

THUNDERSTRUCK RESOURCES LTD.

Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thunderstruck Resources Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Thunderstruck Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020 and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditor's Responsibilities for the Audit of the Consolidated 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has no source of revenue, has limited working capital as at December 31, 2021 and is dependent upon the future receipt of equity financing to maintain its operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on 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. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

In preparing the consolidated 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 audits.

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 auditor's report is G. Cameron Dong.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC
May 2, 2022

THUNDERSTRUCK RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT DECEMBER 31

	2021	2020
	\$	\$
ASSETS		
Current assets		
Cash	57,556	587,797
Amounts receivable (note 3)	18,598	179,421
Prepaid expenses	33,086	106,810
	109,240	874,028
Equipment (note 4)	171,205	277,235
Exploration advances and deposits	133,655	197,782
Exploration and evaluation asset (note 3)	2,154,892	1,854,294
Total Assets	2,568,992	3,203,339
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	155,654	411,266
Lease liabilities (note 5)	128,354	124,129
	284,008	535,395
Lease liabilities (note 5)	46,102	140,152
	330,110	675,547
EQUITY		
Share capital (note 6(b))	5,834,112	5,447,221
Reserves (note 6(e))	938,527	918,205
Deficit	(4,533,757)	(3,837,634)
Total Equity	2,238,882	2,527,792
Total Equity and Liabilities	2,568,992	3,203,339

See accompanying notes to the consolidated financial statements

Nature and continuance of operations (note 1)
Subsequent events (note 11)

Approved by the Board of Directors and authorized for issue on May 2, 2022.

On behalf of the Board:

"Bryce Bradley"

(Director)

"Brien Lundin"

(Director)

THUNDERSTRUCK RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31

	2021	2020
	\$	\$
EXPENSES		
Advertising and promotion	38,101	26,076
Consulting fees	172,600	136,384
Depreciation (note 5)	1,950	1,428
Directors' fees (note 7)	12,000	12,000
Management fees (note 7)	170,000	200,000
Office and miscellaneous	29,898	22,631
Professional fees	115,654	33,143
Rent (note 7)	26,775	11,813
Share-based compensation (note 6(e))	29,754	327,293
Shareholder communication	4,865	31,758
Telephone	6,201	5,879
Travel and accommodation	4,343	17,938
Trust and filing fees	53,975	18,816
Loss from operations	(666,116)	(845,159)
Impairment of exploration deposit	(106,753)	-
Impairment of value-added tax ("VAT") receivable	(9,560)	-
Loss on sale of vehicle	(1,542)	(4,442)
Operator fees (note 3)	32,613	68,440
Write-off of accounts payable	57,753	-
Foreign exchange	11,908	(17,474)
Finance expense (note 5)	(14,426)	(6,603)
Net loss and comprehensive loss for the year	(696,123)	(805,238)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average common shares outstanding	85,956,622	72,657,633

See accompanying notes to the consolidated financial statements

THUNDERSTRUCK RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31

	2021	2020
Cash provided by (used for):	\$	\$
Operating activities		
Loss for the year	(696,123)	(805,238)
Items not involving the use of cash:		
Impairment of exploration deposit	106,753	-
Impairment of VAT receivable	9,560	-
Write-off of accounts payable	(57,753)	-
Operator fees	(32,613)	(68,440)
Share-based compensation	29,754	327,293
Depreciation	1,950	1,428
Loss on sale of vehicle	1,542	4,442
Accrued interest expense	14,426	6,603
Unrealized foreign exchange	(8,587)	(272)
Changes in non-cash operating capital:		
Amounts receivable	79,125	(16,714)
Prepaid expenses	73,724	(83,319)
Accounts payable and accrued liabilities	48,556	(93,153)
Cash used in operating activities	(429,686)	(727,370)
Investing activities		
Purchase of equipment	(24,547)	(3,500)
Proceeds from sale of vehicle	5,570	5,116
Exploration advances and deposits	(22,414)	(150,043)
Exploration advances received	670,000	1,001,066
Exploration and evaluation expenditures	(1,010,959)	(1,224,637)
Cash used in investing activities	(382,350)	(371,998)
Financing activities		
Private placement	319,804	1,200,581
Share issue costs	(21,095)	(31,798)
Options exercised	18,750	3,500
Warrants exercised	60,000	553,975
Lease payments	(95,664)	(64,636)
Cash provided by financing activities	281,795	1,661,622
Change in cash during the year	(530,241)	562,254
Cash, beginning of year	587,797	25,543
Cash, end of the year	57,556	587,797

Supplementary disclosure:

As at December 31, 2021, the Company had \$86,583 (2020 - \$332,998) in exploration expenditures in accounts payable and incurred depreciation expense of \$121,516 (2020 - \$68,519) capitalized to exploration and evaluation assets. The Company issued finders' warrants valued at \$8,865 (2020 - \$nil) (note 6).

See accompanying notes to the consolidated financial statements

THUNDERSTRUCK RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Number of shares	Share capital	Obligation to issue shares	Reserves	Deficit	Total
		\$	\$	\$	\$	\$
December 31, 2019	57,894,752	3,701,649	15,654	594,572	(3,032,396)	1,279,479
Private placement	20,823,207	1,216,235	(15,654)	-	-	1,200,581
Share issue costs	-	(31,798)	-	-	-	(31,798)
Share-based compensation	-	-	-	327,293	-	327,293
Options exercised	50,000	6,934	-	(3,434)	-	3,500
Warrants exercised	5,425,500	554,201	-	(226)	-	553,975
Net loss for the year	-	-	-	-	(805,238)	(805,238)
December 31, 2020	84,193,459	5,447,221	-	918,205	(3,837,634)	2,527,792
Private placement	5,330,066	319,804	-	-	-	319,804
Share issue costs	-	(29,960)	-	8,865	-	(21,095)
Share-based compensation	-	-	-	29,754	-	29,754
Options exercised	250,000	37,047	-	(18,297)	-	18,750
Warrants exercised	600,000	60,000	-	-	-	60,000
Net loss for the year	-	-	-	-	(696,123)	(696,123)
December 31, 2021	90,373,525	5,834,112	-	938,527	(4,533,757)	2,238,882

See accompanying notes to the consolidated financial statements

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. NATURE AND CONTINUANCE OF OPERATIONS

Thunderstruck Resources Ltd. (the "Company") was incorporated under the British Columbia Business Corporations Act on October 27, 2011 and its principal activity is the acquisition and exploration of mineral properties.

The Company's registered office address is Suite 2080 - 777 Hornby Street, Vancouver, BC V6Z 1S4 and its principal place of business is Suite 488 – 1090 West Georgia Street, Vancouver, BC V6E 3V7.

The Company's principal mineral property interest is a project located on the main island of Fiji. The Company is in the process of exploring this project and has yet to determine if the project contains economically recoverable mineral reserves. The Company's continuing operations and the underlying value of the project is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the project, obtaining the necessary permits to mine, future profitable production from any mine and any proceeds from the disposition of the project.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has working capital deficiency of \$174,768 as at December 31, 2021, no source of operating revenue, and is dependent upon the future receipt of equity financing to maintain its operations and to advance its current project. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise additional financing to maintain its working capital. At the present time, there are material uncertainties which cast significant doubt on the ability of the Company to continue as a going concern.

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. It is not possible for the Company to predict the enduring effects of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. The Company continues to adapt to changing travel, health and regional restrictions.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

a) 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 Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Basis of measurement *(continued)*

These consolidated financial statements include the accounts of the Company and its 100% controlled entity, Thunderstruck Limited (a Fijian corporation) (“Thunderstruck Fiji”) and Thunderstruck Fiji’s 100% controlled entity, Aljen (Pacific) Limited (a Fijian corporation).

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of all the entities.

c) Cash

Cash comprises cash holdings in business accounts held at major financial institutions which are available on demand by the Company. As at December 31, 2021 and 2020, the Company does not hold any cash equivalents.

d) Financing costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

e) Use of judgements and estimates

The preparation of these consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following are the most significant accounting judgments and estimates that the Company has made in the preparation of these consolidated financial statements.

Critical judgements in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- The determination that there are no pervasive indicators which would require an impairment provision in connection with the carrying value of the company’s exploration and evaluation assets.
- The determination that the Company will continue as a going concern for the next year.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e) Use of judgements and estimates *(continued)*

Key sources of estimation uncertainty:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Equity-settled transactions with non-employees are recorded at the fair value of the service provided, where this is readily determinable. In other instances, they are recorded at the fair value of the equity instruments issued. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share-based award, volatility and dividend yield and making assumptions about them.

Deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

f) Exploration and evaluation assets

Once a permit to explore an area has been secured, expenditures on exploration and evaluation assets are capitalized to exploration and classified as a non-current asset.

Exploration expenditures relate to the initial search for mineral deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Exploration expenditure costs incurred are included in exploration and evaluation assets and these include any cash consideration and advance earn-in payments and the fair market value of shares issued, if any, related to the mineral property interests. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

All capitalized exploration and evaluation expenditures are monitored for indicators of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an expenditure is not expected to be recovered, it is charged to income.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

h) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxation authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

i) Share capital

The Company records in share capital proceeds from share issuances, net of issuance costs and any tax effects. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the TSX Venture Exchange on the date of the share issuance. Stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method. Under this method, the Company first allocates the proceeds to the shares issued, up to the assessed fair value, the remainder is allocated to the attached warrant.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

j) Share-based payments

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense with a corresponding increase in reserves. Consideration received on the exercise of stock options are recorded as share capital and the related reserve amount is transferred to share capital.

k) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

l) Financial instruments

Financial instruments are recognized on the date on which the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flow from assets have expired or have been transferred and the Company has transferred all the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires. All financial instruments are initially recognized at fair value and measurement in subsequent periods is dependent upon the classification of the financial instrument.

(i) Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as at fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash and receivables are recorded at amortized cost as they meet the required criteria.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l) Financial instruments *(continued)*

(ii) Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

m) Equipment

Depreciation is recognized using the straight-line method at the following rates:

- Vehicle – 25% per annum.
- Computer – 30% per annum.

n) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company have the right to direct the use of the asset.

As a lessee, the Company recognize a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n) Leases *(continued)*

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

3. EXPLORATION AND EVALUATION ASSETS

	Fijian Project, Fiji
	\$
Balance, December 31, 2019	1,570,810
Assay	5,899
Camp costs	221,800
Community relations	44,714
Depreciation (note 4)	68,520
Drilling and site works	335,829
Field office	166,558
Geological	315,097
Management	59,881
Recoveries	(985,125)
Supplies	50,311
Balance, December 31, 2020	1,854,294
Assay	21,593
Camp costs	181,670
Community relations	2,905
Depreciation (note 4)	121,515
Drilling and site works	49,911
Field office	238,614
Geological	145,637
Management	93,234
Recoveries	(565,250)
Supplies	10,769
Balance, December 31, 2021	2,154,892

THUNDERSTRUCK RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

3. EXPLORATION AND EVALUATION ASSETS *(continued)*

Fijian Project, Island of Viti Levu, Fiji

On August 4, 2016, the Company entered into a Share Sale Agreement (the "Agreement") to acquire all of the issued and outstanding shares of Aljen (Pacific) Limited ("Aljen"), a private Fijian company holding legal title to a portfolio of base metal and gold properties located on the island of Viti Levu, Fiji (the "Properties").

Pursuant to the Agreement, the Company paid cash of AUD\$158,000 plus VAT and issued 450,000 common shares of the Company. The Company is required to issue a further 1,000,000 common shares of the Company in the event the Company or its successors either a) identify indicated mineral resources (or better and as prepared in compliance with NI 43-101) containing a minimum of 250,000 ounces of gold or 3,000,000 tonnes of copper, zinc or silver on the Properties; or b) completes a prefeasibility study on the Properties.

The Company is satisfied that evidence of title to the property is adequate and acceptable to prevailing Fijian standards with respect to the current stage of exploration on this property. Although the Company is unaware of any defects in title to its property, no guarantee can be made that none exist.

Joint Venture with Japan Oil, Gas and Metals National Corporation

On February 28, 2019, the Company signed a Letter Agreement (the "Agreement") with Japan Oil, Gas and Metals National Corporation ("JOGMEC"), whereby JOGMEC has the option to earn a 70% ownership interest in a wholly owned subsidiary to be established by the Company under the laws of Fiji ("FijiSub"). Upon completion of the option, JOGMEC would have an indirect interest in the Korokayiu Property (the "Mineral Licence") in Fiji, currently held 100% by Thunderstruck Fiji.

The Agreement granted JOGMEC the option to earn a 70% ownership interest by funding CDN\$3,500,000 of exploration through March 31, 2022, subject to acceleration at JOGMEC's discretion.

In order to earn a 70% interest, JOGMEC was required to complete the exploration requirement as follows:

- 1) Term 1 Program: CDN\$900,000 during the period commencing on February 28, 2019 (the "Effective Date") and ending March 31, 2020. During fiscal 2019, the Term 1 Program was amended to increase funding. During the Term 1 Program, the Company received \$1,449,589. The Term 1 Program funding completed.
- 2) Term 2 Program: CDN\$1,100,000 during the period commencing on April 1, 2020 and ending March 31, 2021. During the Term 2 Program, the Company received \$1,083,027. The Term 2 Program funding completed.
- 3) Term 3 Program: CDN\$1,500,000 during the period commencing April 1, 2021 and ending March 31, 2022. During the Term 3 Program, the Company received \$300,000. Subsequent to December 31, 2021, the Company received an additional \$4,878 toward the Term 3 Program, which is included in accounts receivable as at December 31, 2021.

During the year ended December 31, 2021, the Company recognized a recovery of \$565,250 (2020 - \$985,125) against exploration and evaluation assets and operator fees of \$32,613 (2020 - \$68,440) related to the JOGMEC funding.

During the JOGMEC option period, the Company was the operator for all operations and responsible for the preparation, conduct and oversight of prospecting operations, and the hiring of any third-party consultants.

As at December 31, 2021, JOGMEC surrendered its option to acquire 70% of the Korokayiu prospect. The Company maintains 100% ownership over the Fijian licenses and properties.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

4. EQUIPMENT

	Computers	Vehicles	Right-of-use assets (Vehicles)	Total
Cost				
Balance, December 31, 2019	\$ 3,000	\$ 40,404	\$ 63,993	\$ 107,397
Addition	3,500	-	279,956	283,456
Disposal	-	(13,436)	-	(13,436)
Balance, December 31, 2020	\$ 6,500	\$ 26,968	\$ 343,949	\$ 377,417
Addition	-	24,547	-	24,547
Disposal	-	(26,968)	-	(26,968)
Balance, December 31, 2021	\$ 6,500	\$ 24,547	\$ 343,949	\$ 374,996
Accumulated Depreciation				
Balance, December 31, 2019	\$ 450	\$ 13,094	\$ 20,569	\$ 34,113
Depreciation	1,428	8,959	59,560	69,947
Disposal	-	(3,878)	-	(3,878)
Balance, December 31, 2020	1,878	18,175	80,129	100,182
Depreciation	1,950	3,303	118,212	123,465
Disposal	-	(19,856)	-	(19,856)
Balance, December 31, 2021	\$ 3,828	\$ 1,622	\$ 198,341	\$ 203,791
Net Book Value				
Balance, December 31, 2020	\$ 4,622	\$ 8,793	\$ 263,820	\$ 277,235
Balance, December 31, 2021	\$ 2,672	\$ 22,925	\$ 145,608	\$ 171,205

5. LEASE LIABILITIES

The following is a continuity schedule of lease liability for the years presented:

	December 31, 2021	December 31, 2020
Balance, beginning of the year	\$ 264,281	\$ 42,630
Lease additions in the year	-	279,956
Accrued finance expense	14,426	6,603
Foreign exchange	(8,587)	(272)
Lease payments	(95,664)	(64,636)
Balance, end of the year	\$ 174,456	\$ 264,281
Current (less than one year)	\$ 128,354	\$ 124,129
Long-term	46,102	140,152
Balance, end of the year	\$ 174,456	\$ 264,281

The Company entered into four additional vehicle leases in the year ended December 31, 2020 and has applied an incremental borrowing rate of 7.00%.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

5. LEASE LIABILITIES *(continued)*

The Company's undiscounted lease commitments are as follows:

	\$
2021 (overdue and unpaid)	29,836
2022	102,371
2023	29,742
2024	22,681
Balance, undiscounted lease commitments	184,630

6. SHARE CAPITAL

a) *Authorized share capital*

As at December 31, 2021, the authorized share capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares with no par value.

b) *Issued share capital*

For the year ended December 31, 2021

On October 22, 2021, the Company completed a private placement of 5,330,066 units, at a price of \$0.06 per unit, for gross proceeds of \$319,804. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase a common share at a price of \$0.15 per share until October 22, 2024. The Company paid a total of \$10,595 in finders' fees and issued 176,583 finders' warrants on the same terms as the warrants in the units.

The finders' warrants were valued at \$8,865 using the Black-Scholes inputs as follows: 0.95% risk-free interest rate, volatility of 115.1%, term of 3 years and dividend rate of 0%.

For the year ended December 31, 2020

On January 5, 2020, the Company completed a private placement totalling 3,315,707 units at a \$0.05 per unit, for gross proceeds of \$165,785, of which \$15,564 had been received as at December 31, 2019, with each unit consisting of one common share and one-half of one share purchase warrant. Each warrant entitles the holder to purchase a further common share at a price of \$0.10 per share until January 5, 2023.

On June 24, 2020, the Company completed a private placement totalling 17,507,500 units at a \$0.06 per unit, for gross proceeds of \$1,050,450. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase a further common share at a price of \$0.10 per share until June 24, 2025. The Company paid a total of \$11,520 in finders' fees and incurred other share issuance costs of \$7,500.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

6. SHARE CAPITAL *(continued)*

c) *Share purchase options*

The Company has established a stock option plan for its directors, officers and technical consultants under which the Company may grant options from time to time to acquire a maximum number of common shares of up to 10% of the issued and outstanding Common Shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors. Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company. Unless otherwise stated, the options fully vest when granted.

The following is a summary of the changes in the Company's outstanding stock options:

	December 31, 2021		December 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the year	8,405,000	0.08	4,655,000	0.08
Granted	380,000	0.08	3,950,000	0.09
Exercised	(250,000)	0.08	(50,000)	0.07
Expired/Forfeited	(530,000)	0.08	(150,000)	0.10
Balance, end of the year (1)	8,005,000	0.08	8,405,000	0.08

(1) As at December 31, 2021, the weighted-average remaining contractual life of stock options outstanding is 6.22 years (2020 – 6.98 years).

Summary of stock options outstanding and exercisable at December 31, 2021:

Number Outstanding and Exercisable	Exercise Price	Expiry Date
	\$	
300,000	0.08	June 25, 2023
900,000	0.05	June 25, 2025
150,000	0.05	September 22, 2025
50,000	0.07	December 3, 2025
30,000	0.075	April 16, 2026
1,150,000	0.085	August 26, 2026
300,000	0.10	April 13, 2027
375,000	0.09	September 6, 2027
1,100,000	0.09	March 13, 2028 ⁽¹⁾
200,000	0.055	October 9, 2028 ⁽²⁾
1,150,000	0.07	April 5, 2029 ⁽³⁾
850,000	0.075	January 30, 2030
1,100,000	0.115	September 23, 2030 ⁽⁴⁾
350,000	0.08	February 19, 2031 ⁽⁵⁾
8,005,000		

(1) 200,000 exercised subsequent to the year ended December 31, 2021.

(2) 100,000 exercised subsequent to the year ended December 31, 2021.

(3) 100,000 exercised subsequent to the year ended December 31, 2021.

(4) 200,000 exercised subsequent to the year ended December 31, 2021.

(5) 125,000 exercised subsequent to the year ended December 31, 2021.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

6. SHARE CAPITAL (continued)

d) *Share purchase warrants*

The following is a summary of the changes in the Company's outstanding warrants:

	December 31, 2021		December 31, 2020	
	Number of warrants	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the year	41,768,481	0.13	28,705,127	0.14
Exercised	(600,000)	0.10	(5,325,500)	0.10
Expired	(1,400,000)	0.10	(776,500)	0.12
Granted	2,841,616	0.15	19,165,354	0.10
Balance, end of the year	42,610,097	0.13	41,768,481	0.13

Summary of warrants outstanding as at December 31, 2021:

Number Outstanding	Exercise Price	Expiry Date
	\$	
846,000	0.15	January 28, 2022 ⁽¹⁾⁽²⁾
745,792	0.15	April 5, 2022 ⁽¹⁾⁽²⁾
9,297,500	0.15	September 6, 2022 ⁽¹⁾
1,657,854	0.10	January 5, 2023 ⁽¹⁾⁽³⁾
5,250,000	0.15	March 13, 2023 ⁽¹⁾⁽⁴⁾
2,262,000	0.15	May 25, 2023 ⁽¹⁾
1,250,000	0.15	October 9, 2023 ⁽¹⁾⁽⁴⁾
951,835	0.15	November 9, 2023 ⁽¹⁾⁽⁴⁾
2,841,616	0.15	October 22, 2024
17,507,500	0.10	June 24, 2025
42,610,097		

- (1) The warrants are subject to an accelerated exercise provision such that if the closing price of the Company's common shares exceeds \$0.25 per share for a period of 20 consecutive trading days, the Company may give notice of the acceleration of the warrants' terms to a period of 30 days following such notice.
- (2) Expired subsequent to the year ended December 31, 2021.
- (3) 200,000 exercised subsequent to the year ended December 31, 2021.
- (4) The original expiry dates of these warrants were extended by 24 months.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

6. SHARE CAPITAL *(continued)*

e) *Share-based payment reserve*

During the year ended December 31, 2021, the Company granted the following options:

- 350,000 options with a fair value of \$27,767, or \$0.0793 per option.
- 30,000 options with a fair value of \$1,987, or \$0.0662 per option.

During the year ended December 31, 2020, the Company granted the following options:

- 1,100,000 options with a fair value of \$80,507, or \$0.0732 per option.
- 1,400,000 options with a fair value of \$100,115, or \$0.0715 per option.
- 300,000 options with a fair value of \$18,029, or \$0.0601 per option.
- 1,100,000 options with a fair value of \$125,509, or \$0.1141 per option.
- 50,000 options with a fair value of \$3,133, or \$0.0627 per option.

The following weighted average assumptions were used for the Black Scholes valuation of stock options granted:

	December 31, 2021	December 31, 2020
Risk-free interest rate	1.19%	0.53%
Expected life	9.61 years	6.72 years
Expected volatility	163.48%	151.90%
Dividend rate	0.00%	0.00%

7. RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	2021	2020
	\$	\$
Consulting fees ⁽¹⁾	26,834	14,547
Directors' fees	12,000	12,000
Management fees ⁽²⁾	180,425	200,000
Rent ⁽³⁾	26,775	11,813
Share-based compensation	-	218,281
Shareholder communications	-	25,254
Total key management compensation	246,034	481,895

⁽¹⁾ *Consulting fee include fees for the CFO.*

⁽²⁾ *Management fees include fees for the CEO. \$10,425 was capitalized to exploration and evaluation assets.*

⁽³⁾ *Expenses paid on behalf of the CEO or to a company owned by the CEO per the CEO's consulting agreement.*

As at December 31, 2021, the Company owes various directors and officers of the Company \$8,434 (2020 - \$15,251) for administrative expenses and professional fees provided. All amounts are included in accounts payable and accrued liabilities.

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration and agreed to by the related parties.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

8. CAPITAL MANAGEMENT

The Company's primary objective for managing its capital structure is to maintain financial capacity for the purpose of sustaining the future development of the business and maintaining investor, creditor and market confidence.

The Company considers its capital structure to include shareholders' equity and working capital. To effectively manage its resources and minimize risks, the Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. In the event that adjustments to the capital structure are necessary, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There have been no changes to the Company's approach to capital management during the year.

9. FINANCIAL INSTRUMENT RISKS

Financial instruments

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash, amounting to \$57,556 at December 31, 2021 (2020 - \$587,797). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible. Cash is provided to Fiji on a cash call basis to maintain minimal balances.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company is working to meet its capital requirements to satisfy its obligations. Liquidity will be managed through its Agreement (note 3) and additional financing through debt and/or equity as available.

Foreign Exchange Risk

The Company's has engaged a number of vendors in the pursuit of mineral exploration activities in Fiji. As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and Fijian dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may reduce its foreign currency risk as needed by substituting Canadian vendors as required. Foreign currency risk is considered low relative to the overall financial operating plan.

Interest Rate Risk

The Company has been exposed to interest rate risk on its cash. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments, so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases. As at December 31, 2021, the Company maintained all of its cash balance on deposit in chequing accounts with a major Canadian bank and a major Fijian bank.

Fair Value of Financial Instruments

The Company's cash, amounts receivable, exploration advances, accounts payable and accrued liabilities are carried at amortized cost and approximate fair value due to their short-term nature.

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
Net loss before income taxes for the year	\$ (696,123)	\$ (805,238)
Expected income tax recovery	(187,000)	(216,000)
Permanent differences	94,000	198,000
Items non-deductible for income tax purposes	-	-
Change in unrecognized deductible temporary differences	93,000	18,000
Income tax recovery	\$ -	\$ -

Subject to confirmation with regulatory authorities, deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2021	2020
Deferred tax assets(liability):	\$	\$
Share issue costs	48,000	60,000
Exploration and evaluation assets	12,000	17,000
Non-capital losses carried forward	2,599,000	2,208,000
	2,659,000	2,285,000

The Company has Canadian non-capital losses of approximately \$2,560,000 (2020 - \$2,208,000) which will be available to reduce future taxable income in Canada. The respective non-capital losses will begin to expire in 2032 until 2041.

The Canadian non-capital losses, if not utilized, will expire in the years presented below:

2032	37,000
2033	143,000
2034	265,000
2035	427,000
2036	384,000
2037	418,000
2038	476,000
2040	106,000
2041	304,000
	<u>\$ 2,560,000</u>

THUNDERSTRUCK RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

11. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2021, the Company:

- a) Issued 725,000 common shares for options that were exercised for gross proceeds of \$63,500 (note 6(c)).
- b) Issued 200,000 common shares for warrants that were exercised for gross proceeds of \$20,000 (note 6(d)).
- c) Granted 350,000 stock options at an exercise price of \$0.07 per common share exercisable for a period of 10 years.
- d) Granted 350,000 stock options at an exercise price of \$0.11 per common share exercisable for a period of 10 years.
- e) Granted 600,000 stock options at an exercise price of \$0.115 per common share exercisable for a period of 10 years.
- f) Granted 1,400,000 stock options at an exercise price of \$0.065 per common share exercisable for a period of 5 years.
- g) Granted 2,100,000 stock options at an exercise price of \$0.095 per common share exercisable for a period of 10 years.
- h) Completed a private placement of 35,714,285 units, at a price of \$0.07 per unit, for gross proceeds of \$2,500,000. Each unit consisted of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase a common share at a price of \$0.15 per share until March 8, 2027. The warrants are subject to accelerated exercise provisions such that if the closing price of the Company's common shares exceeds \$0.30 per share for a period of 20 consecutive trading days, the Company may give notice of the acceleration of the warrants' term to a period of 30 days following such notice. No finders' fees were payable in connection with the private placement.