease of approximately \$81,000 to comprehensive income (loss).

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended October 31,
(Expressed in United States Dollars)

9. RELATED PARTY TRANSACTIONS

The remuneration expense of directors and other members of key management personnel, or companies under their control, during the period was as follows:

	2019	2018
Consulting fees	\$ 33,993	\$ 99,484
Accounting fees	\$ 5,747	-

As at October 31, 2019, the Company owed \$1,102 to a Director of the Company for consulting fees

- i) During the year ended October 31, 2019 a former director of the Company provided loans through companies under his control totaling \$156,010 (CDN\$207,515) for working capital which were repaid in full during the year ended October 31, 2019. These loans were non-interest bearing and payable on demand.
- ii) During the year ended October 31, 2018, the former Chief Executive Officer/Director loaned the Company funds for operations. The amount due to the former Chief Executive Officer/Director on October 31, 2018 was \$33,386. The loan was non-interest bearing and had no set repayment terms. During the year ended October 31, 2019 this amount was paid in full.
- iii) On December 24, 2018, the Company announced that it was transferring all of its subsidiaries to its former President in order to return to an outsourcing model for fulfilling sales and carrying out development. These subsidiaries were part of the Company's one operating segment. The subsidiaries were transferred for no consideration effective on the loss of control which was November 1, 2018; as part of the transfer, the Company has transferred its two long term contracts to Novateqni South Africa in exchange for a 5% royalty on the sales generated from these contracts. The transfer of the contracts eliminates any warranty or service and support requirements of the Company.
- iv) During the year ended October 31, 2017, the former Chief Executive Officer/Director loaned the Company funds for operations. The loan was non-interest bearing and had no set repayment terms. During the quarter ended January 31, 2018, the amount due to the former Chief Executive Officer/Director \$295,826 (CDN\$380,302) was settled for 2,535,347 shares of the Company.

10. GEOGRAPHICAL SEGMENTED INFORMATION

All assets and liabilities of the Company are in Canada which is the geographical segment the company operates in.

11. CAPITAL DISCLOSURES

The Company's capital is composed of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available in order to support the development of its technology-based solutions. In order to carry out the expansion of the Company's product lines and pay for administrative costs, the Company may spend its existing working capital and may raise additional amounts as needed. The Company is not subject to any externally imposed capital requirements.

12. ECONOMIC DEPENDENCE

The Company had no revenues during the year ended October 31, 2019.

TRENCH SOLUTIONS INC. (FORMERLY “NOVATEQNI TECHNOLOGY CORPORATION”)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended October 31,
(Expressed in United States Dollars)

13. DISCONTINUED OPERATIONS

The Company determined that as of November 1, 2018, it no longer controlled the subsidiaries comprising Novateqni USA LLC, Novateqni Hong Kong Limited, and Novateqni South Africa (Pty) Limited control had passed to the previous owner of that business. These subsidiaries were part of the Company’s one operating segment. In accordance with IFRS 10, the Company derecognized the carrying values of the assets and liabilities effective November 1, 2018. The gain on the disposition and de-recognition of the subsidiaries is as follows:

Consideration received or receivable	\$	-
Carrying amount of net liabilities sold		(176,706)
Additional costs on disposal		29,616
Gain on sale before reclassification of foreign currency translation reserve		
Gain on reclassification of foreign currency translation reserve		(58,686)
Gain on disposition	\$	<u>(205,776)</u>

Results of discontinued operations

	October 31, 2019	October 31, 2018
Expenses	\$ -	\$ (610,975)
Loss from operating activities	-	(610,975)
Gain on disposition of discontinued operations	205,776	-
Income (loss) for the period	<u>\$ 205,776</u>	<u>(610,975)</u>
Basic and diluted earnings (loss) per share	<u>\$ (0.01)</u>	<u>\$ (0.12)</u>

Cash flows used in discontinued operation

	October 31, 2019	October 31, 2018
Net cash used in operating activities	-	(184,793)
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net cash flows for the period	<u>-</u>	<u>(184,793)</u>

Effect of the disposal on the financial position of the Company on November 1, 2018

Cash	\$	(46,347)
Accounts receivable		(1,551)
Work in progress		(23,291)
Inventory		23,291
Prepays		(8,069)
Taxes receivable		(8,373)
Accounts payable		118,391
Warranty		24,970
Customer deposits		97,685
Net assets and liabilities	<u>\$</u>	<u>176,606</u>

TRENCH SOLUTIONS INC. (FORMERLY "NOVATEQNI TECHNOLOGY CORPORATION")**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended October 31,
(Expressed in United States Dollars)

14. TAXES

The following table shows the components of the current and deferred tax expense:

	2019	2018
Current tax expense	\$ -	\$ -

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2018 – 27.0%) to the effective tax rates for the year ended October 31, 2019 is described below.

	2019	2018
Loss before income taxes	\$ (41,778)	\$ (428,454)
Expected income tax recovery	\$ (11,280)	\$ (115,683)
Difference in tax rates between Canada and foreign subsidiaries	-	1,962
Change in enacted tax rates	1,171	105,303
Net effect of deductible and non-deductible amounts	434,801	-
Non-deductible expenses	-	557
Permanent differences	(44,279)	-
Change in estimates and foreign exchange	-	1,529
Change in tax benefits not recognized	(380,413)	6,332
Income tax expense	\$ -	\$ -

The following table summarizes the components of deferred tax:

	2019	2018
Deferred tax assets		
Non-capital losses carried forward – Canada	\$ 434,801	\$ 281,535
Non-capital losses carried forward – USA	-	246,729
Non-capital losses carried forward – South Africa	-	131,660
Non-capital losses carried forward – Hong Kong	-	41,202
Share issue costs and other	-	18,217
Depreciable intangible asset	-	8,288
Deferred tax asset not recognized	(434,801)	(727,631)
Net deferred tax asset	\$ -	\$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets and liabilities have not been recognized in respect of the following deductible temporary differences as there is currently insufficient evidence that the deferred tax asset will be recovered.

The company has Canadian non-capital loss carry forwards of \$1,370,382 Canadian dollars (2018 - \$1,042,624) which begin to expire as follows:

	Canada (CDN)
2034	\$ 73,039
2035	429,076
2036	375,468
2037	493,799
No expiry	-
	\$ 1,370,382

TRENCH SOLUTIONS INC.
(FORMERLY "NOVATEQNI TECHNOLOGY CORPORATION")

Management's Discussion and Analysis

This Management's Discussion & Analysis ("MD&A") was prepared as of February 28, 2020 to assist readers in understanding the financial performance of Trench Solutions Inc. (the "Company") (formerly "Novateqni Technology Corporation") for the year ended October 31, 2019. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2019.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using the Company's reporting currency, the United States dollar.

This MD&A contains forward-looking statements. Please see the section "Note Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions used to develop forward-looking information.

The Company

Trench Solutions Inc (the "Company") (formerly "Novateqni Technology Corporation") carried on business in the development and sales of technology-based solutions and related hardware (see also Note 13). The Company was incorporated under the Business Corporations Act (Alberta) on July 31, 2012. Effective March 27, 2015, the Company's name was changed from Hombre Capital Inc ("Hombre") to Novateqni Corporation. Effective June 24, 2019, the Company's name was changed from Novateqni Corporation to Novateqni Technology Corporation. Effective December 11, 2019, the Company's name was changed to Trench Solutions Inc. and completed the continuation under the Business Corporations Act (British Columbia).

The Company is a publicly traded company with registered office of 2200 - 885 West Georgia Street, Vancouver, BC, V6C 3E8 and head office of 510 - 580 Hornby Street, Vancouver, BC, V6C 3B6. The Company's common shares are listed on the TSX Venture Exchange ("TSXV" or the "Exchange") under the symbol TSI and are also listed on the OTCQB under the symbol NVTQF.

In June 2019, the Company consolidated its common shares 10:1 basis. MD&A reflects this consolidation retroactively.

Significant Events

In May 2019, all matters presented at the annual general and special meeting of the shareholders of the Company were approved. At the meeting, shareholders approved a consolidation of the company's outstanding share capital on a ratio of up to 10 pre-consolidation common shares for everyone post-consolidation common share, as well as a continuation of the company under the Business Corporations Act (British Columbia). At the meeting, shareholders also approved a reconstitution of the company's board of directors.

In June 2019, Jean Pomerleau, resigned as director and CEO of the Company in order to pursue other ventures and Mr. Simon Cheng was appointed director, interim CEO and corporate secretary. Following the appointment of Mr. Cheng, the board of directors now consists of Mr. Cheng, Scott Davis and Mark Ferguson.

In September 2019, the Company completed a non-brokered private placement through the issuance of 8,002,500 units (each, a "Unit") at a price of CDN\$0.16 per Unit, for gross proceeds of \$971,952 (CDN\$1,280,400). Each "Unit" consists of one common share and one common share purchase warrant, each of which is exercisable to acquire an additional common share at a price of CDN\$0.21 for a period of thirty-six months. No finders' fees or commissions were paid in connection with completion of the placement. All securities issued in connection with the placement are subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws.

In January 2020, the Company's board of directors has commenced a review of the existing intellectual property assets of the Company to determine how these assets can be monetized. Concurrently, the board expects to conduct a review of potential strategic acquisition opportunities for the Company to augment existing intellectual property or provide new product offerings.

Selected Financial Information

	October 31, 2019	October 31, 2018
Total revenue	\$ -	\$ 2,388,321
Net loss for the year	\$ (41,778)	\$ (428,454)
Basic and diluted earnings (loss) per share	\$ (0.05)	\$ 0.05
Total assets	\$ 741,483	\$ 123,268
Shareholders' equity (deficiency)	\$ 706,383	\$ (233,086)
Weighted average Class A common shares outstanding	4,942,378	3,678,577

Results of Operations

For the year ended October 31, 2019

During the year ended October 31, 2019 the Company had sales of \$nil as compared to \$2,388,321 for the year ended October 31, 2018. The sales in the previous period were due to the Company completing the delivery of part of a large tender during the year. The cost of sales for the year and ended October 31, 2019 was \$nil versus \$1,943,354 for the year ended October 31, 2018. Gross margin for the year ended October 31, 2019 was \$nil versus \$444,967 for the year ended October 31, 2018.

Operating expenses from continuing operations was \$222,404 for the year ended October 31, 2019 compared to \$259,195 for the year ended October 31, 2018. Details are as follows:

Professional fees were \$49,428 for the year ended October 31, 2019 versus \$70,101 for the year ended October 31, 2018. Management and consulting fees were \$49,463 for the year ended October 31, 2019 compared to \$99,484 for the year ended October 31, 2018. Listing and filing fees were \$46,103 for the year ended October 31, 2019 compared to \$32,275 year ended October 31, 2018. Travel for the year ended October 31, 2019 was \$6,741 compared to \$4,885 compared to October 31, 2018. Office and general was \$25,405 for the year ended October 31, 2019 versus \$19,050 for the year ended October 31, 2018. Interest expense for the year ended October 31, 2019 was \$7,606 compare to \$nil for the year ended October 31, 2018 due to loans received during the year. The loans and accrued interest were repaid during the year. The bad debt expense was \$nil for the year ended October 31, 2019 compare to \$8,400 for the year ended October 31, 2018 and warranty provision \$nil (2018 - \$25,000); the company did not accrue these expenses during the current year due to the adoption of outsourcing model.

On November 1, 2018, the Company no longer controlled the subsidiaries comprising Novateqni USA LLC, Novateqni Hong Kong Limited, and Novateqni South Africa (Pty) Limited control was passed to the purchaser. These subsidiaries were part of the Company's one operating segment. In accordance with IFRS 10, the Company derecognized the carrying values of the assets and liabilities effective November 1, 2018. The gain on the disposition and de-recognition of the subsidiaries resulted in a gain on disposal of subsidiaries of \$205,776 during the year ended October 31, 2019. The disposal also resulted in a loss from discontinued operations for the year ended October 31, 2018 of \$610,975.

During the year ended October 31, 2019 (2018 - \$nil) the Company recorded share-based payments of \$37,658 from the issuance of 250,000 stock options using the Black-Scholes model.

The remaining expenses were relatively comparable to the same period of the prior period.

For the three months ended October 31, 2019

During the three months ended October 31, 2019 the Company had sales of \$nil as compared to \$1,904,662 for the three months ended October 31, 2018. The sales in the previous period were due to the Company completing the delivery of part of a large tender during the period. The cost of sales for the three months period ended October 31, 2019 was \$nil versus \$1,648,705 for the three months ended October 31, 2018. Gross margin for the year ended October 31, 2019 was \$nil versus \$255,957 for the three months ended October 31, 2018.

Operating expenses from continuing operations was \$33,661 for the three months ended October 31, 2019 compared to \$101,834 for the three months ended October 31, 2018. Details are as follows:

Professional fees were \$12,399 for the three months ended October 31, 2019 versus \$46,618 for the three months ended October 31, 2018. Management and consulting fees were \$3,217 for the three months ended October 31, 2019 compared to \$1,738 for the three months ended October 31, 2018. Listing and filing fees were \$11,747 for the three months ended October 31, 2019 compared to \$11,138 for the three months ended October 31, 2018. Travel for the three months ended October 31, 2019 was \$8 compared to \$1,188 for the three months ended October 31, 2018. Office and general was \$3,737 for the three months ended October 31, 2019 versus \$7,752 for the three months ended October 31, 2018. Interest expense for the three months ended October 31, 2019 was \$2,553 compare to \$nil for the three months ended October 31, 2018 due to loans received during the current period. The bad debt expense was \$nil for the three months ended October 31, 2019 compare to \$8,400 for the three months ended October 31, 2018 and warranty provision \$nil (2018 - \$25,000); the company did not accrue these expenses during the current period due to the adoption of outsourcing model.

Summary of Quarterly Results

	October 2019	July 2019	April 2019	January 2019	October 2018	July 2018	April 2018	January 2018
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$1,904,662	\$ 483,659	\$ Nil	\$ Nil
Net (loss)/income	\$ (78,696)	\$ (101,947)	\$ 6,490	\$ 84,114	\$234,601	\$ 41,129	\$ (185,836)	\$ (272,472)
Net (loss)/income per share	\$ (0.01)	\$ (0.03)	\$ 0.00	\$ 0.02	\$ 0.06	\$ 0.01	\$ (0.00)	\$ (0.03)

Variations in the quarters was a result of the Company being a tender based business with unpredictable revenues and costs.

Financial Condition and Liquidity

On October 31, 2019 the Company had cash on hand totalling \$733,121 and \$52,560 on October 31, 2018. Liabilities for the year ended October 31, 2019 were \$35,100 and \$356,354 on October 31, 2018.

Liabilities decreased from October 31, 2018 mainly because of the sale of the subsidiaries. For the year ended October 31, 2019, working capital from continuing operations was \$706,383 versus a deficit of \$233,086 for year ended October 31, 2018.

In September 2019, the Company completed a non-brokered private placement through the issuance of 8,002,500 units (each, a "Unit") at a price of CDN\$0.16 per Unit, for gross proceeds of CDN\$1,280,400. Each "Unit" consists of one common share and one common share purchase warrant, each of which is exercisable to acquire an additional common share at a price of CDN\$0.21 for a period of thirty-six months. No finders' fees or commissions were paid in connection with completion of the placement. All securities issued in connection with the placement are subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws.

Management considers that the current economic environment is difficult and therefore has moved to an out sourcing model, which has lowered costs and allow the company to handle potential contracts if won by tenders to be more profitable, To the extent necessary, the Company has relied on its ability to raise funds via equity issuances in order to finance its operations. The Company has been successful in raising funds in previous years. However, there can be no assurance the Company will continue to be able to raise funds under suitable terms. In addition, management has instituted measures to preserve cash through significantly decreasing its corporate costs.

Management has concluded that the combination of these circumstances' casts substantial doubt on the ability of the Company to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Contractual Obligations and Off-Balance Sheet Arrangements

The Company is not subject to any contractual obligations or off-balance sheet arrangements, except that in the normal course of business, the Company enters into agreements that include indemnities in favour of third parties. These include engagement letters with advisors and consultants, and service agreements. The Company has also agreed to indemnify our directors and officers in accordance with the Company's constating documents and bylaws. Certain agreements do not contain any limits on the Company's liability and therefore it is not possible to estimate its potential liability under these indemnities. In certain cases, the Company has recourse against third parties with respect to these indemnities.

RELATED PARTY TRANSACTIONS

The remuneration expense of directors and other members of key management personnel, or companies under their control, during the period was as follows:

	2019	2018
Consulting fees	\$ 33,993	\$ 99,484
Accounting fees	\$ 5,747	-

As at October 31, 2019, the Company owed \$1,102 to a Director of the Company for consulting fees.

- i) During the year ended October 31, 2019 a former director of the Company provided loans through companies under his control totaling \$156,010 (CDN\$207,515) for working capital which were repaid in full during the year ended October 31, 2019. These loans were non-interest bearing and payable on demand.
- ii) During the year ended October 31, 2018, the former Chief Executive Officer/Director loaned the Company funds for operations. The amount due to the former Chief Executive Officer/Director on October 31, 2018 was \$33,386. The loan was non-interest bearing and had no set repayment terms. During the year ended October 31, 2019 this amount was paid in full.
- iii) On December 24, 2018, the Company announced that it was transferring all of its subsidiaries to its former President in order to return to an outsourcing model for fulfilling sales and carrying out development. These subsidiaries were part of the Company's one operating segment. The subsidiaries were transferred for no consideration effective on the loss of control which was November 1, 2018; as part of the transfer, the Company has transferred its two long term contracts to Novateqni South Africa in exchange for a 5% royalty on the sales generated from these contracts. The transfer of the contracts eliminates any warranty or service and support requirements of the Company.
- iv) During the year ended October 31, 2017, the former Chief Executive Officer/Director loaned the Company funds for operations. The loan was non-interest bearing and had no set repayment terms. During the quarter ended January 31, 2018, the amount due to the former Chief Executive Officer/Director \$295,826 (CDN\$380,302) was settled for 2,535,347 shares of the Company.

Business Risks

The Company is facing a number of risks. (See "Note Regarding Forward-Looking Statements").

The business of Trench Solutions Inc. will involve a high degree of risk and there can be no assurance that it will continue securing contracts. The Company currently predominantly relies on contract bids with the voter registration business and this business is based on tenders through marketing partners.

Financial Risk Factors

Please refer to the consolidated financial statements for the year ended October 31, 2019.

Critical Accounting Estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key sources of these uncertainties that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are discussed below:

The Company makes allowance for doubtful accounts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

The Company measures the cost of non-cash stock-based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for non-cash stock-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The Company measures the cost of non-cash stock-based compensation transactions with consultants by reference to the fair value of the services to be performed.

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

New and amended IFRS standards that are effective for the current year

Please refer to the consolidated financial statements for the year ended October 31, 2019.

Capital Management

The Company's capital is composed of cash and shareholders' equity. The Company manages its capital structure and make adjustments to it based on the funds available in order to support the development of its technology-based solutions. The Company is not subject to any externally imposed capital requirements. As at October 31, 2019 the Company's shareholders' equity from continuing operations was \$706,383 compared to a deficit of \$233,086 on October 31, 2018. As at October 31, 2019 the Company had current liabilities from continuing operations of \$35,100 compared to \$356,354 as at October 31, 2018. The Company will need to raise capital through equity placements and/or long-term debt financing in order to address the current liquidity issue.

Outstanding Share Data

As at the date of this report the Company had the following securities issued and outstanding

	Number
Class A Common Shares	12,022,245
Stock Options	nil
Warrants	8,320,029

Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada and globally; industry conditions, including governmental regulation; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, skilled personnel and supplies; changes in tax laws; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management's Responsibility of Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Other MD&A Requirements

Additional disclosure of the Company's material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

NOVATEQNI CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2018 and 2017
(in United States dollars)

Independent Auditors' Report

To the Shareholders of NovaTeqni Corporation:

We have audited the accompanying consolidated financial statements of NovaTeqni Corporation, which comprise the consolidated statements of financial position as at October 31, 2018 and 2017, the consolidated statements of loss and comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of NovaTeqni Corporation as at October 31, 2018 and 2017 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty which may cast significant doubt about Novateqni Corporation's ability to continue as a going concern.

February 28, 2019
Calgary, Alberta

MNP LLP

Chartered Professional Accountants

MNP

NOVATEQNI CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in U.S. Dollars)
As at October 31,

	2018	2017
Assets		
Current assets		
Cash	\$ 52,560	\$ 73,812
Trade receivables, net (note 8)	3,453	9,940
Inventory (note 3)	23,291	11,631
Goods and services tax recoverable	4,201	4,967
Prepaid expenses	31,390	12,250
Income taxes receivable	8,373	1,134
	123,268	113,734
Property and equipment (note 4)	-	4,622
Total Assets	\$ 123,268	\$ 118,356
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 200,283	301,502
Customer deposits	97,685	69,072
Due to director (note 10(iv))	33,386	286,732
Warranty provision	25,000	-
Total Liabilities	356,354	657,306
Shareholders' Deficiency		
Share capital (note 5(a))	2,413,499	1,865,518
Warrants (note 5(c))	146,620	-
Contributed surplus (note 5(b))	653,431	653,431
Accumulated other comprehensive loss	20,323	(19,394)
Deficit	(3,466,959)	(3,038,505)
Total Shareholders' Deficiency	(233,086)	(538,950)
Total Liabilities and Shareholders' Deficiency	\$ 123,268	\$ 118,356

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

Going Concern (Note 1)

Commitments and Contingencies (Note 12)

Economic Dependence (Note 14)

Subsequent Event (Note 15)

Approved by the Board of Directors

Signed "Jean Pomerleau"

Director

Signed "Larry Youell"

Director

NOVATEQNI CORPORATION
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in U.S. Dollars)
For the year ended October 31,

	2018	2017
Sales	\$ 2,494,497	\$ 1,696,782
Cost of sales	(1,970,926)	(1,396,618)
Gross profit	523,571	300,164
Expenses		
Professional fees	105,275	113,036
Depreciation (note 4)	4,622	14,145
Share-based payments (note 5(b))	-	155,891
Management and consulting fees (note 10)	259,484	497,256
Listing and filing fees	32,275	49,076
Marketing	-	98
Research and development	43,375	28,944
Travel	21,365	29,632
Office and general	94,291	106,244
Bad debt expense (note 8)	8,400	3,300
Warranty provision	25,000	(15,000)
Salaries and wages	297,979	331,788
	892,066	1,314,410
Loss from operations	(368,495)	(1,014,246)
Foreign exchange expense	(59,959)	5,449
Other income – interest	-	7,656
Loss before income taxes	(428,454)	(1,012,039)
Tax expense (note 9)	-	18,042
Net loss	(428,454)	(993,997)
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss		
Unrealized foreign exchange (loss) gain on translation	39,717	(2,321)
Total comprehensive loss	\$ (388,737)	\$ (996,318)
Weighted average number of common shares outstanding – basic and diluted (note 6)	36,785,774	32,236,815
Basic and fully diluted loss per share (note 6)	\$ (0.01)	(0.03)

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

NOVATEQNI CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(Expressed in U.S. Dollars)

	Shares #	Warrants #	Share Capital \$	Warrants \$	Accumulated Other Comprehensive Loss \$	Deficit \$	Contributed Surplus \$	Total Equity (Deficit) \$
Balance, October 31, 2016	32,236,815	454,747	\$1,865,518	\$ 36,640	\$ (17,073)	\$(2,044,508)	\$ 460,900	\$ 301,477
Unrealized foreign exchange loss on translation to presentation currency	-	-	-	-	(2,321)	-	-	(2,321)
Warrants expired	-	(454,747)	-	(36,640)	-	-	36,640	-
Issuance of stock options	-	-	-	-	-	-	155,891	155,891
Net loss	-	-	-	-	-	(993,997)	-	(993,997)
Balance, October 31, 2017	32,236,815	-	\$1,865,518	\$ -	\$ (19,394)	\$(3,038,505)	\$ 653,431	\$ (538,950)
Unrealized foreign exchange loss on translation to presentation currency	-	-	-	-	39,717	-	-	39,717
Issuance of shares for debt (note 5(i))	2,535,347	-	295,826	-	-	-	-	295,826
Issuance of shares (note 5(ii))	3,175,294	-	252,155	-	-	-	-	252,155
Issuance of warrants (note 5(ii))	-	3,175,294	-	146,620	-	-	-	146,620
Net loss	-	-	-	-	-	(428,454)	-	(428,454)
Balance October 31, 2018	37,947,456	3,175,294	\$2,413,499	\$ 146,620	\$ 20,323	\$(3,466,959)	\$ 653,431	\$ (233,086)

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

NOVATEQNI CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in U.S. Dollars)
For the year ended October 31,

	2018	2017
Cash flow used in operating activities		
Net loss	\$ (428,454)	(993,997)
Add (deduct) non-cash items		
Depreciation (note 4)	4,622	14,145
Share-based payments (note 5(b))	-	155,891
Bad debt expense (note 8)	8,400	3,300
Warranty provision	25,000	(15,000)
Inventory write-down	-	25,720
Unrealized foreign exchange	(89,718)	-
Changes in non-cash working capital:		
Trade and GST receivables	6,265	265,303
Due from NovaMeric (note 10)	-	2,639
Inventory (note 3)	(13,958)	(9,837)
Prepaid expenses	(35,297)	13,103
Customer deposits	36,893	64,905
Accounts payable and accrued liabilities	(116,473)	(28,219)
Taxes payable	(13,266)	65,344
Cash used in operating activities	(615,986)	(436,703)
Cash flow provided by financing activities		
Due from a Director (note 10)	33,386	485,297
Issuance of shares pursuant to private placement (note 5(a))	398,775	-
Cash provided by financing activities	432,161	485,297
(Decrease) increase in cash	(183,825)	48,594
Effect of foreign exchange on cash	162,573	1,966
Cash, beginning of year	73,812	23,252
Cash, end of year	\$ 52,560	73,812

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

NOVATEQNI CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in U.S. Dollars)
For the year ended October 31,

1. NATURE OF BUSINESS AND QUALIFYING TRANSACTION

Nature of Business

Novateqni Corporation (the "Company" or "Novateqni") carries on business in the development and sales of technology based solutions and related hardware. The Company was incorporated under the Business Corporations Act (Alberta) on July 31, 2012. Effective March 27, 2015, the Company's name was changed from Hombre Capital Inc ("Hombre") to Novateqni Corporation. NovaMeric South Africa is the ultimate parent of Novateqni Corporation.

Novateqni is a publicly traded company with registered office at: 1250, 639 – 5th Avenue S.W., Calgary, Alberta, T2P 0M9. The Company's common shares are listed on the TSX Venture Exchange ("TSXV" or the "Exchange") under the symbol NTQ and are also listed on the OTCQB under the symbol NVTQF.

The consolidated financial statements were approved by the Board of Directors on February 28, 2019.

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Reporting Interpretation Committee ("IFRIC") in effect at November 1, 2017.

Basis of measurement

These consolidated financial statements were prepared under the historical cost convention except for share-based payment transactions and certain financial instruments which are measured at fair value.

Going concern

The establishment of new markets for technology companies and the winning of tenders involves significant financial risks. The success of the Company is dependent upon the winning of tenders and its ability to establish new markets for its products and to bring such products into profitable production. The Company is subject to a number of risks, including contractual risks, obsolescence risks, competition risks, legal risks and political risks, and other factors beyond the Company's control. The Company has not yet generated enough revenue to date to sustain all operations. The Company incurred a net loss of \$428,454 during the year ended October 31, 2018 and has an accumulated deficit of \$3,466,959. As of October 31, 2018, the Company has cash resources of \$52,560 which is considered insufficient to meet its obligations for at least twelve months from the end of the reporting period.

Management considers that the current economic environment is difficult and the outlook for companies bringing new unproven products to market presents significant challenges in terms of raising funds through the issuance of shares. To the extent necessary, the Company has relied on its ability to raise funds via equity issuances in order to finance its operations. The Company has been successful in raising funds in previous years and plans to continue to complete equity issuances in the upcoming year. However, there can be no assurance the Company will continue to be able to raise funds under suitable terms. In addition, management has instituted measures to preserve cash through significantly decreasing its corporate costs. In order to cut corporate costs and improve overall profitability, subsequent to year end the Company disposed of all of its subsidiaries to go back to an outsourcing model for its products. As a first step to outsourcing, the Company will transfer certain contracts to Novateqni South Africa (Pty) Limited after the sale and it will receive a 5% royalty on all sales under the contracts transferred. The Company will not be required to fund or execute any purchase orders received under those contracts unless it is requested to do so on a case by case basis with terms to be negotiated (Note 15).

Management has concluded that the combination of these circumstances casts significant doubt on the ability of the Company to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

NOVATEQNI CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in U.S. Dollars)
For the year ended October 31,

2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

The presentation currency of Novateqni Corporation is United States dollars ("US dollars" or "US").

The functional currency of Novateqni Corporation is Canadian dollars ("CDN dollars"). The function currency of Novateqni Hong Kong Limited and Novateqni USA is US dollars. The functional currency of Novateqni South Africa is South African Rand.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Novateqni Hong Kong Limited, a company registered in Hong Kong; Novateqni USA, a company registered in the USA; and Novateqni South Africa, a company registered in South Africa. The subsidiaries are fully consolidated from the date of acquisition or formation, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same period as the parent company, using consistent accounting policies. The Company has consolidated the assets, liabilities, revenues and expenses of its subsidiaries after the elimination of inter-company transactions and balances.

Cash

Cash is comprised of cash on hand and cash held with banks.

Revenue recognition

Revenue is measured at the fair value if the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognized on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and satisfactory acceptance. Customer deposits are cash payments to the Company by the customer, for which the goods have not yet been provided.

The Company also enters into transactions that represent multiple-element arrangements, which may include a combination of software, hardware, and services. These multiple-element arrangements are assessed to determine whether they can be sold separately in order to determine if they can be treated as more than one unit of accounting or element for the purpose of revenue recognition. When there are multiple elements or units of accounting in an arrangement consideration is allocated to the separate units of accounting or elements on a relative fair value basis, as determined by reliable objective evidence of fair value. Objective evidence of fair value is based on the price charged when the elements are sold separately, which is in accordance with the Company's standard prices. If elements cannot be sold separately, revenue recognition is deferred until all elements have been delivered.

Interest income is recognized as it accrues using the effective interest rate method.

Research and development costs

Development assets incurred separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives of 2 years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understandings, are recognized in the Consolidated Statement of Loss and Comprehensive Loss when incurred.

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any impairment losses. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, generally 24-36 months. Expenditures for repairs and maintenance are charged to expense as incurred. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the Consolidated Statements of Loss and Comprehensive Loss.

NOVATEQNI CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in U.S. Dollars)
For the year ended October 31,

2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Inventory

Inventory consists of spare parts, work in progress and finished goods which is recorded at the lower of cost and net realizable value. This cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of inventory is determined on a weighted average basis. Net realizable value is based on estimated selling price in the ordinary course of business less any expected selling costs. Inventory is reviewed on a regular basis to ensure the carrying value does not exceed net realizable value. If the carrying value does exceed the net realizable value, a write-down is recognized immediately. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment and development costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the Consolidated Statement of Loss and Comprehensive Loss. Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years.

A reversal of an impairment loss is recognized immediately in the Consolidated Statement of Loss and Comprehensive Loss.

Taxes

Tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, and the Company intends to settle tax liabilities and assets on a net basis or to realize the tax assets and liabilities simultaneously.

Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

Share-based payment transactions

The Company follows the fair value method of accounting for stock options. The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Upon exercise the stock options, the consideration received plus the amount previously recorded in contributed surplus is recorded as an increase to share capital.

Foreign currency translation

Foreign currency denominated assets and liabilities are translated at the exchange rate prevailing at the date of the Consolidated Statement of Financial Position for monetary items. Non-monetary assets and liabilities are translated at the rates prevailing at the transaction date. Revenues and expenses are translated using exchange rates prevailing at the dates of the transaction. Any exchange gain or loss that arises on translation is included in the Consolidated Statement of Loss and Comprehensive Loss for the year.

The Company translates the accounts of Novateqni and Novateqni South Africa into US dollars using the closing rate of exchange at the period end date for both monetary and non-monetary assets and liabilities and the average exchange rate for the period for revenues and expenses. Novateqni records the exchange differences on such translation into the presentation currency in unrealized foreign exchange gain on translation of foreign subsidiary in the Consolidated Statement of Loss and Comprehensive Loss. This amount is reflected on the Consolidated Statement of Financial Position as part of the accumulated other comprehensive loss.

Modification of share purchase warrants

The Company may modify the terms of share purchase warrants originally granted. When modifications exist, the Company will maintain the original fair value of the of the share purchase warrant.

Financial instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

At initial recognition, all financial instruments are classified in one of the following categories depending on the purpose for which the instruments were acquired:

Financial assets

Fair value through profit or loss - This category comprises assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried on the Consolidated Statement of Financial Position at fair value with changes in fair value recognized in the Consolidated Statement of Loss and Comprehensive Loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is any objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

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2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

Financial instruments *(continued from previous page)*

Financial liabilities

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognized in the Consolidated Statement of Loss and Comprehensive Loss.

Other financial liabilities - This category includes accounts payables and accrued liabilities which are recognized at amortized cost.

The Company's financial instruments include cash, trade receivables, accounts payable and accrued liabilities, due to director and customer deposits. Cash is classified as fair value through profit or loss. Trade receivables are classified as loans and receivables. Accounts payable and accrued liabilities, due to director and customer deposits, are classified as other financial liabilities. The carrying value of these instruments approximates their fair values due to their short-term nature. Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

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.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the assets or liabilities that are not based on observable market date.

The Company's cash is measured based on Level 1.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Loss per share

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

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2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key sources of these uncertainties that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are discussed below:

The Company makes allowance for doubtful accounts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

The Company measures the cost of non-cash stock based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for non-cash stock based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, risk free interest rate, forfeiture rate, volatility and dividend yield of the share option. The Company measures the cost of non-cash stock based compensation transactions with consultants by reference to the fair value of the services to be performed.

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

A provision for warranties is recognized when the underlying products are sold. The amount recognized is the best estimate of the costs to be incurred during the warranty period based on historical warranty data and management estimate.

Future accounting pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements, but which may affect the consolidated financial statements are listed below.

IFRS 9, Financial Instruments ("IFRS 9"). The IASB has deferred the mandatory effective date for IFRS 9 to annual periods beginning on or after January 1, 2018. Earlier application is permitted. If an entity applies this IFRS in its financial statements for a period beginning before January 1, 2018, it shall disclose that fact and at the same time apply the consequential amendments to other IFRSs. An entity that did not already apply IFRS 9 as issued in 2009 must apply IFRS 9 as issued in 2010 in its entirety if electing early application. If an entity has already early applied IFRS 9 as issued in 2009, prior to the amendments issued in 2010, the entity may elect to continue to apply IFRS 9 as issued in 2009. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The standard also adds guidance on the classification and measurement of financial liabilities. IFRS 9 is to be applied retrospectively for annual periods beginning on or after January 1, 2018. Early application is permitted. The Company will adopt this standard for the annual period beginning November 1, 2018. The adoption of this standard is not expected to have a material impact on the consolidated financial statements.

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2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

Future accounting pronouncements *(continued from previous page)*

IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). In May 2014, the IASB issued a new standard on the recognition of revenue from contracts with customers. IFRS 15 specifies how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue. This standard will be effective for annual periods beginning on or after January 1, 2018 and allows early adoption. IFRS 15 may be applied retrospectively to each prior period presented (full retrospective method) or with the cumulative effect of adoption recognized as at the date of initial application (modified retrospective method). The Company will adopt this standard for the annual period beginning November 1, 2018 and apply the modified retrospective method. The cumulative effect of adopting this standard November 1, 2018 will be recognized as an adjustment to our opening balance of retained earnings.

The Company continues its implementation plan for IFRS 15. The project plan includes developing the necessary accounting policies, estimates and judgments required to adopt IFRS 15, as well as any changes required to business processes, systems and internal controls to implement the policies and disclosures required upon adoption of IFRS 15. The Company has determined that the most significant impacts relate to accounting for its capitalization of contract acquisition costs and expanded disclosure on revenue, performance obligations and contract balances. Under the Company's current accounting policies, contract acquisition costs, including commissions paid to employees, are expensed upon commencement of the related contract revenue. Under IFRS 15, the Company will capitalize and amortize such contract acquisition costs where revenue is recognized ratably over the term. Revenue recognition will need to be assessed on a contract by contract basis as each contract the Company enters into is unique. The Company continues to assess the financial impact of adopting this standard which will be completed and disclosed in the consolidated financial statements for the first quarter of 2019.

IFRS 16 replaces IAS 17, Leases; and introduces new rules for accounting for leases which will result in substantially all lessee leases being recorded on the consolidated statement of financial position. The standard is effective for annual periods beginning on or after January 1, 2019 with retroactive application and with early adoption permitted.

The Company has not yet determined the impact on its consolidated financial statements from the adoption of these future accounting pronouncements

3. INVENTORY

Inventory consists of the following components as at October 31, 2018 and 2017:

	2018	2017
Work in Progress	\$ 23,291	\$ 11,631
	\$ 23,291	\$ 11,631

Inventory expensed as part of cost of sales was \$1,970,926 and \$1,396,618, respectively, for the years ended October 31, 2018 and 2017. For the year ended October 31, 2018, an inventory write-down of \$Nil (2017 - \$25,720) was recorded in cost of sales.

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4. PROPERTY AND EQUIPMENT AND DEVELOPMENT COSTS

Cost	Property and Equipment	Development Costs
Balance, October 31, 2016	\$ 108,618	\$ 22,863
Additions	-	-
Balance, October 31, 2017	\$ 108,618	\$ 22,863
Additions	-	-
Balance, October 31, 2018	\$ 108,618	\$ 22,863
Accumulated Depreciation		
Balance October 31, 2016	\$ (90,043)	\$ (22,671)
Depreciation	(13,953)	(192)
Balance October 31, 2017	\$ (103,996)	\$ (22,863)
Depreciation	(4,622)	-
Balance, October 31, 2018	\$ (108,618)	\$ (22,863)
Carrying Value, October 31, 2018	\$ -	\$ -
Carrying Value October 31, 2017	\$ 4,622	\$ -

5. SHARE CAPITAL

(a) Capital

Authorized: unlimited Class A common shares, no par value

Issued:	Number	Amount
Balance, October 31, 2016 and October 31, 2017	32,236,815	\$ 1,865,518
Shares issued for debt (i)	2,535,347	295,826
Shares issued pursuant to private placement, net (ii)	3,175,294	252,155
Balance, October 31, 2018	37,947,456	\$ 2,413,499

- (i) During the year ended December 31, 2018, the Chief Executive Officer received 2,535,347 shares in settlement of \$295,826 (CDN\$380,302) loans to the Company.

NOVATEQNI CORPORATION
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5. **SHARE CAPITAL** (continued from previous page)

(a) **Capital** (continued from previous page)

- (ii) On February 8, 2018, the Company issued 3,175,294 Units at a price of \$0.17 CDN per Unit for total proceeds of \$539,800 CDN (\$428,923). Each Unit consisted of one common share in the capital of Novateqni (a "Common Share") and one transferrable common share purchase warrant (a "Warrant"). Each Warrant may be exercised to acquire one Common Share at a price of \$0.23 CDN per share for a period of 24 months from the date of issuance of the Warrant. The fair value of the warrants is \$198,471. Share issuance costs were \$24,130 CDN (\$19,063) and warrant issuance costs were \$14,031 CDN (\$11,084).

(b) **Stock option plan**

The Company adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Class A Common Shares, provided that the number of Class A Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Class A Common Shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. During the year ended of October 31, 2018, a total of Nil (2017 – 1,325,000) stock options were issued to Directors, Officers, employees.

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

	Number of Stock Options	Weighted Average Exercise Price (\$CDN)	Total (\$USD)
Outstanding, October 31, 2016	1,875,000	0.37	460,900
Issued	1,325,000	0.25	155,891
Forfeited	(500,000)	0.37	-
Outstanding October 31, 2017 and 2018	2,700,000	0.31	616,791

The weighted average remaining contractual life and weighted average exercise price of stock options outstanding and of options exercisable as at October 31, 2018 are as follows:

Exercise Price (Cnd)	Stock Options Outstanding			Stock Options Exercisable	
	Number Outstanding	Weighted Average Exercise Price (CDN)	Average Remaining Contractual Life (years)	Number Exercisable	Weighted Average Exercise Price (CDN)
\$0.37	1,375,000	\$0.37	1.03	1,375,000	\$0.37
\$0.25	1,325,000	0.25	3.31	1,325,000	0.25
Total	2,700,000	\$0.31	2.15	2,700,000	\$0.31

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5. **Share Capital** (continued from previous page)

(b) **Stock option plan** (continued from previous page)

The fair value of the stock option issued in 2017 to Directors, Officers and employees was determined using the Black-Scholes model based on the following assumptions:

	1,325,000
	Options
Risk free interest rate	1.17%
Dividend yield	Nil
Forfeiture rate	0%
Stock price	\$0.25
Expected stock volatility	110.72%
Weighted-average expected life (years)	5.0

During the 12 months ended October 31, 2018, a total of Nil (2017 - \$155,891) was recognized as share based payments for the Nil (2017 - 1,325,000) stock options issued with immediate vesting, with the corresponding increase in contributed surplus.

(c) **Warrants**

In conjunction with a private placement that closed on August 26, 2015, the Company issued 454,747 warrants. Each whole warrant may be exercised to acquire one common share at a price of \$1.00 CDN per share for a period of 12 months from the date of issuance of the warrant provided, however, if the volume weighted average closing price of the common shares exceeds \$1.25 CDN per share for more than 10 consecutive trading days, Novateqni may accelerate the warrant exercise period to a date which is 30 calendar days following the date a press release is issued by Novateqni announcing the reduced warrant exercise period. On July 21, 2016 the Company extended the expiry of the warrants to July 24, 2017 as to 396,247 warrants and August 26, 2017 as to 58,500 warrants which was 24 months from the date of their original issuance.

In conjunction with a private placement that closed February 8, 2018, the Company issued 3,175,294 warrants. Each warrant may be exercised to acquire one common share at a price of \$0.23 CDN per share for a period of 24 months from the date of issuance of the warrant.

A summary of the Company's warrant activity is as follows

	Number of Warrants	Weighted Average Exercise Price (CDN\$)	Total (\$USD)
Outstanding, October 31, 2016	454,747	1.00	36,640
Expired	(454,747)	1.00	(36,640)
Outstanding October 31, 2017	-	-	-
Issued pursuant to private placement of units	3,175,294	0.23	128,351
Outstanding, October 31, 2018	3,175,294	0.23	128,351

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5. **Share Capital** (continued from previous page)

(c) **Warrants** (continued from previous page)

The weighted average remaining contractual life and weighted average exercise price warrants outstanding and of warrants exercisable as at October 31, 2018 are as follows:

Exercise Price (CDN)	Warrants Outstanding			Warrants Exercisable	
	Number Outstanding	Weighted Average Exercise Price (CDN)	Average Remaining Contractual Life (years)	Number Exercisable	Weighted Average Exercise Price (CDN)
\$0.23	3,175,294	\$0.23	1.27	3,175,294	\$0.23
Total	3,175,294	\$0.23	1.27	3,175,294	\$0.23

The fair value of the warrants issued during the quarter was determined using the Black-Scholes model based on the following assumptions:

Risk free interest rate	1.83%
Dividend yield	Nil
Forfeiture rate	0%
Stock price	\$0.25
Expected stock volatility	118.36%
Weighted-average expected life (years)	2.0

6. **LOSS PER SHARE**

The calculation of basic and diluted loss per share for the year ended October 31, 2018 was based on the loss attributable to common shareholders of \$428,454 (2017 - \$993,997) and the weighted average number of common shares outstanding of 36,785,774 (2017 - 32,236,815). Diluted loss per share did not include the effect of 3,175,294 warrants (2017 - Nil) and 2,700,000 options (2017 - 2,700,000) as they are anti-dilutive.

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7. FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on its financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment/contractual obligations. The Company has deposited the cash with reputable Canadian, United States, South Africa, and Hong Kong financial institutions, from which management believes the risk of loss is minimized. At October 31, 2018, the Company was not subject to concentration of credit risk. The Company continuously evaluates that financial condition and credit worthiness of all customers and potential customers in order to mitigate such risk. In the event that losses do occur, all impairments are recognized in income or loss.

Liquidity Risk

Liquidity risk management involves maintaining sufficient cash and the availability of funding through an adequate amount of committed credit lines. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at October 31, 2018, the Company has current assets of \$123,268 (2017 - \$113,734) to settle current financial liabilities of \$356,354 (2017 - \$657,306). See note 1 for going concern disclosure. Accounts payable and accrued liabilities generally have contractual maturities of 30 days and they are all current.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at October 31, 2018, the Company had \$46,835 in current assets (2017- \$31,515) and \$184,354 in current liabilities (2017 - \$562,748) denominated in Canadian dollars. A 10% change in exchange rates would cause an increase/decrease of approximately \$16,000 to comprehensive loss. As at October 31, 2018, the Company had \$936,169 (2017 - \$524,624) in current assets and \$1,919,277 (2017 - \$844,073) in current liabilities denominated in South African Rand. A 10% change in exchange rates would cause an increase/decrease of approximately \$31,000 to comprehensive loss.

8. TRADE RECEIVABLES

Trade receivables are unsecured and non-interest bearing and are on terms subject to the specific contract entered into with the customer.

The aging of the trade receivables were as follows as at October 31, 2018 and 2017:

	2018	2017
1-30 days	\$ -	\$ -
30-60 days	-	-
61-90 days	-	-
Greater than 90 days	11,853	9,940
Allowance for doubtful accounts	(8,400)	-
	\$ 3,453	\$ 9,940

In determining the recoverable amount of a trade receivable, the Company performed a risk analysis considering the type and age of the outstanding receivable and the credit worthiness of the counterparties. Based on the account balance greater than 90 days, the Company determined that an impairment allowance of \$8,400 (2017 - \$Nil) was necessary in respect of certain trade receivables. Bad debt expense of \$8,400 (2017 - \$3,300) has been recorded in the Consolidated Statements of Loss and Comprehensive Loss. All other account received balances that are past due are not impaired.

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9. TAXES

The following table shows the components of the current and deferred tax expense:

	2018	2017
Current tax expense	\$ -	\$ (18,042)

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2017 – 27.0%) to the effective tax rates for the year ended October 31 is described below.

	2018	2017
Loss before income taxes	\$ (428,454)	\$ (1,012,039)
Expected income tax recovery	\$ (115,683)	\$ (273,251)
Difference in tax rates between Canada and foreign subsidiaries	1,962	(2,786)
Change in enacted tax rates	105,303	-
Non-deductible expenses	557	41,603
Change in estimates and foreign exchange	1,529	(18,211)
Change in tax benefits not recognized	6,332	234,603
Income tax expense	\$ -	\$ (18,042)

The following table summarizes the components of deferred tax:

	2018	2017
Deferred tax assets		
Non-capital losses carried forward – Canada	\$ 281,535	\$ 342,694
Non-capital losses carried forward – USA	246,729	309,714
Non-capital losses carried forward – South Africa	131,660	33,133
Non-capital losses carried forward – Hong Kong	41,202	35,386
Share issue costs and other	18,217	8,910
Depreciable intangible asset	8,288	9,788
Deferred tax asset not recognized	(727,631)	(739,625)
Net deferred tax asset	\$ -	\$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets and liabilities have not been recognized in respect of the following deductible temporary differences as there is currently insufficient evidence that the deferred tax asset will be recovered.

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(Expressed in United States Dollars)

9. TAXES (continued from previous page)

The company has Canadian non-capital loss carry forwards of \$1,042,724 (2017 - \$1,269,230) and United States non-capital loss carry forwards of \$958,542 (2017 - \$794,139) which begin to expire as follows:

	Canada	USA
2034	\$ 55,575	\$ -
2035	326,484	190,295
2036	284,933	397,585
2037	375,732	206,259
No expiry	-	164,403
	\$ 1,042,724	\$ 958,542

10. RELATED PARTY TRANSACTIONS

- i) The remuneration expense of directors and other members of key management personnel, or companies under their control, during the period was as follows:

	2018	2017
Consulting fees	\$ 202,664	\$ 273,841
Share-based payments	-	127,836
	\$ 202,664	\$ 401,677

- ii) On October 14, 2015, the Company loaned the Chief Executive Officer, who is also a director of the Company \$250,000 CDN to assist with his relocation. The loan carried interest of 5% per annum and was repayable on or before October 14, 2016. As security for repayment of the loan, The Chief Executive Officer's wholly owned company, NovaMeric Pty Ltd. pledged 10,000,000 of its own common shares until the loan and all interest and any other amounts payable until the loan were paid in full to the Company. The loan and accrued interest were repaid during the year ended October 31, 2017.
- iii) During the year ended October 31, 2017, the Chief Executive Officer/Director loaned the Company funds for operations. The loan was non-interest bearing and has no set repayment terms. During the year ended October 31, 2018 the loan balance of \$295,826 (CDN\$380,302) was settled for 2,535,347 shares of the Company.
- iv) During the year ended October 31, 2018, the Chief Executive Officer/Director loaned the Company funds for operations. The amount due to the Chief Executive Officer/Director on October 31, 2018 was \$33,386. The loan was non-interest bearing and had no set repayment terms. Subsequent to year end this amount was paid in full.

NOVATEQNI CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11. GEOGRAPHICAL SEGMENTED INFORMATION

The Company's primary business is the provision of technology based solution and supply of related electronic hardware. Novateqni Corporation provides finance and management, Novateqni Hong Kong provides logistics and parts ordering services, Novateqni South Africa provides development and execution of projects and Novateqni USA provides management and design support, which all work together to complete a contract. All together the group is considered to be one operating segment. Sales can occur out of all of the entities and the determination of which entity would carry out the sale is dependent on the customer.

The tables below present the sales to external customers for the years ended October 31, 2018 and 2017 and the total non-current assets attributable to the Company's geographical segments. Revenues from external customers are attributed to an individual foreign country based on the end user and when they are considered material.

	2018	2017
Sales to external customers:		
Country of domicile		
South Africa	\$ -	\$ 1,637
Central African Republic	-	13,391
Malawi	44,162	236,316
Burkina Faso	2,388,321	-
Liberia	-	1,445,436
Lesotho	59,514	-
USA	2,500	-
	\$ 2,494,497	\$ 1,696,782

	2018	2017
Total non-current assets:		
China	-	2,537
South Africa	-	2,085
	\$ -	\$ 4,622

12. COMMITMENTS AND CONTINGENCIES

The Company is committed to operating lease payments totaling 104,714 South African Rand (\$7,117) for its Stellenbosch office. The lease expires March 31, 2019. In addition, the Company is committed to operating lease payments totaling 729,638 South Africa Rand (\$49,589) for its office in Johannesburg. The lease expires March 31, 2020. The operating lease payments for the Company's next three fiscal years are as follows:

2018	\$ 8,296
2019	39,419
2020	8,991
	\$ 56,706

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(Expressed in United States Dollars)

13. CAPITAL DISCLOSURES

The Company's capital is composed of cash and shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available in order to support the development of its technology based solutions. In order to carry out the expansion of the Company's product lines and pay for administrative costs, the Company may spend its existing working capital and may raise additional amounts as needed. The Company is not subject to any externally imposed capital requirements.

14. ECONOMIC DEPENDENCE

The Company's revenue was earned primarily from one major customer in 2018. The one customer comprised 96% of total revenue. All revenues were generated out of the Company's only operating segment.

15. SUBSEQUENT EVENT

On December 24, 2018, the Company announced that it was transferring all of its subsidiaries to its former President in order to return to an outsourcing model for fulfilling sales and carrying out development. These subsidiaries were part of the Company's one operating segment (note 11). Novateqni USA and Novateqni South Africa (Pty) Limited were being transferred with an effective date of November 1, 2018 and Novateqni Hong Kong Limited was transferred with an effective date of January 1, 2019 for no consideration. The Company is in the process of transferring its two long term awards to Novateqni South Africa in exchange for a 5% royalty on sales and is also in the process of transferring the remainder of its Burkina Faso contract to Novateqni South Africa (Pty) Limited. The transfer of the contract will eliminate any warranty or service and support requirements of the Company. Any additional sales under the Burkina Faso contract will also earn the Company 5% royalty on sales. No additional sales are anticipated at this time. The financial effect cannot be estimated at this time.

Subsequent to year-end the former President and associated Company, NovaMeric South Africa disposed of all their interest in the Company, therefore NovaMeric South Africa is no longer considered the ultimate parent of Novateqni Corporation. In addition, a total of 750,000 stock options were forfeited, of which 525,000 were exercisable at CDN\$0.37 until November 11, 2019 and 225,000 were exercisable at CDN\$0.25 until February 21, 2022.

CERTIFICATE OF TRENCH SOLUTIONS INC.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Trench Solutions Inc. (“**Trench Solutions**”), assuming completion of the Transaction (as that term is defined in the Filing Statement of Trench Solutions dated October 26, 2020).

DATED October 26, 2020

/signed/ “Simon Cheng”

/signed/ “Scott Davis”

Simon Cheng, Chief Executive Officer &
Corporate Secretary

Scott Davis, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF TRENCH SOLUTIONS INC.

/signed/ “Mark Ferguson”

/signed/ “Edward Lyons”

Mark Ferguson, Director

Edward Lyons, Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of the Exchange Form 3D2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to the Form 3D2; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

ON BEHALF OF THE BOARD OF DIRECTORS OF TRENCH SOLUTIONS INC.

/signed/ “Simon Cheng”

Simon Cheng, Chief Executive Officer & Director